

# 2018 SUSTAINABILITY REPORT

**BOARD STATEMENT**

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# INTRODUCTION

## BOARD STATEMENT

We are pleased to present BreadTalk Group Limited ("BTG")'s third Sustainability Report which seeks to reaffirm our commitment towards sustainability and our stakeholders. As we grow and diversify our business, we are mindful of the importance of managing our Economic, Environmental, Social and Governance ("EESG") impacts with transparent and consistent disclosure.

With the inception of our new business division, 4orh Food Concepts, we remain focused in ensuring food safety and hygiene, improving customer satisfaction and imparting good values to our people. At BTG, we firmly believe that managing our business impacts is imperative in delivering steady and sustainable long-term growth. Our approach towards sustainability enables us to strategically review our performance and provides insights on the business challenges and opportunities ahead.

The Board recognises the importance of sustainability and works closely with Management to manage and monitor EESG matters that have been identified as material to our business and our stakeholders.

As we continue our sustainability journey, we will remain deeply focused in delivering innovative F&B experiences to delight our customers every day.

## OUR PERFORMANCE IN FY2018

<b>PRODUCT PACKAGING</b> <b>Plastic Bags</b> 78% of plastic bags used by Bakery are biodegradable types  <b>Paper Cups</b> Approximately 18,000 paper cups and saved from Bakery's Bring Your Own Cup Promotion and 10,000 thermos flask sold under FR's Go Green Campaign	<b>PRODUCT PACKAGING</b> <b>Paper Cups, Cake and Takeaway Boxes</b> Our paper cups, cake and takeaway boxes are sourced from sustainable forest management FSC & PEFC certified suppliers	Approximately S\$600 million revenue generated for the business
<b>TOTAL ENERGY CONSUMED<sup>1</sup></b>  0.11 kWh/S\$ FY2017: 0.16 kWh/S\$	<b>SCOPE 1 AND 2 EMISSIONS<sup>1</sup></b>  0.05 kg CO <sub>2</sub> e /S\$ FY2017: 0.83 kg CO <sub>2</sub> e /S\$	Tax contribution of approximately S\$ 5.76 million
Awarded <b>AVA Grade "A"</b> for 5 consecutive years – Central Kitchen	<b>ZERO</b> major food safety incidents	<b>EMPLOYEE VOLUNTEERISM</b> All BreadTalk Group staff are entitled to one day of CSR leave every year to participate in a CSR activity of their choice
Signatory to the Employers' Pledge of Fair Employment Practices since 2009		
<b>HUMAN CAPITAL PARTNER</b> Appointed as an HCPartner in 2017 for our strong local-foreign complementarity and nurturing our employees through various human capital development programmes	<b>SKILLSFUTURE EMPLOYER AWARD</b> Through investment in employee development and training, we uphold our commitment and support towards the SkillsFuture Initiatives	Hiring and integrating persons with disabilities into BreadTalk conferred us with the <b>ENABLING EMPLOYERS AWARD</b>

<sup>1</sup> Total energy consumed and carbon emissions in FY2018 comprises of four divisions (Bakery, Food Atrium, Restaurants and 4orh Food Concepts). FY2017 values comprises of three divisions (Bakery, Food Atrium and Restaurants).

The grid emission factor used for FY2018 is obtained from the "2018 Singapore Energy Statistics" published by the Energy Market Authority of Singapore in 2018.



# INTRODUCTION

## ABOUT THE REPORT

This third sustainability report has been prepared in accordance with the SGX-ST Mainboard Listing Rule 711(B), the Global Reporting Initiative ("GRI") Standards – Core level, and the GRI Food Processing Sector Supplement. We have chosen to report using the GRI Standards primarily because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures; secondly, the structured framework promotes reporting a full and balanced picture of BTG's material matters and the management of its impacts.

This year, the reporting scope has expanded to include our fourth business division – 4orath Food Concepts comprising Sō ramen restaurants in addition to our three divisions – Bakery, Food Atriums and Restaurants. Sustainability performance data presented in this report covers the period of 1 January to 31 December 2018 ("FY2018"), with FY2017 performance included for comparison, where possible.

As we expand our operations, we endeavour to progressively include other brands and our global operations.

We have not sought external assurance for this reporting period, and will reconsider this as our reporting matures over time.

## REPORTING SCOPE

LEGAL ENTITIES	GEOGRAPHICAL SCOPE	OPERATIONS	BRANDS	REMARKS
<b>Bakery Division<sup>2</sup></b>				
BreadTalk Pte Ltd	Singapore	Direct-Operated Stores ("DOS"), Central Kitchen ("CK")	BreadTalk, Toast Box, The Icing Room, Bread Society, Buzzzi Nook	
Thye Moh Chan Pte Ltd	Singapore	DOS/ CK	Thye Moh Chan	
BreadTalk Pte Ltd	Singapore	CK	Buzzi Nook	Not included in customer satisfaction and environment data
<b>Food Atrium Division</b>				
Food Republic Pte Ltd	Singapore	DOS/ Tenants	Food Republic	
<b>Restaurant Division</b>				
Taster Food Pte Ltd	Singapore	DOS / CK	Din Tai Fung	
<b>4orath Division</b>				
Ramen Play Pte Ltd	Singapore	DOS / CK	Sō Ramen	

<sup>2</sup> Environmental data (i.e. electricity usage) under Queens Coffee Private Limited ("QCPL") will be included in this report but not disclosed as an entity as it forms part of Breadtalk's supply chain which is not directly sold to our customers.



# CORPORATE PROFILE

## GENERAL INFORMATION



### BAKERY



### RESTAURANT



### 4ORTH



### FOOD ATRIUM



# CORPORATE PROFILE

## OUR PEOPLE

With a global staff strength of 7,000 employees, our workforce is one of the key ingredients for our success as an organisation. We continue to adopt a three-pronged approach to ensure that our workforce remains robust.

FIGURE 1: HR'S THREE-PRONGED APPROACH



In our Singapore operations, there were no significant changes in the profile of our workforce in FY2018.

FIGURE 2: OUR WORKFORCE IN SINGAPORE BY EMPLOYMENT CATEGORY BY GENDER

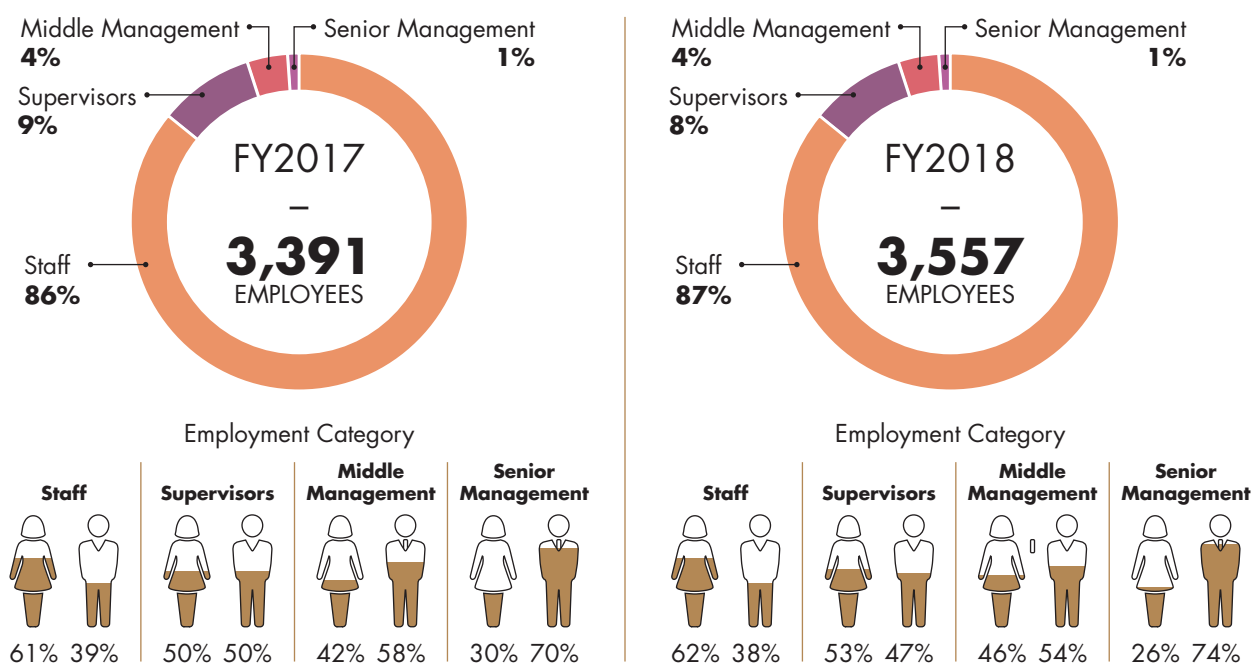


FIGURE 3: OUR WORKFORCE IN SINGAPORE BY EMPLOYMENT CONTRACT BY GENDER

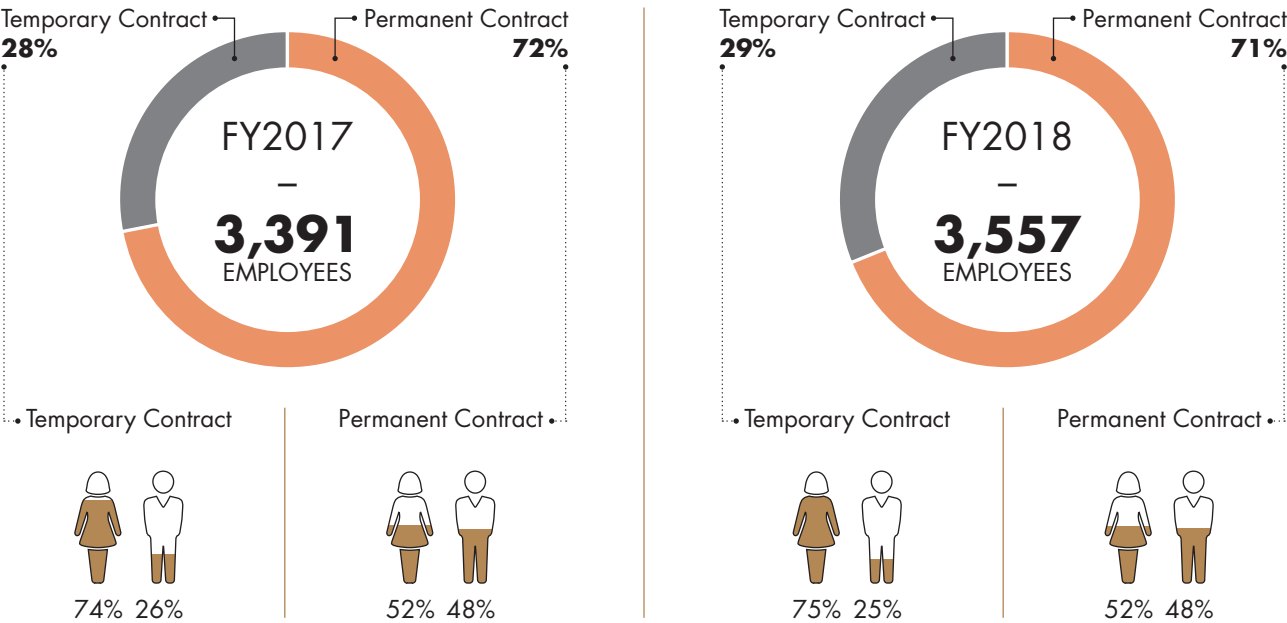
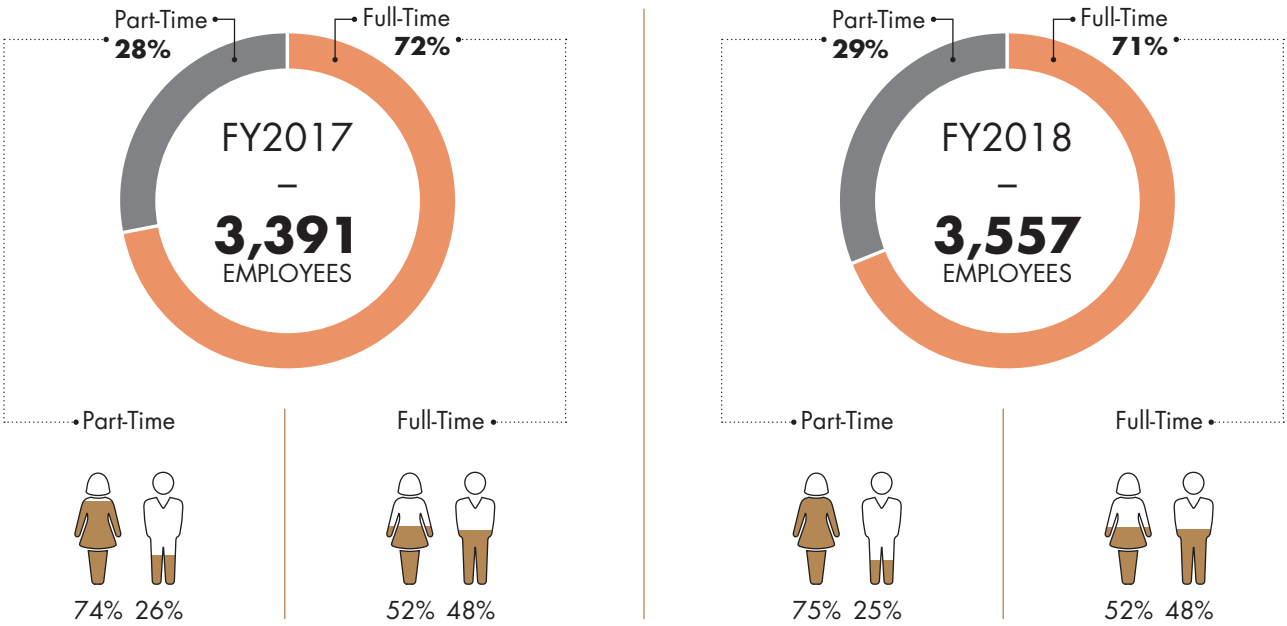


FIGURE 4: OUR WORKFORCE IN SINGAPORE BY EMPLOYMENT TYPE BY GENDER



# CORPORATE PROFILE

## OUR SUPPLY CHAIN

In December 2017, BTG announced a new partnership with renowned 115-year-old Japanese trading company, Shinmei Co Ltd to centralise BTG's global procurement and supply chain efforts. The joint venture will oversee the sourcing, procurement and supply of BTG's key raw materials and ingredients such as flour, rice, sugar dairy, seafood and product packaging.

All our suppliers must undergo a screening process which includes the following aspects:

- Basic financial soundness background check
- Assessment on its relevance of its product portfolio
- Assessment of whether the volume we require matches the profile of the supplier
- Ensure that they are licensed, AVA-approved suppliers

We currently have about 400 suppliers, 90% of whom are local suppliers.

## EXTERNAL ENDORSEMENTS

BTG is a signatory to several local initiatives such as SG Enable and SkillsFuture. BTG is also a Human Capital Partner under the Tripartite Alliance for Fair & Progressive Employment Practices. Our brand Din Tai Fung also clinched the Gold Award at the Excellent Service Award (EXSA) 2018, which supported by Enterprise Singapore as well as the Trusted Brand 2018 Gold Award in the Family Restaurant category. BTG is also a member of the Restaurant Association of Singapore.



# OUR SUSTAINABILITY APPROACH


## OUR SUPPLY CHAIN

Consistently delivering unique dining experiences to our customers, we push boundaries with our wide array of innovative culinary concepts across our Bakery, Food Atrium, Restaurant, and 4or<sup>th</sup> Food Concepts divisions. As we journey towards greater heights, we continue to place customers at the heart of our business with excellent service and products.



Understanding the importance of upholding exacting standards across our brands, we constantly seek to share our knowledge and replicate our success across the divisions.





## STAKEHOLDER ENGAGEMENT

At BTG, we believe that responding to rapidly changing stakeholder interests is critical in sustaining our growth. Since the opening of our first BreadTalk outlet at Bugis Junction in 2000 up until today, we remain deeply committed to actively engaging and fostering relationships with our key stakeholders. This allows us to better understand their needs and effectively respond through reinventing and pioneering new dining experiences. As we make our mark in new markets, our approach is always to start a conversation with our key stakeholders as the initial step.

Stakeholder Groups	Key Concerns/ Interests Raised by Stakeholders	Our Response	Methods of Engagement	Frequency of Engagement
<b>Customers and Business Partners (Franchisees)</b>  	<ul style="list-style-type: none"> <li>Food safety and hygiene at all outlets</li> <li>Customer service and product quality</li> <li>Transparency in food labelling</li> <li>Innovating products to meet and surpass market demands</li> <li>Sustaining growing customer brand loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Conduct internal and independent third party checks on food safety and labelling</li> <li>Regular launch of new product offerings and innovative outlet concepts</li> <li>Foster brand loyalty via improving customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Dedicated Customer Experience Department ("CED") to effectively manage customer relations and feedback</li> <li>Frontline interaction at stores</li> <li>Timely response on feedback received across all channels</li> </ul>	Daily
			<ul style="list-style-type: none"> <li>Advertising and media relations through mainstream and digital avenues (i.e. social media campaigns)</li> <li>Train franchisees to be familiar with Standard Operating Procedures ("SOPs")</li> </ul>	Periodic
			<ul style="list-style-type: none"> <li>In-house training on customer service for all staff (including tenants and cleaners)</li> </ul>	Quarterly

# OUR SUSTAINABILITY APPROACH

Stakeholder Groups	Key Concerns/ Interests Raised by Stakeholders	Our Response	Methods of Engagement	Frequency of Engagement
<b>Employees (Including Contract Employees)</b> 	<ul style="list-style-type: none"> <li>Consistent engagement in areas such as remuneration, training, development, career advancement opportunities and R&amp;D on existing new product mix</li> <li>Adequate training on food hygiene and workplace safety</li> <li>Ability to effectively manage customer relations and deliver customer service, basic food hygiene and workplace safety</li> </ul>	<ul style="list-style-type: none"> <li>All employees undergo a series of in-house training modules and Workforce Skills Qualifications ("WSQ") Training modules to equip staff with basic knowledge in food hygiene and workplace safety before commencement of work.</li> <li>Conduct performance evaluations, and give rewards tied to performance and contributions</li> <li>Conduct focus groups with employees, with company-wide engagement survey to gather employee feedback</li> <li>Review meetings with supervisors and managers across divisions</li> <li>Talent management framework to attract and retain top talent</li> </ul>	<ul style="list-style-type: none"> <li>VOICE Employee Engagement Survey</li> </ul>	Every two years
			<ul style="list-style-type: none"> <li>Induction and orientation program</li> <li>Comprehensive trainings</li> <li>Bi-annual Town Halls</li> <li>Team bonding sessions</li> </ul>	As and when required
			<ul style="list-style-type: none"> <li>Service evaluation, performance appraisal and staff recognition</li> </ul>	Monthly (Bakery) Bi-monthly (FR) Yearly (DTF) Quarterly (4orth)
			<ul style="list-style-type: none"> <li>Feedback and review sessions with Operations (managerial level)</li> </ul>	Monthly (Bakery, FR, 4orth) Daily (DTF)
			<ul style="list-style-type: none"> <li>Focus group discussions at various FR and DTF outlets</li> </ul>	Weekly (FR) Monthly (DTF)
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Positive relationship management through communication and mutual understanding so that expectations (i.e. timely delivery of goods, prompt payment cycles) are properly communicated and understood at both ends</li> </ul>	<ul style="list-style-type: none"> <li>Deliverables are monitored closely by respective procurement departments</li> <li>Communicate and provide timely feedback regarding suppliers' services and products</li> <li>Ensure that the supplier's business is performing and complying with contract terms for timely payment</li> </ul>	<ul style="list-style-type: none"> <li>Supplier audit</li> <li>Corrective &amp; Preventive Actions Report ("CPAR")</li> </ul>	At least yearly
			<ul style="list-style-type: none"> <li>Introduction of new suppliers</li> <li>Calls and email correspondence prior to selection of suppliers</li> <li>Meetings with approved suppliers to review feedback and performance</li> </ul>	Ongoing

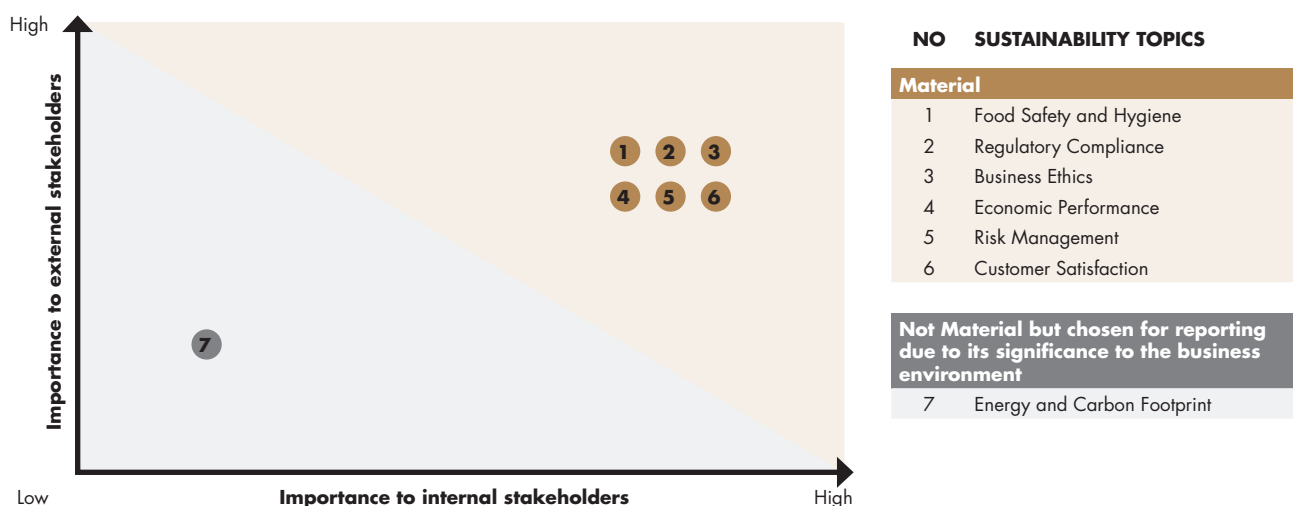
Stakeholder Groups	Key Concerns/ Interests Raised by Stakeholders	Our Response	Methods of Engagement	Frequency of Engagement
<b>Investors</b> 	<ul style="list-style-type: none"> <li>• Business growth strategy of the Group</li> <li>• Deliver business performance plans and achieve sustainable returns</li> <li>• Prudent capital management and stable financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Two-pronged strategy – consolidating existing business portfolios while identifying new joint venture opportunities– for higher earnings growth</li> </ul>	• Annual General Meeting ("AGM")	Yearly
			• Corporate announcements	Quarterly
			• Investor meetings	Ongoing
			• Results briefing • Tele-conferences • Roadshows for investors	
<b>Media</b> 	<ul style="list-style-type: none"> <li>• Transparency and sharing of BTG's contributions in community outreach programmes towards Youth and Arts &amp; Culture</li> </ul>	<ul style="list-style-type: none"> <li>• Timely and detailed press release and follow-up of major events</li> <li>• Media engagement during product launch or through innovative retail concepts</li> <li>• Combined use of digital and mainstream media to spread awareness of CSR events</li> </ul>	• Corporate announcements	Quarterly
			• Press conference • Marketing / product launch events	Ongoing
			• CSR activities	Bi-annually
<b>Government institutions</b> 	<ul style="list-style-type: none"> <li>• Group-wide compliance to food safety standards set by the government (e.g. National Environmental Agency ("NEA"), Agri-Food and Veterinary Authority of Singapore ("AVA"), China Food Drugs Administration)</li> <li>• Economic contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Uphold health and safety standards by having layers of internal checks</li> <li>• Contribution towards nation building through payment of taxes and boosting employment (i.e. creation of direct and indirect jobs)</li> </ul>	• Spot checks by across all outlets and Central Kitchen • Implementation of self-evaluation through checklists at stall fronts	Daily
			• Mandatory training to raise awareness of requirements and to ensure compliance	Quarterly
<b>Communities</b> 	<ul style="list-style-type: none"> <li>• Support by BTG for the community</li> <li>• Management of direct and indirect impacts on community</li> <li>• Work-life requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Monetary and non-monetary contributions to the needy, youth and arts &amp; culture</li> <li>• Encourage and build a culture of employee volunteerism</li> <li>• Inculcating lifestyle perks at work in BTG IHQ – a strong mix of our food brands, convenience and lifestyle</li> </ul>	• Sponsorships • Corporate donations	Periodic
			• Employee volunteerism	Bi-annually
			• Dedication of one day towards CSR activity of employee's choice	One day in a year

# OUR SUSTAINABILITY APPROACH

## MATERIALITY ASSESSMENT

Since we started the business in 2000, BTG has been committed to offering innovative products that meet and satisfy stakeholder and market demands. By focusing our resources on critical aspects of our business, we have managed to sustain and improve our brands across all divisions. In our sustainability journey, we continue to implement this approach by identifying six critical focus areas that have significant in EESG impacts. Figure 5 provides the detail of our materiality assessment process and our six critical EESG focus areas.

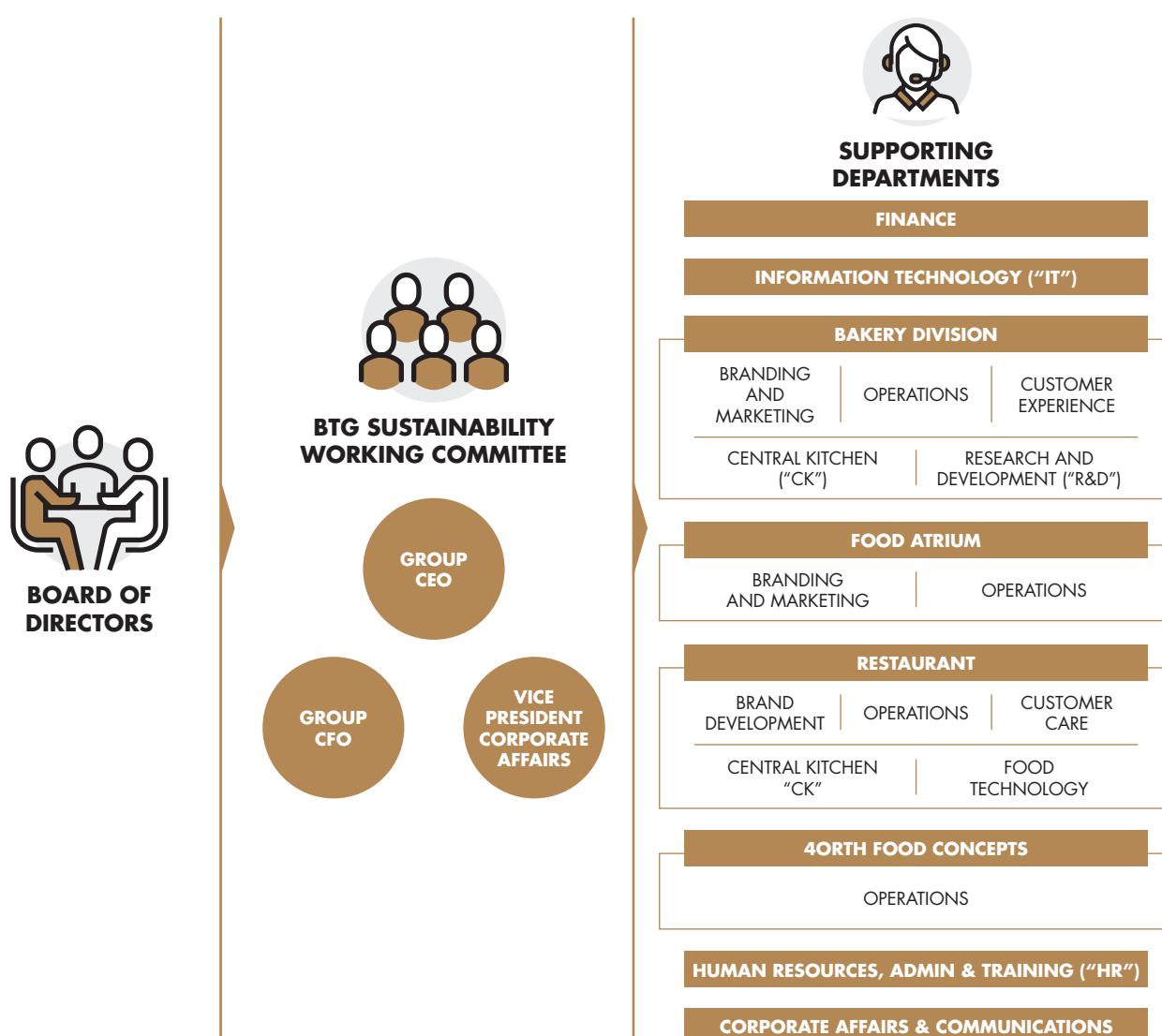
FIGURE 5: MATERIALITY ASSESSMENT PROCESS AND SIX CRITICAL EESG FOCUS AREAS



## SUSTAINABILITY GOVERNANCE

Since 2016, BTG has a Sustainability Working Committee ("SWC") that oversees all sustainability-related matters at BTG. The SWC is supported by the four divisions as well as departments such as Corporate Affairs & Communications, Human Resource, Admin & Training ("HR"), Finance and Information Technology ("IT"). The SWC also reports to BTG's Board of Directors annually, or when the need arises.

FIGURE 6: SUSTAINABILITY GOVERNANCE AT BTG



# CORPORATE LEVEL TOPICS

## ECONOMIC PERFORMANCE

In 2018, we continued the strong momentum of growing our portfolio of brands through a series of joint ventures and partnerships. Our portfolio of brands increased by three to 12. The Bakery division re-entered key markets such as India as well as key cities such as Chongqing, China with newly appointed franchisee partners. We brought Toast Box to consumers in Indonesia with a local partner. Our Food Atrium division continues to perform well, expanding into a new market – Cambodia.

Revenue streams were diversified and the 'Sergeant Kitchen' branding was strengthened through opening more 'Direct Operated Restaurants' ("DOR") in the process.

Our Restaurant division opened the first Din Tai Fung flagship store in Covent Garden, London and concurrently deepened our presence in Thailand. Last but not least, the 4orh Food Concepts division added new growth engines to the Group with a versatile spectrum of well-known


F&B brands including Song Fa Bak Kut Teh, Nayuki, TaiGai and Wu Pao Chun Bakery. Our strategy of quality expansion will continue in FY2019.

On top of expanding revenue streams by capturing new markets, we have also continued to be conscious of keeping costs to a minimum. One way we have done this is through a joint venture with Shinmei Co Ltd as mentioned in the "Our Supply Chain" section on Page 6.


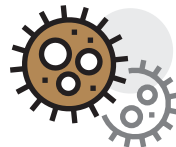

## RISK MANAGEMENT

While BreadTalk continues to grow and make its mark across the world, we are faced with potential risks on the EESG fronts. However, with proper identification and management of these risks, they can present many opportunities.

BTG has implemented sound business strategies, systems and procedures to collectively manage risks in our organisation. Regular assessment and review of BTG's business and operational environment aligns us with market standards and best practices, enabling us to confidently go the extra mile to serve our customers better.

TYPES OF RISKS	CAUSES	TARGETS	PRACTICES	PERFORMANCE
<b>Fraud Risk</b> 	<ul style="list-style-type: none"> <li>• Lack of standard operating procedures ("SOPs")</li> <li>• Lack of controls such as segregation of duties</li> </ul>	Zero significant reported cases of misconduct	<ul style="list-style-type: none"> <li>• Staff training and awareness on code of conduct, guidelines on charitable donations and sponsorships, and policies</li> <li>• Internal and external audit on riskier processes</li> <li>• Cashless payments methods</li> <li>• Please see Page 14 under Business Ethics for more details</li> </ul>	Zero reported cases of misconduct



TYPES OF RISKS	CAUSES	TARGETS	PRACTICES	PERFORMANCE
<b>Reputation Risk</b> 	<ul style="list-style-type: none"> <li>• Inappropriate marketing strategy</li> <li>• Negative media resulting from food safety and hygiene and/or customer dissatisfaction</li> </ul>	<p>Please see Page 26 under Customer Satisfaction for more details</p>	<ul style="list-style-type: none"> <li>• Appointment of a marketing and public relations consultant to monitor customer feedback and manage public communications on a timely basis</li> <li>• Please see Page 26 under Customer Satisfaction for more details</li> </ul>	<p>Please see Page 26 under Customer Satisfaction for more details</p>
<b>Food Safety and Hygiene Risk</b> 	<ul style="list-style-type: none"> <li>• Lack of awareness of SOPs to guide employees</li> <li>• Non-compliance with established policies and procedures</li> </ul>	<p>Please see Page 17 under "Food Safety and Hygiene" for more details</p>	<ul style="list-style-type: none"> <li>• Staff training and awareness</li> <li>• Quality, Service, and Cleanliness ("QSC") audits</li> <li>• Quality Assurance ("QA")</li> <li>• Please see Page 17 under "Food Safety and Hygiene" for more details</li> </ul>	<p>Please see Page 17 under Food Safety and Hygiene for more details</p>
<b>Supply Chain Risk</b> 	<ul style="list-style-type: none"> <li>• Lack of contingencies or alternative solutions</li> <li>• Disruption to supply of goods</li> <li>• Non-compliance in suppliers</li> <li>• Natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>• To minimise out-of-stock occurrences per month per item</li> <li>• To reduce variance in unit cost per month</li> </ul>	<ul style="list-style-type: none"> <li>• Having a primary and secondary supplier for key ingredients</li> <li>• Conducting quarterly projections for key ingredients</li> <li>• Have a supplier database of alternative suppliers</li> <li>• Have yearly trade agreement prices for as many products as possible</li> </ul>	<p>Please see Page 6 under Supply Chain for more details</p>

# CORPORATE LEVEL TOPICS

## BUSINESS ETHICS

Business ethics is critical to building trust with our stakeholders and we expect all our employees to demonstrate personal and professional integrity by conducting business in an ethical manner. We have in place several policies (Figure 7) to govern the behaviour and actions taken by our employees.

FIGURE 7: BTG'S VALUES AND STANDARDS

POLICY	
<b>Code of Conduct</b>	<ul style="list-style-type: none"> <li>Ethical framework that defines the standards of integrity and ethics expected of all employees and serves to guide employees in their decision-making during the course of business</li> </ul>
<b>Whistle-Blowing Policy</b>	<ul style="list-style-type: none"> <li>Mechanism accessible by all internal and external stakeholders to report concerns or any suspected wrongful acts</li> </ul>
<b>Entertainment Gift Policy</b>	<ul style="list-style-type: none"> <li>Guideline for giving and accepting business-related gifts and entertainment</li> </ul>
<b>Gifting Policy</b>	<ul style="list-style-type: none"> <li>Guideline on the giving of gifts to employees</li> </ul>
<b>Procedure for Claims</b>	<ul style="list-style-type: none"> <li>Sets out claims which are permissible and the procedures for processing claims</li> </ul>
<b>Interested Person Transaction ("IPT") Policy</b>	<ul style="list-style-type: none"> <li>Guideline to ensure that all transactions with an interested party are at arm's length</li> </ul>
<b>Charitable Donations and Sponsorship</b>	<ul style="list-style-type: none"> <li>Guideline to ensure that donations made in the Company's name are approved by Management</li> </ul>
<b>Management of Disciplinary Policies</b>	<ul style="list-style-type: none"> <li>Guideline on what the organisation considers wrongful acts as well as the procedure to resolve these cases and administer disciplinary action in the event of misconduct</li> </ul>

All policies are made known to all employees during the on-boarding process. These policies are regularly reviewed and updated as and when required. The Gifting Policy was established in 2018 to provide a protocol on the giving of gifts to employees. The procedures for claims reimbursement was also updated in 2018 to provide more clarity on the personnel and items that are eligible to be submitted as claims. In 2019, we plan to roll out an Employee Grievance Handling Policy.

TARGET	PERFORMANCE FOR FY2018
<b>Zero significant reported cases of misconduct</b>	Achieved
<b>Zero corruption cases</b>	Achieved

## REGULATORY COMPLIANCE

At BTG, we strive to comply with all applicable laws and regulations without exception. In Figure 8, we have included a list of the main regulators as well as relevant regulations that are most pertinent to our business operations.

FIGURE 8: LIST OF RELEVANT REGULATORS AND REGULATIONS

REGULATORS	REGULATIONS
<b>Singapore Exchange ("SGX")</b>	<ul style="list-style-type: none"> <li>Exchange Listing Rules</li> <li>Companies Act</li> </ul>
<b>National Environment Agency ("NEA")</b>	<ul style="list-style-type: none"> <li>Code of Practice of Environmental Health ("COPEH") – Food Shop License</li> </ul>
<b>The Majlis Ugama Islam Singapura ("MUIS") - Islamic Religious Council of Singapore for Halal certification<sup>3</sup></b>	<ul style="list-style-type: none"> <li>Administration of Muslim Law Act</li> </ul>
<b>Ministry of Manpower ("MOM")</b>	<ul style="list-style-type: none"> <li>Employment Act</li> <li>Employment Claims Act</li> <li>Employment (Part-Time Employees) Regulations 1996</li> </ul>

In order to achieve this, we have in place several levels of controls to prevent, detect as well as correct any instance of non-compliance. As we are a labour-intensive organisation, every one of our employees plays a role towards ensuring our compliance. The controls we have in place include regular communication to our employees, internal audits and having a rigorous training programme in place. More details on the various types of controls in place to manage compliance with NEA and MOM regulations can be found in Figure 9 and Figure 10 respectively.

FIGURE 9: COMPLIANCE CONTROLS FOR NEA REGULATIONS

CONTROLS	
<b>Audits</b>	Quality, Service, and Cleanliness ("QSC") audits are conducted regularly by the various divisions to ensure hygiene requirements are met.
<b>Trainings</b>	<p>BTG is an Approved Training Organisation ("ATO") with SkillsFuture Singapore and conducts its WSQ courses in-house.</p> <p>The WSQ Basic Food Hygiene Course covers content as required by NEA and are tailored to BTG's business context. The course is mandated for all food-handling staff to equip them with the necessary knowledge and skill sets required in handling food. Staff have to be certified as "Competent" before they are allowed to commence work.</p> <p>BTG has 14 in-house Advanced Certificate in Training and Assessment ("ACTA") qualified trainers to conduct the WSQ course and the compulsory refresher trainings five years after passing the course and subsequently every ten years upon completing the refresher course. This is more frequent than the local industry average.</p> <p>BTG also organises supplementary in-house training to equip store personnel with skills to upkeep store hygiene and enhance knowledge on products, including their shelf life.</p>
<b>Disciplinary Actions</b>	Deduction of allowance for outlet employees who fail to meet the minimum requirements.

3 Where applicable.

# CORPORATE LEVEL TOPICS

FIGURE 10: COMPLIANCE CONTROLS FOR MOM REGULATIONS

CONTROLS	
<b>Communications</b>	Regular communications are sent to our line managers and workers to inform them of their benefits, including annual and medical leave entitlements as well as allowable work hours.  With regard to housing standards, all foreign employees must acknowledge the housing standards when signing their appointment letter. Subsequently, monthly reminders are sent out to the employees, through emails and SMS, on the acceptable housing rules and to update their addresses.
<b>Audits</b>	House visits are conducted randomly to ensure that employees meet the conditions for proper housing and that employees are staying at the addresses they have declared.

## PERFORMANCE

TARGET	PERFORMANCE FOR FY2018
Zero non-compliance across our operations <sup>4</sup> every year	Did not achieve, refer to writeup for more details

During the year, we recorded one instance of non-compliance with MOM due to our employees being found in an unsuitable accommodation. The situation was immediately rectified by re-housing the employees into appropriate accommodation upon notification from MOM. We will continue to maintain our communication channels to employees on the acceptable housing rules as well as conduct random house visits.


We also received five fines amounting to \$1,600, and three warnings from the NEA in FY2018. These fines and warnings were unrelated to hygiene requirements for food retail establishments. In response to the instances of non-compliance, we have carried some renovation works, engaged pest controllers and stepped up our internal checks.

<sup>4</sup> In 2018, only direct-operated stores ("DOS") performance will be included. Fines are issued directly to individual stall tenants. Moving forward, FR will look at monitoring the number and types of fines tenants receive. This can include timely and mandatory reporting of fine/warning received to FR Management consuming food items produced by the Central Kitchen supplying to Bakery Division outlets.

# DIVISION LEVEL TOPICS

## FOOD SAFETY AND HYGIENE

### BAKERY DIVISION

CONTROLS	
<b>Procurement</b>	<b>Managed by: Bakery's Procurement Team</b>
	<p>We only source from licensed, AVA-approved suppliers and prioritise suppliers with at least an AVA "B" grade and an ISO 22000 certification or equivalent.</p> <p>When we are looking to purchase a new ingredient for our products, we conduct a "New Ingredient Analysis Procedure" that involves obtaining approvals from both our Quality Assurance and Research &amp; Development teams.</p>
<b>Logistics</b>	<b>Managed by: Bakery's Logistics Team</b>
	<p>In order to guarantee the quality and freshness of our ingredients:</p> <ul style="list-style-type: none"> <li>• We adopt a First-Expired-First-Out ("FEFO") approach</li> <li>• We pack our ingredients in specific units of measurements based on usage patterns</li> <li>• We have a cold chain system in the warehouse</li> </ul>
<b>Operations</b>	<b>Managed by: Bakery's Operations Team</b>
	<p><b>Central Kitchen ("CK")</b> Our CK operates in accordance with the Good Manufacturing Practice ("GMP") and is ISO 22000 certified.</p> <p>We also constantly look for opportunities to further improve our food safety and hygiene. Below are two initiatives we have implemented during the year:</p> <ol style="list-style-type: none"> <li>1. We purchased a spiral blast freezer that decreases the number of human touch points, as staff no longer need to manually transfer the dough into the freezer rooms. On top of improving our efficiency, it has also improved the consistency and quality of our products.</li> <li>2. Instead of shaping the dough at the outlet, we now shape the dough at Central Kitchen and freeze it before sending it to the outlets where simply need to be thawed and baked. This allows for greater control over the quality of our products as well as improved productivity due to the reduced number of employees required at the outlets.</li> </ol> <p><b>Storefront</b> All outlet employees have to obtain a Statement of Attainment ("SOA") for our in-house Mandatory Basic Food Hygiene course before they are allowed to work at the outlet.</p> 

# DIVISION LEVEL TOPICS

CONTROLS	
<b>Quality Assurance</b>	<b><i>Managed by: Bakery's Operations Team and Quality Management Team</i></b>
	<p><b>Checks</b> On a day-to-day basis, the outlet staff and Area Operations Manager will inspect their respective stores using BTG's Quality, Service and Cleanliness ("QSC") guidelines.</p> <p><b>Audits</b> We have a Quality Assurance ("QA") team comprising of certified Food Hygiene Officers ("FHO") and staff who are trained in Food Science &amp; Technology. The QA team works with other departments to conduct safety and hygiene audits on our CK as well as outlets. When there are instances of non-compliances or complaints from customers, the QA team will investigate to identify the root cause and come up with preventive and corrective actions to ensure that the same issue does not occur again. The QA team conducts food hygiene and safety audits at the outlets every six months and the top five performing outlets are rewarded for their good performance.</p> <p>External audits are also conducted by a third-party certification body on our CK for our ISO 22000 certification, as well as by Agri-Food and Veterinary Authority of Singapore ("AVA"). Our outlets are also sporadically audited by NEA.</p> <p>While we are pleased to maintain our AVA Grade "A" license and ISO 22000 certification this year, we recognise that we still have room for improvement. Below are some key audit findings from AVA and the third-party certification body we have engaged as well as the corrective actions we have taken in response to the findings.</p> <p><u>Audit finding #1</u> For ISO 22000 Audit, the master thermometer used to conduct temperature verification checks on the thermometers meant to measure the Critical Control Point (i.e receiving temperature of ingredients) was calibrated only at 0°C and 100°C. There was no other certification available on the master thermometer's intended use of below 0°C.</p> <p><u>Our response:</u> We have sent our master thermometer for calibration to the required temperatures at -18 °C and 250°C.</p> <p><u>Audit finding #2</u> During the AVA Audit, the conveyer belts of the dough divider in dough preparation room were damaged, which may pose physical contamination.</p> <p><u>Our response:</u> We have replaced with a new set of conveyor belts for the dough divider.</p>

## TARGETS AND PERFORMANCE

TARGET	PERFORMANCE FOR FY2018
Zero major food safety <sup>5</sup> incidents at BreadTalk and Toast Box outlets	Achieved
AVA Grade "A" license at CK	Achieved

<sup>5</sup> A Major Food Safety Incident is defined as Mass Food Poisoning deemed to have occurred when at least five unrelated customers are affected from consuming food items produced by the Central Kitchen supplying to Bakery Division outlets.



## FOOD ATRIUM DIVISION

Food Republic upholds our commitment towards food safety and hygiene at every touchpoint to deliver the best to our customers.

CONTROLS							
<b>Procurement</b>	<p><b>Managed by: Food Atrium's Procurement Team and Tenants</b></p> <p>In 2018, we rolled out a vendor evaluation form for key suppliers in DOS. This form evaluates DOS' regular suppliers on areas such as timeliness of delivery, quality of products, price competitiveness and reputation of their company.</p> <p>Approximately 65% of FR's vendors are subjected to the re-evaluation on the following basis:</p> <table> <tr> <td>Quarterly</td><td> <ul style="list-style-type: none"> <li>Providing main ingredients such as meats and dried goods</li> </ul> </td></tr> <tr> <td>Bi-annually</td><td> <ul style="list-style-type: none"> <li>Providing fruits, vegetables, drinks and syrups</li> <li>Providing packaging (i.e disposables and hardware)</li> </ul> </td></tr> <tr> <td>As and when necessary</td><td> <ul style="list-style-type: none"> <li>Providing all other products including cleaning materials, detergents and uniforms</li> </ul> </td></tr> </table> <p>Currently, FR does not regulate supplier / vendor selection for tenants however, upon receipt of the ingredients at storefronts, follow-up checks will be conducted. Aside to this, comprehensive checks are conducted by FR's Operations Team and Ground Staff daily. For more information please refer to Quality Assurance below.</p>	Quarterly	<ul style="list-style-type: none"> <li>Providing main ingredients such as meats and dried goods</li> </ul>	Bi-annually	<ul style="list-style-type: none"> <li>Providing fruits, vegetables, drinks and syrups</li> <li>Providing packaging (i.e disposables and hardware)</li> </ul>	As and when necessary	<ul style="list-style-type: none"> <li>Providing all other products including cleaning materials, detergents and uniforms</li> </ul>
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As and when necessary	<ul style="list-style-type: none"> <li>Providing all other products including cleaning materials, detergents and uniforms</li> </ul>						
<b>Logistics</b>	<p><b>Managed by: Food Atrium's DOS and Tenants</b></p> <p>Ingredients are received directly at our stalls. Upon delivery, checks are conducted by outlet staff and respective tenants to ensure that goods received are in good condition and as per specifications.</p>						
<b>Operations</b>	<p><b>Managed by: Designated Store Leader of each stall and respective employees</b></p> <p><b>Training</b></p> <ul style="list-style-type: none"> <li>All outlet staff have to undergo the WSQ Basic Food Hygiene Course (Refer to Regulatory Compliance section for more information).</li> <li>All food shop owners undergo further training to be a certified FHO. As of FY2018, we have four DOS executives as qualified FHO who have been equipped with instructions to perform food safety audits.</li> <li>Weekly roll calls at each outlet to discuss and share information on food safety and hygiene. Basis of discussion would be the ground operations team providing feedback to tenants from their observations.</li> </ul> <p><b>Use and handling of ingredients</b></p> <ul style="list-style-type: none"> <li>First-In-First-Out ("FIFO") system ensures quality and freshness of ingredients</li> <li>Reduces the number of human contact points with our ingredients, use of electronic orange peelers also mitigate the risk of cross-contamination</li> <li>First implemented in two stalls located at ION Orchard and VivoCity, we will roll out to more stalls in 2019</li> </ul> <p><b>Incident-reporting system</b></p> <ul style="list-style-type: none"> <li>In the event of an incident<sup>6</sup> in Food Republic premises, we have a reporting system in place where the case will eventually be directed to the General Manager</li> <li>Stall managers will document the details of the incident and obtain relevant sign-off from the Area Manager and then Area Operations Manager at Management level</li> </ul>						

<sup>6</sup> Incidents can comprise of food safety and hygiene, occupational health and safety cases as well as fines and warnings received at the stall fronts.

# DIVISION LEVEL TOPICS

CONTROLS									
<b>Quality Assurance</b>	<b><i>Managed by: Food Atrium's Operations Team and Ground Staff</i></b>								
	<p><b>Checks</b></p> <table> <tr> <td>Daily</td><td> <ul style="list-style-type: none"> <li>Uniform checklist: Employees will have to complete a daily checklist on their uniform, personal hygiene and overall appearance</li> <li>Detailed morning and closing checks conducted Operations Team against a comprehensive set of rules and regulations which comprises cleanliness of the stalls, handling of food (storage, thawing, preparation and cooking) as well as service</li> </ul> </td></tr> <tr> <td>Sporadic</td><td> <ul style="list-style-type: none"> <li>Random checks conducted by Operations team to ensure that all stalls comply with FR's rules and regulations</li> <li>If found in breach of any rules, warnings or fines will be issued to the stall</li> </ul> </td></tr> </table> <p>While checks may be diligently carried out, there are control points which do not lie within FR's control. For examples, foreign objects detected in goods may already be present under the supplier's purview. As such, it is imperative for FR to also assess the reliability of vendors and suppliers that tenants engage with.</p> <p>Future actions underway may include an approved list of suppliers for tenants to select from.</p> <p><b>Audits</b></p> <table> <tr> <td>Monthly</td><td> <ul style="list-style-type: none"> <li>FR's procurement team conducts audits on procured ingredients and food items</li> </ul> </td></tr> <tr> <td>Sporadically</td><td> <ul style="list-style-type: none"> <li>By NEA on the stall grading</li> </ul> </td></tr> </table> <ul style="list-style-type: none"> <li>Further to our current practices, we may look towards a quarterly review of food safety-related incidents to prevent reoccurrence of incidences and enable us to deliver a better dining experience to customers</li> <li>Future target-setting which aims to prevent similar incidents from reoccurring at the same stall</li> </ul>	Daily	<ul style="list-style-type: none"> <li>Uniform checklist: Employees will have to complete a daily checklist on their uniform, personal hygiene and overall appearance</li> <li>Detailed morning and closing checks conducted Operations Team against a comprehensive set of rules and regulations which comprises cleanliness of the stalls, handling of food (storage, thawing, preparation and cooking) as well as service</li> </ul>	Sporadic	<ul style="list-style-type: none"> <li>Random checks conducted by Operations team to ensure that all stalls comply with FR's rules and regulations</li> <li>If found in breach of any rules, warnings or fines will be issued to the stall</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>FR's procurement team conducts audits on procured ingredients and food items</li> </ul>	Sporadically	<ul style="list-style-type: none"> <li>By NEA on the stall grading</li> </ul>
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## TARGETS AND PERFORMANCE

TARGET	PERFORMANCE FOR FY2018
Zero major food safety incidents at Food Republic outlets	Achieved
Maintain NEA Grade "A" for all DOS stalls	Achieved
Achieve 98% Grade "A" for all tenanted stalls in FY2019	Performance reported in next SR

In FY2018, we are pleased to announce that we have met both our targets and will continue working towards maintaining the positive performance. Due to the tenant-landlord nature of the business, regulatory bodies like NEA liaise directly with our tenants should there be any lapses of food hygiene and safety. Moving forward, we have briefed all tenants to inform Food Atrium Headquarters on any warnings or fines received from NEA.

This year, 95% of our tenants scored Grade A. In FY2019, we endeavour to achieve our target of 98% of Grade A by tenants. As we continue to instil a strong sense of responsibility among stall owners and ensure adherence to our SOPs, FR may explore the use of a simple checklist for all DOS and tenanted stalls.

## RESTAURANT DIVISION

FY2018 saw the opening of our first restaurant in London, United Kingdom – Din Tai Fung's first venture into the European market. The success of the brand beyond China-Taiwan is a testament to the quality of the food and service Din Tai Fung delivers. As we continue to bring a world-class dining experience to customers across the globe, we remain committed to the highest standards of food safety and hygiene at every step in the value chain.

CONTROLS	
<b>Procurement</b>	<b><i>Managed by Restaurant's Procurement Team</i></b>
	<p>Ingredients procured at the division level will be sourced only from AVA-approved suppliers</p> <ul style="list-style-type: none"> <li>• Our suppliers are audited on a case-by-case basis where our teams may conduct visual inspections, document checking and employee interviews at their warehouses. Newer suppliers may be subjected to similar audits prior to selection.</li> <li>• In FY2018, a new supplier checklist with criteria such as HACCP certification, presence of SOPs for managing hygiene levels, pests and safety was introduced.</li> </ul>

# DIVISION LEVEL TOPICS

CONTROLS	
<b>Logistics</b>	<b><i>Managed by Restaurant's Logistics Team</i></b>
	<ul style="list-style-type: none"> <li>Ensuring food traceability is one of our top priority as such state-of-the-art tracking software has been deployed</li> <li>Prior to leaving the CK, all products (ingredients and finished food products) will be tagged with a unique barcode and scanned out</li> <li>All five delivery trucks are also equipped with a software which is programmed to send data at regular intervals on the conditions of the truck (i.e. temperature of the truck, speed of the vehicle, location and the duration it spends at each location)</li> <li>The information is uploaded and stored in our cloud system which will serve as a reference to future trips</li> <li>In the event of an anomaly, the system would flag it out to our logistics team</li> </ul> <p><b>Fun fact:</b> The precision of our food traceability system allows our team to know its exact location, origin, destination and quantity in that batch. In the event of an emergency, we are able to accurately pinpoint all affected products and recall them immediately.</p> <ul style="list-style-type: none"> <li>Currently in UK DTF, we have implemented a fully automated, 24-hour automatic temperature monitor system for all chillers and freezers</li> <li>Temperature probes are Bluetooth enabled which feeds information directly into our cloud system</li> </ul>
<b>Operations</b>	<b><i>Managed by Restaurant's Food Technology Team and Logistics Team</i></b>
	<p><b>Training</b></p> <ul style="list-style-type: none"> <li>We also send our employees on training courses to ensure that they are equipped with adequate knowledge on food safety, handling and hygiene</li> <li>All employees under the Restaurant divisions undergo mandatory WSQ Basic Food Hygiene Course</li> <li>Supervisory-level employees will under further training to be certified FHO</li> <li>As of FY2018, there are 45 certified FHO in DTF</li> <li>We have a monthly in-house Allergen Training Course available to all outlet staff. In FY2018, 19 more kitchen and service staff underwent this course.</li> <li>Implemented in December 2018, we rolled out the DTF Food Safety Training Course which aims to educate chefs on best practices in food safety including understanding risks associated and mitigative actions to prevent cross contamination in their daily scope of work</li> <li>Through this training, they will be able to produce food safely, minimising issues relating to food quality and achieve better results during audits.</li> <li>Going forward, we are looking to include all service staff at Din Tai Fung for the training as well</li> </ul> <p><b>Standard Operating Procedures ("SOPs")</b></p> <p>We have a comprehensive set of SOPs to manage food safety and hygiene in our day-to-day operations</p> <ul style="list-style-type: none"> <li>Food handling and preparation</li> <li>Cooking</li> <li>Handling and washing of kitchen equipment and cutlery</li> <li>Employee personal hygiene - hand washing and attire</li> <li>Proper segregation of food waste</li> <li>Disposal of waste</li> </ul>

CONTROLS													
Quality Assurance	<b>Managed by Restaurant's Food Technology Team, Logistics Team and various Outlet Staff</b>												
	<p><b>Checks</b></p> <p>Our CK and restaurants undergo regular food safety and hygiene checks to ensure that food products are safely prepared and handled in a clean environment for customers to enjoy.</p> <table> <tr> <td>Daily</td><td> <ul style="list-style-type: none"> <li>Pre-operational and post-operational checks conducted by appointed front and back kitchen checker which focuses on overall hygiene and appearance of our employees and restaurants, ensuring they are according to set requirements for opening and closing</li> </ul> </td></tr> <tr> <td>Monthly</td><td> <ul style="list-style-type: none"> <li>Microbiological product testing conducted by Food Technology Team where samples are collected through swabbing (hand and tableware) and random product testing for bacterial count</li> <li>Engage external pest control contractors</li> </ul> </td></tr> <tr> <td>Quarterly</td><td> <ul style="list-style-type: none"> <li>Walkthrough checks conducted by Senior Management of Restaurant Division on service, hygiene levels and quality of food through various food tasting sessions</li> <li>Air quality through quarterly air sampling at restaurants</li> </ul> </td></tr> <tr> <td>Sporadically</td><td> <ul style="list-style-type: none"> <li>By NEA which determines the food hygiene grade</li> </ul> </td></tr> </table> <p><b>Audits</b></p> <p>Additional to our regular daily and monthly checks, all departments from Logistics to Operations are also subjected to stringent audits conducted by various teams.</p> <table> <tr> <td>Monthly</td><td> <ul style="list-style-type: none"> <li>Conducted by Audit team on service areas taking reference from the pre- and post-operational checklist records prepared by the appointed checker</li> <li>Chefs Audit team focuses on audits for kitchen area only</li> <li>Audits by Food Technology team on food safety and quality</li> </ul> </td></tr> <tr> <td>Sporadically</td><td> <ul style="list-style-type: none"> <li>By NEA</li> </ul> </td></tr> </table>	Daily	<ul style="list-style-type: none"> <li>Pre-operational and post-operational checks conducted by appointed front and back kitchen checker which focuses on overall hygiene and appearance of our employees and restaurants, ensuring they are according to set requirements for opening and closing</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>Microbiological product testing conducted by Food Technology Team where samples are collected through swabbing (hand and tableware) and random product testing for bacterial count</li> <li>Engage external pest control contractors</li> </ul>	Quarterly	<ul style="list-style-type: none"> <li>Walkthrough checks conducted by Senior Management of Restaurant Division on service, hygiene levels and quality of food through various food tasting sessions</li> <li>Air quality through quarterly air sampling at restaurants</li> </ul>	Sporadically	<ul style="list-style-type: none"> <li>By NEA which determines the food hygiene grade</li> </ul>	Monthly	<ul style="list-style-type: none"> <li>Conducted by Audit team on service areas taking reference from the pre- and post-operational checklist records prepared by the appointed checker</li> <li>Chefs Audit team focuses on audits for kitchen area only</li> <li>Audits by Food Technology team on food safety and quality</li> </ul>	Sporadically	<ul style="list-style-type: none"> <li>By NEA</li> </ul>
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## TARGETS AND PERFORMANCE

TARGET	PERFORMANCE FOR FY2018
Zero major food safety incidents <sup>7</sup> at Din Tai Fung Restaurants	Achieved
Achieve NEA Grade "A" for all Din Tai Fung Restaurants	Achieved Grade "A" for 15 consecutive years
Reduce cases of foreign object in food as compared to FY2017	Achieved (10% reduction from FY2017)

We are glad to have achieved all our targets set for FY2018. The number of foreign object cases has been reduced further by 10% in FY2018. As we continue to enhance our food safety management systems, we are embarking on two major initiatives in FY2019. First, the group-wide implementation of SAP system which will monitor and track movement of raw material into and finished products going out of our CK. Second, full process audits for logistics will be carried out. The objective is to monitor the entire delivery process from the CK to the outlets. DTF strives to upkeep its positive performance in the years to come.

<sup>7</sup> A Major Food Safety Incident is defined as Mass Food Poisoning deemed to have occurred when at least five unrelated customers (within the same period) are affected as a result of consuming food items at Din Tai Fung outlets.

# DIVISION LEVEL TOPICS

## 4ORTH FOOD CONCEPTS

CONTROLS	
<b>Procurement</b>	<b><i>Managed by 4orth's Procurement Team</i></b>
	<p>In 4orth Food Concepts, we procure ingredients from both AVA-approved local and overseas suppliers. A due diligence and background check will be conducted prior to executing the procurement process.</p> <ul style="list-style-type: none"> <li>For ingredients procured from local suppliers, we conduct checks on the packaging to ensure the name of supplier and manufacturer are clearly stated on the products.</li> <li>For overseas suppliers, we conduct checks for the distributor that imports the respective ingredients.</li> </ul>
<b>Logistics</b>	<b><i>Managed by 4orth's Logistic Team</i></b>
	<ul style="list-style-type: none"> <li>We process our ingredients at CK and transport it to various outlets via dedicated trucks.</li> <li>Prior to transportation, we conduct checks on the ingredients' and products' quality to ensure it meets certain standards, such as temperature requirements.</li> <li>Upon arrival of products at the outlets, our ground staff will conduct checks to ensure that the products received are in good order prior to storing it in the chillers.</li> </ul>
<b>Operations</b>	<b><i>Managed by 4orth's Operations Team</i></b>
	<p><b>Training</b></p> <ul style="list-style-type: none"> <li>To equip our staff with the necessary skills and knowledge for their jobs, we provide several trainings in food safety, handling, and hygiene.</li> <li>All outlet staff have to undergo the WSQ Basic Food Hygiene Course (Refer to Regulatory Compliance section for more information).</li> <li>Management level employees were sent for further training to strengthen leadership capabilities and lead their teams by example.</li> </ul> <p><b>Certification</b></p> <ul style="list-style-type: none"> <li>To ensure the safety and hygiene of our products, our CK is certified Grade "A" license by AVA and possesses ISO 22000 certification.</li> </ul> <p><b>Incident-reporting system</b></p> <ul style="list-style-type: none"> <li>In the event of an incident at our Sō Ramen premises, we have a reporting mechanism in place. Outlet staff will have to report any incident immediately to the Area Operations Manager. The respective staff will have to complete and submit an incident report within 24 hours. This report encapsulates the incident, corrective actions taken and closure.</li> <li>For major incidents, 4orth Food Concepts may reach out to DTF's Food Technology Team to conduct comprehensive tests and checks.</li> </ul>



CONTROLS					
Quality Assurance	<h3>Checks</h3> <p>4orh Food Concepts undergoes regular food safety and hygiene checks to ensure food products are handled and prepared safely in a clean environment.</p> <table><tr><td>Daily</td><td><ul style="list-style-type: none"><li>• Easily perishable food items will undergo checks and mandatory food tasting to ensure they are safe for consumption</li><li>• Kitchen area will be checked and cleaned daily to ensure clean environment for food preparation</li><li>• Results of the daily checks will have to be reported to Area Operations Manager</li><li>• Should there be any lapses during these checks, relevant personnel will be involved to rectify the issue immediately</li></ul></td></tr><tr><td>Weekly</td><td><ul style="list-style-type: none"><li>• Respective outlet managers will consolidate daily findings and submit a weekly report to the Area Operations Manager</li></ul></td></tr></table>	Daily	<ul style="list-style-type: none"><li>• Easily perishable food items will undergo checks and mandatory food tasting to ensure they are safe for consumption</li><li>• Kitchen area will be checked and cleaned daily to ensure clean environment for food preparation</li><li>• Results of the daily checks will have to be reported to Area Operations Manager</li><li>• Should there be any lapses during these checks, relevant personnel will be involved to rectify the issue immediately</li></ul>	Weekly	<ul style="list-style-type: none"><li>• Respective outlet managers will consolidate daily findings and submit a weekly report to the Area Operations Manager</li></ul>
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	Weekly	<ul style="list-style-type: none"><li>• Respective outlet managers will consolidate daily findings and submit a weekly report to the Area Operations Manager</li></ul>			
	<h3>Audits</h3> <ul style="list-style-type: none"><li>• We conduct a quarterly food safety and hygiene audit to:<ul style="list-style-type: none"><li>○ Review outlets’ adherence to the food safety guidelines</li><li>○ Identify non-conformance of premise and/or procedure to assist the continuous improvement</li><li>○ Reduce food safety risks in our outlets</li></ul></li><li>• The frequency of this audit may increase depending on the condition of outlets, previous audit finding (follow-up audit) and external stakeholder feedback.</li><li>• The regular checks are conducted based on NEA audit checklist which cover personal hygiene, receiving area, dry storage area, chillers/freezers, counter area, food preparation/production, dishwashing area, records and documentation, and training and certification.</li><li>• The audit is conducted through on-site visual inspection, direct observation and document checks. The auditor will revisit the outlet to follow up any non-conformity or area for improvement identified during the audit.</li><li>• 4orh Food Concepts conducted its last audit in December 2018 and we are happy to report that there were no major issues across procurement, logistics and food safety and hygiene.</li></ul>				

## TARGETS AND PERFORMANCE

TARGET	PERFORMANCE FOR FY2018
Zero major food safety incidents <sup>8</sup> at Sō Ramen outlets in Singapore	Achieved
Achieve NEA Grade "A" for all Sō Ramen outlets	Achieved

As testament to our efforts in managing food safety and hygiene at our outlets, we are proud to report that we achieved our target in FY2018. We were able to maintain NEA Grade "A" for all of our outlets and managed to achieve zero major food poisoning incidents during the year.

To sustain our employees' performance in food safety and hygiene, we implemented a quarterly incentive scheme across all of our outlets. Each outlet will be assessed based on five key performance indicators that will be used to determine their entitlement to the incentive. For food safety and hygiene indicators, the grading will be based on the results of quality assurance audit. Further information about the incentive scheme can be found in Customer Satisfaction section.

<sup>8</sup> A Major Food Safety Incident is defined as Mass Food Poisoning deemed to have occurred when at least five unrelated customers (within the same period) are affected as a result of consuming food items at Sō Ramen outlets.

# DIVISION LEVEL TOPICS

## CUSTOMER SATISFACTION

## BAKERY DIVISION

### TRAINING

The Bakery division has in place various types of training to equip our staff with the necessary knowledge and skills to serve our customers. Details on the trainings can be found in the table below.

<b>Basic food hygiene training</b>	Aligned to NEA's requirements and tailored to our business and operational context
<b>In-house classroom training</b>	Aims to familiarise staff with the 10 Standard SOPs ranging from storefront to kitchen training
<b>Crisis management workshop</b>	To guide outlet employees on the contents covered by the Customer Experience Department ("CED") manual. The CED manual covers topics such as the service culture of the division, customer communication standards, service recovery procedures and the crisis activation process. The manual also provides instructions to employees on what to do when faced with various scenarios, including experiencing fire in the outlet or building, robbery, and having cases of food poisoning. This workshop has empowered more outlet employees to recover situations at the outlets without elevating the situation to Headquarters ("HQ").
<b>Bread Artist Train the Trainer workshop</b>	Aims to equip supervisors with skills to train their own staff
<b>On-the-job training course</b>	This covers basic service delivery, personal grooming and bread food placement.
<b>E-learning platforms</b>	This includes online training for BreadTalk Rewards programme, product SOPs and new product launches.

### REWARDS AND MOTIVATION

Our Best Service Wefie Campaign drew to a close in July 2018 and was replaced by a new Vision, Mission & Core Values ("VMV") Campaign. To continue to encourage recognition of staff service excellence, all BTG IHQ staff can nominate colleagues who have demonstrated any of the core values through the VMV mobile application by taking a "wefie" with them and submitting the photo. At the end of each month, we will tabulate and award the top five performers for each brand with cash vouchers. For Toast Box, customers were allowed to nominate our employees as well.



### FEEDBACK MECHANISM

Under the CED Manual, there is a feedback process flow which guides employees on the appropriate follow-up actions based on the nature and source of the feedback. Customers are able to feedback through the following channels:

- Social Media (i.e. Facebook post)
- Email
- Direct feedback to staff at outlets
- Incoming phone call to Breadtalk IHQ

For all compliments and suggestions from these channels, the CED will acknowledge with a "Thank You" response. Complaints received will be duly followed up by the respective Area Operations Manager and Branch Managers. For matters which require further assistance, the CED will then step in to perform service recovery. Every case will be recorded through a Customer Feedback form which documents the description of the case, investigation conducted and service recovery performed.

### TARGET AND PERFORMANCE

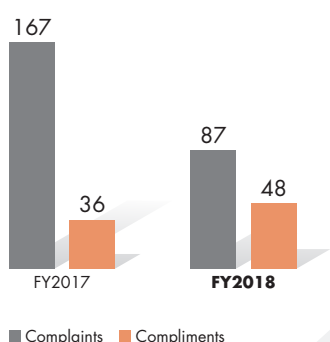
By the end of the VMV Campaign, we received a total of 219 nominations. The campaign helped to boost the morale and motivation of our outlet staff, as well as the camaraderie within the organisation.

TARGET	PERFORMANCE FOR FY2018
Achieve a positive trend in customer feedback on the product quality, service and cleanliness at our outlets	Achieved

# DIVISION LEVEL TOPICS

The CED continues to monitor and document all feedback received from our customers. We are delighted to report that we have met our target in FY2018.

FIGURE 11: BAKERY DIVISION FY2018  
FEEDBACK PERFORMANCE



I would like to compliment the service crew at the Bugis Junction BreadTalk outlet. The staff were very understanding and accommodating when they saw that I was carrying my baby and queueing up to pay. They offered for me to skip the queue and pay directly. I am very surprised and pleased with their kind gesture. If only all service staff in Singapore are so kind and understanding, Singapore's hospitality image will be on par with Taiwan or even Japan!

Thank you!

*Customer of BreadTalk,  
Bugis Junction Branch*

My father-in-law suffered a hip sprain while at your Bishan store earlier today. We are very grateful to your team – Ms Eling Foong (Area Operations Manager), Ms Tan Kwee Yong (Branch Manager) and two other staff for arranging for the ambulance and accompanying him and my mother-in-law to the hospital. Your team took care of them and even waited until we arrived at the hospital. They also requested to be updated on how my father-in-law is doing. Kudos to your team for the care and concern they displayed, we greatly appreciated it.

*Customer of BreadTalk,  
Junction 8 Branch*

In March 2018, we received a call via BreadTalk's main hotline from a customer who gave feedback about the inflexibility of the outlet employees at the Ang Mo Kio BreadTalk branch.

The customer claimed that she was at the outlet at about 10.30pm but the staff was not willing to serve her and told her that the store was closed. The customer said that our website indicated 11pm as the closing time and not 10.30pm.

In response to this complaint, our Brand team has revised the closing time on the website to 10.30pm. Both outlet employees, who were new staff, were given a briefing on the importance of customer experience and to learn to exercise flexibility when the need arises. Our CED personnel also offered the customer a token of goodwill, a \$10 BreadTalk voucher, for her unpleasant experience.



## FOOD ATRIUM DIVISION

### TRAINING

The Food Atrium's Service Mission, "It all starts from the HEART" was selected and introduced to team members spanning all levels in early 2018. With it, the Three-Heart Service Values comprising a "Sincere Heart", a "Patient Heart", and a "Confident Heart" idealising the same goal were also announced. Launch campaigns and a variety of training interventions were put in place to maximise outreach and ensure the Service Mission and Service Values are readily accessible to team members globally. We were heartened when team members were able to articulate the Service Mission easily, whether they are in the board room or boiler room. Everyone can relate to the idea of "It all starts from the HEART" and are committed to demonstrating the "Three Hearts" in their interactions with all our stakeholders.

With the successful launch of our Service Mission, we set out to further translate the complementary "Three-Heart" Service Values across all touch points within the Food Atrium ("FA") network. The aim is to ensure consistency and alignment of action plans supporting service delivery in all outlets. The eponymous training programme "It All Starts from the Heart" was introduced in July 2018. This holistic and uniform approach on training aims to support FA's strategy in operations and promote a strong and sustainable Service Culture. To inculcate this service culture mindset right from the start, anyone who joins the Food Atrium family will be inducted on what the FA brand stands, the Service Mission and Values we embrace.

Elements of "It All Starts from the Heart" and "Three Hearts" are embedded into all training programmes. In addition, we have rolled out two new service-centric training programmes for our team members and tenants, reaching as far as Phnom Penh, Cambodia, our latest addition to the family of food atria.

<b>What is it?</b>	"It all starts from the HEART" Service Mindset Training	Leading the HEART Inspiring Service Behaviours
<b>Who is it for?</b>	First Keys <sup>9</sup> , Operations and F&B Executives	
<b>How do we do it?</b>	<p>Training shared the elements of FA Service Mission and Service Values and encouraged the mindset critical to achieving the overall Service Objectives using the "Three Hearts":</p> <ol style="list-style-type: none"> <li>1. A Sincere Heart (诚心)</li> <li>2. A Patient Heart (耐心)</li> <li>3. A Confident Heart (信心)</li> </ol>	<p>This training provided the needed skills for First Keys to cascade and influence their tenants and team members during roll calls at the outlets to demonstrate deliverables that will support FA Service Mission and Service Values.</p> <p>First Keys were provided the optimum platform to practice and develop the core competencies and confidence necessary for rallying support and inspiring actions to achieve the overall Service Goals.</p>

<sup>9</sup> First keys are the in-charge of the Food Republic outlets.

## DIVISION LEVEL TOPICS

In addition, we have also updated and streamlined our existing training programmes and certification with FA-specific service standards:

- FR Express Orientation
- New Hire's Guided Essential Training ("GET") Programme
- Shift Certification

Aside to training programmes, FA team members throughout the region are engaged through:

- Sharing of roll-call techniques aimed to inspire
- Monthly cross-border circulation of our FR-ontier e-Newsletter via emails, WeChat, and sharing of physical copies of the Newsletter
- Introduction video featuring FA Teams (i.e. DOS, Operations, tenants, supporting teams and Senior Management Team)
- Global Media Campaign (Please see Case Study below)
- Service Evaluation

We leverage on the existing new hire onboarding processes and procedures to ensure alignment of service expectations across the region.

Moving forward, we are also intending to roll out guidelines on grooming, finance, stall set-up, and risk management. We hope to put them out by FY2019.



### Let's GET It!

The Guided Essential Training ("GET") Programme equips new Operations Executives ("OE") with essential competencies to perform optimally under the guidance of a key holder. It is structured according to real-world expectations and development in partnership between the Training department and the key stakeholders within the Operations Team.

Over the course of 45 days, new Operations entrants will be coached on a combination of theories and practical approaches aiming to ensure operational readiness for personal and team success. Content includes 'Roles & Responsibilities, Shift Duties, Safety, Security and Hygiene, Cashiering Essentials, Checks and Submissions'. Team members will also undergo training on Customer Service, Handling Customer Feedback, as well as Crisis Management.

### Case Study: Global Media Campaign – It all starts from the HEART

To further raise the buzz and awareness on our Service Mission, we held an international media campaign to know our team members' take on "It all starts from the HEART" and how they interpret the Service Values via their preferred media.

We received over 158 unique entries from 97 participating team members across the different regions. Our judging panel (comprising FA's Senior Management and key personnel) then deliberated and shortlisted the winning entries. Entries were judged based on their relevance to the theme of Service Mission, how well it conveys FR's service values, overall creativity and how the message managed to tug the heart strings.

All FR Team Members were invited to vote and support their favourite entries. With over 200 votes received, the winner emerged from Food Opera@ION Orchard (refer to image on the right).

Using simple media such as colour pencils and markers, the winning entry entitled "Savour the Sweet Effort from the Chef" encapsulated the essence of FR's "There-Heart" Service Values – Sincerity (誠心), Patience (耐心) and Confidence (信心)

The storyline and dialogue portrays how a chef demonstrates all "Three Hearts" in his day-to-day activities. Through the chef's sincerity, patience and confidence, it transcends into the quality food which our customers can savour.



FIGURE 12:  
WINNING ENTRY,  
"SAVOUR THE SWEET  
EFFORT FROM  
THE CHEF"





## REWARDS AND MOTIVATION

TARGET	PERFORMANCE FOR FY2018
Maintain an average score of 80% for Service Evaluation	Achieved

This year, we have included two new components, **Visibility of Operations Team** and **Atrium Outlook** to our Service Evaluation Criteria which aims to provide a holistic assessment on overall performance. Every score allocated contributed to three parts, based on the performance of (i) **Individual Team Members**, (ii) the **Outlet** and (iii) **Outlet Manager**. This enhanced grading system would drive and motivate every team member to perform individually and excel as a team.

During each evaluation cycle, we reward the best performing team member and outlet with Food Atrium gift vouchers and they are presented with a Certificate of Outstanding Service. Warnings and/or counselling sessions may be served to team members who have received negative feedback.

Based on the feedback received from the Operations team and observations from the Training team, training and workshops will be further streamlined to rectify common issues such as the lapse in handing receipts to our customers after each transaction.

A holistic Reward and Recognition Programme, comprising both online and offline events is underway to further sustain the commitment to Service Excellence across different levels in the organisation.



## FEEDBACK MECHANISM

Aside to improving our training, it is imperative to manage customers' feedback effectively. We respond to feedback received from the following channels<sup>10</sup>:

- Contact form on website
- Email
- Facebook Messenger Inbox
- Direct feedback to ground staff at outlets
- Incoming phone call to outlets or BreadTalk IHQ

We have also implemented SOPs in place to ensure that all feedback received on social media platforms (i.e. Facebook) will be responded within 24 hours and appropriate follow-up for all other received.

<sup>10</sup> Feedbacks and reviews received on Burpple, Google, TripAdvisor and Yelp are currently not responded to. Moving forward, our team will work towards responding to them.

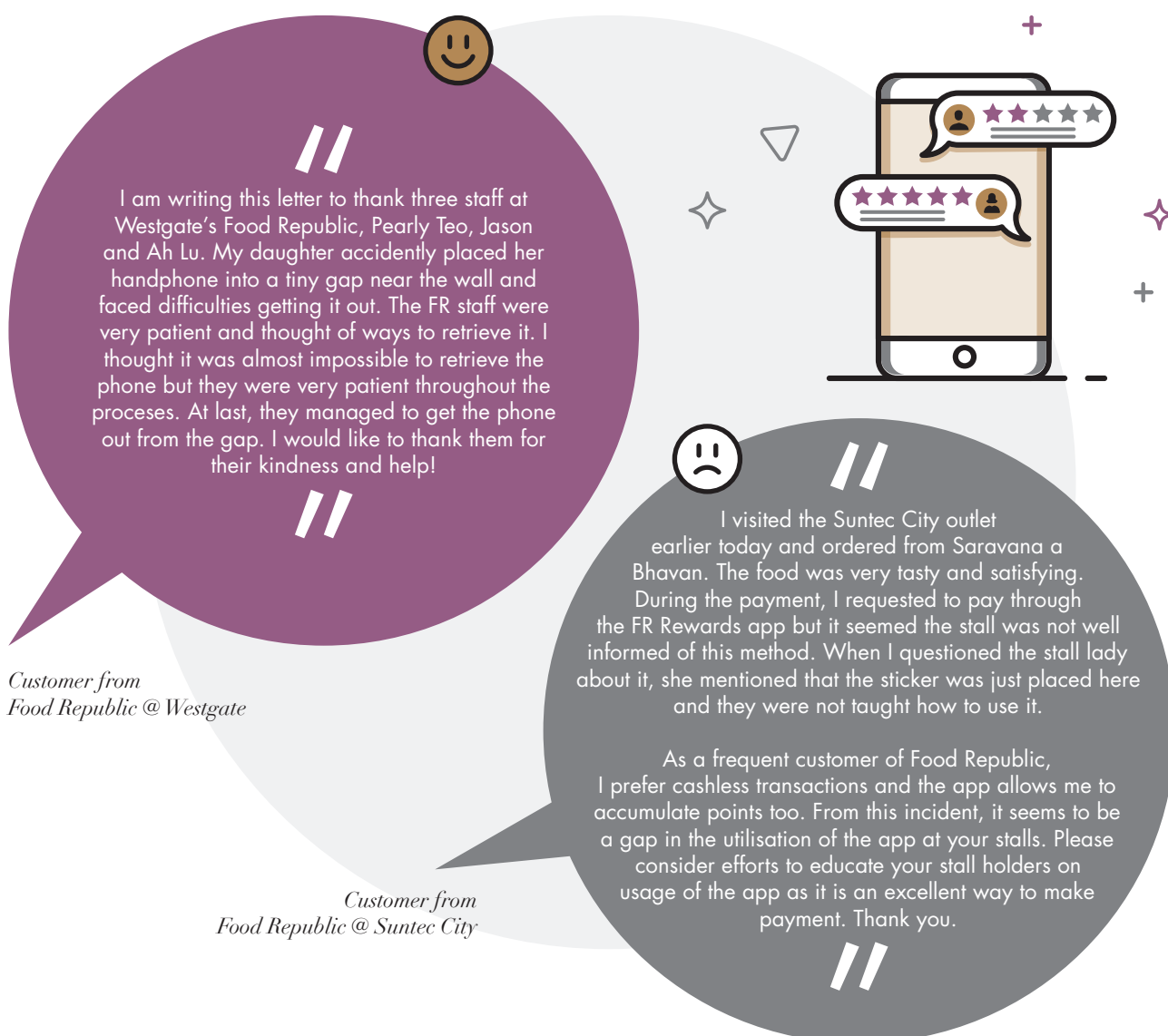
# DIVISION LEVEL TOPICS

## TARGETS AND PERFORMANCE

TARGET	PERFORMANCE FOR FY2018
Respond within the first 24 hours of a feedback received	Achieved

As Food Atrium just launched our Service Mission this year, our focus is to inculcate the right mindset and raise awareness at the HQ and the outlet-level. With the help of our Human Resource ("HR") Team and Operations team from the different region, we were able to achieve our objective through various coaching and feedback sessions. Moving forward, we will introduce specific indicators and metrics to effectively monitor performance and ensure Key Performance Indicators ('KPIs') are met. More information will be covered in our next Sustainability Report.

Feedback received from our customers can also be an indication of our current service level and the existing service gaps. Positive comments serve as affirmation and negative feedback highlights opportunities for further improvement.. Appropriate actions will be taken to correct the situation. In FY2018, we have responded to all feedback received via social media platform within 24 hours – a target we will strive to maintain.



## RESTAURANT DIVISION

### TRAINING

- **Feedback Management Training:** Conducted for all second and third line in-charge on Feedback Handling skills and a platform for staff to contribute towards improving overall customer satisfaction at Din Tai Fung
  - Supported by Feedback Handling Guidelines, it guides staff on the feedback and compliment processing timeline
  - Each feedback and compliment received will be documented from receipt, processing of a feedback summary report (complaints only), compensation and closure of incident
  - A copy will be provided to selected employees and acknowledgement will be required on receipt
- **Service Skills Training:** Mandatory for all staff (including part-time staff) to familiarise themselves on service recovery protocols in
  - Foreign Objects
  - Incidents
- **Allergen Training Course:** Conducted by Food Technology Department where it aims to equip all service staff with the knowledge of food allergies and responding to customers with food allergies
- **Turning Complaints into Compliments:** Through the use of case studies and role play, ground outlet staff are equipped with skills to address a customer complaint, recover the situation to delight the customer. Good practices will also be highlighted to staff which they can use in their daily scope of work.



#### Comprehensive New Hire Training Programme

All new hires will undergo a structured training programme in our headquarters. For part-time staff, they will also experience a simplified training programme where they will be taught basic service skills such as tea refill and table turnover. This allows them to perform their tasks in the outlet.

Through the use of standardised training materials, this ensures consistency on the topics taught and learnt. Full-time new hires will be assessed based on a competency assessment before their confirmation.

We listen and collect feedback from our employees to revise our curriculum accordingly, providing them with better training experience. This year, we updated service recovery protocols to introduce ad-hoc situations dealing with rowdy customers and situations where customer loses their wallet and is unable to settle the bill.

### REWARDS AND MOTIVATION

#### Case Study: Excellence Service Awards 2018

This year, Din Tai Fung is proud to have received our first Gold Award at Excellent Service Award ("EXSA") 2018. We would like to extend our heartfelt congratulations to the 25 awardees.

From 1 April 2017 to 31 March 2019, our nominated employees were subjected to stringent award criteria. For silver award nominees, they had to achieve a minimum of two customer compliments. For gold award nominees, a minimum of three customer compliments and at least one service-related awards conferred at company or national level had to be met.

At the end of the qualifying period, all 25 employees clinched the awards they were nominated for (22 Silver and 3 Gold awards). This is the first year that our employees were conferred with the Gold Award. Moving forward, we plan to nominate more staff for the gold award, giving them the exposure and to gain recognition for good service rendered.



# DIVISION LEVEL TOPICS

## Dishing Out Excellent Service

Outlet Manager Lin Jin Hua from our Din Tai Fung at Waterway Point outlet is well-liked by customers who patronise the outlet. Jin Hua leads her team by example through her professionalism and well-mannered ways. Under her helm, her team consistently delivers quality service and have impressed our regular customers. We have received praises from customers at Waterway Point.



## FEEDBACK MECHANISM

At the heart of our service lies the dedication and understanding of all our customer's needs. We welcome all feedback received and strive to deliver the best to them. Customers can easily send in compliments or feedback received for their visit through:

- Online contact form
- Hard copy feedback forms distributed at restaurants
- Email
- Social media platforms (i.e. Facebook)
- Direct feedback to ground staff

We acknowledge all compliments and feedback received with a thank you response. For all negative feedback received through the channels above, our Customer Care Department ("CCD") staff will reach out to understand the problem and be recorded as a case. For more information on our performance, please refer to the following section "Performance".



"Ms Jin Hua has been very helpful towards my enquiries and was of great assistance throughout our meal. Even when the restaurant is crowded, her positive attitude shone through and there was always a smile on her face. I would like to thank Jin Hua and her team for the success of my Father-in-law's 70<sup>th</sup> birthday celebration. Thank you!"



*Compliment received via email*

FIGURE 13:  
SOP ON POSITIVE AND NEGATIVE FEEDBACK RECEIVED

### POSITIVE FEEDBACK RECEIVED

"THANK YOU" RESPONSE  
WITHIN 24 HOURS

### NEGATIVE FEEDBACK RECEIVED

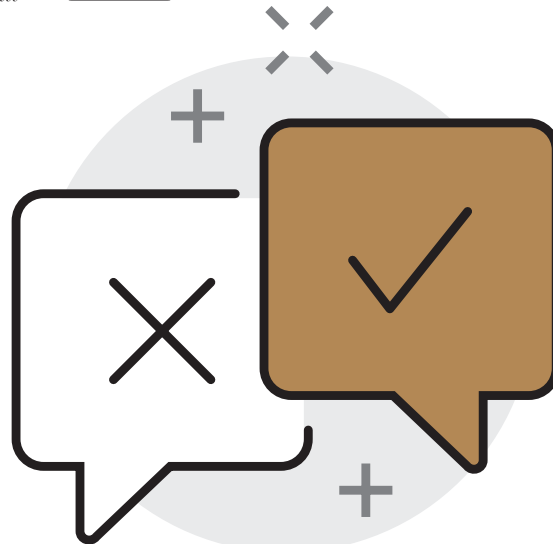
ACKNOWLEDGEMENT  
WITHIN 24 HOURS AND  
INVESTIGATION COMMENCES

ACKNOWLEDGEMENT  
WITHIN 24 HOURS

SEVEN WORKING DAY TIME  
FRAME FOR INVESTIGATIONS  
AND CLOSURE

YES, CASE IS  
CLOSED. CCD  
WILL INFORM  
CUSTOMERS  
OF FOLLOW-UP  
ACTIONS AND  
IMPROVEMENTS  
TO BE TAKEN

NO, CASE IS  
NOT RESOLVED.  
CCD TO  
REACH OUT TO  
CUSTOMERS TO  
INFORM ON  
EXTENSION OF  
TIMEFRAME



## TARGETS AND PERFORMANCE

TARGET	PERFORMANCE FOR FY2018
Reduce escalated cases of feedback by 15%	Maintained average number of escalated feedback per outlet

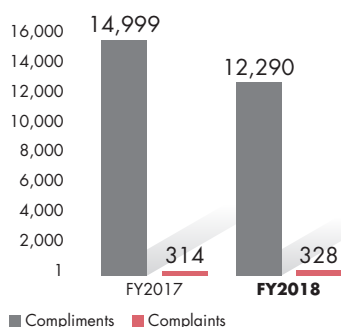
All cases are quantified according to type, whether positive or negative. They are an indication of where we stand and what we can improve on to maintain. Through this, we are able to target specific areas and enhance customer experience.

In FY2017, we have a total of 22 outlets, an increase of one from FY2017. Close to 12,300 compliments and 328 complaints were received through various feedback channels. Although we have not met our target to reduce escalated cases of feedback, the average number of escalated<sup>11</sup> complaints received per outlet was maintained at approximately 15, similar to FY2017. With the new training implemented in FY2018 aimed at resolving customer complaints, we hope to lower number of escalated feedback in FY2019.

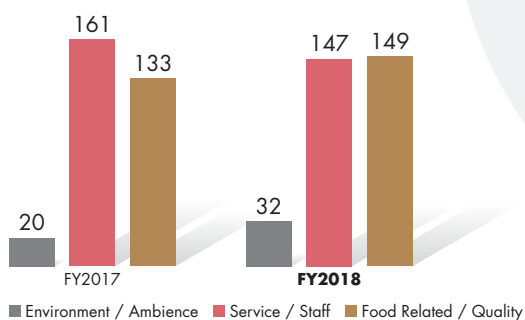
In FY2018, we saw an increase of 4.5% in escalated feedback received, primarily due to cases relating to the environment/ ambience and food quality. We are pleased to see a continuous decreasing trend in number of cases relating to service staff and quality. CCD analyses notable cases received and uses them as case studies in trainings and materials for discussions. Plans are in the pipeline to extend training to ground outlet staff on food safety and hygiene as well as to enhance existing training on customer satisfaction.

FIGURE 14: RESTAURANT DIVISION  
FY2018 PERFORMANCE

### CUSTOMER COMPLAINTS PERFORMANCE (PLOTTED ON LOG-SCALE)



### FEEDBACK PERFORMANCE



<sup>11</sup> An escalated feedback refers to one that was not successfully resolved at the restaurant and was hence escalated to CCD for follow-up. This also includes feedback raised via social media platform.



# DIVISION LEVEL TOPICS

## 4ORTH FOOD CONCEPTS

### TRAINING

In 4orth Food Concepts, we place emphasis on the importance of our customers' satisfaction and dining experience in our outlets. We have in place several programmes to equip our employees in serving better experience for our customers.

- Our new joiners are required to undergo three months training before they are assigned to one of our outlets, this mandatory training aims to provide basic hospitality knowledge to our staff.
- To ensure a continuous learning process, a counsellor will be assigned to the new joiners when they have been allocated to one of our outlets. This counsellor will provide them with necessary feedback in order to improve their overall performance.
- On-the-job training which includes basic service delivery and personal grooming will be provided by the respective outlets' managers to their staff.

### REWARDS AND MOTIVATION

4orth Food Concepts implemented an outlet incentive scheme for our permanent employees, including crew members and management. This scheme aimed to boost employees' performance in five key performance indicators which include sales (operating profit), customer value proposition, controllable profit, staff retention rate, and quality assurance. In this scheme, a portion of outlet sales will be allocated as incentives and the calculation will be based on quarterly assessment result. For customer value proposition indicator, the grading will be based on the feedback received from our customers.

### FEEDBACK MECHANISM

Our customers' valued opinions are our inspiration to provide better dining experiences. We firmly believe that any feedback from our customer is valuable and serves as an indicator to our performance. By evaluating all feedback received, we are able to identify the areas of improvement and implement the required measures to improve the quality of our food, service and ambience.

In 4orth Food Concepts, we provide three different channels to accommodate feedback from customers. The channels include online feedback forms, physical feedback forms at stores, and social media messages. To encourage customers in sending their feedback, we conduct a monthly draw to select five customers at random to win dining vouchers. The information on how to send feedback is displayed on our counters, printed in the customers' receipts, and available on our website.

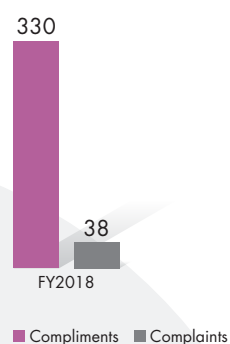
Upon receiving any complaint from customers, we will confirm the incident with our outlet-in-charge and alert our Area Operations Manager. An investigation will be carried out for some of the major cases.

TARGET	PERFORMANCE FOR FY2018
Achieve positive trend in customer feedback on the product quality, service, cleanliness at our outlets	Achieved

## TARGET AND PERFORMANCE

In FY2018, we received 368 feedbacks from our customers through various channels and managed to attain a 4.2 out of 5 rating from our customers. This rating is derived from the customers' opinion on our food quality, service, and their dining experience with us.

FIGURE 15: 4ORTH FOOD CONCEPTS FY2018 FEEDBACK PERFORMANCE



Dear BreadTalk / Sō,

I just had lunch with my pregnant wife at your NEX branch and would like to pay compliments to the team of service staff there. We were ushered in by the branch manager (Jonathan Goh), who took notice that my wife was pregnant and offered sofa seats to us. We were also served by a young lady who was also exceptionally polite. While we did not get interact with other staff members, we could observe that they were providing the same level of service to other customers.

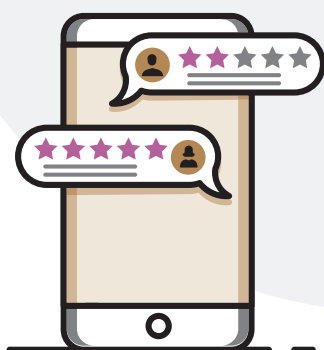
Definitely did not expect this quality of service here as service standards in Singapore have generally been going down. Someone must have been doing something right in the hiring and training process. Their service level is very commendable and rare, and I think I should highlight this to the corporate side so that the right people and behavior is rewarded.

Thank you and have a good week ahead!"



I visited the Bedok outlet and would like to feedback about an employee of yours. He had provided me with unacceptable service today. First, he was impatient when taking my orders. Next, he served water to other tables but not mine. When I requested for iced water, he let out a deep sigh and asked me what else I wanted. Is it not right to ask for a glass of water?

When I wanted to settle my bill, he murmured something under breath and let out another loud sigh. I asked him what he was angry about and he kept quiet. This was a terrible experience for me and I hope for some action to be taken.



# ENERGY AND CARBON FOOTPRINT

TARGET FOR FY2018	PERFORMANCE FOR FY2018
To change 85% of Bakery outlets' light fittings to LED-type lights	Achieved
To change 100% of Food Republic outlets' light fittings to LED-type lights	Achieved
To change 100% of Din Tai Fung's outlets' light fittings to LED-type lights	Achieved

The most common type of waste disposed in Singapore is plastic. An estimated about of at least 1.76 billion plastic items are used by Singapore every year with less than 20% being recycled<sup>12</sup>. Single-use plastic disposables such as plastic bags, takeaway containers, cutlery, cups and bottles are commonly used in the F&B industry. With the growing concern of plastic use in Singapore, BTG has also set out to implement various initiatives across the four divisions.

## BAKERY

Across our bakeries and CK, large amount of plastic bags are used for daily operations. Since 2009, plastic bags used by our outlets are oxo-biodegradable and certified by the Singapore Green Label as having the least undesirable effects on the environment. Bakery has since then taken proactive steps to buy and replace existing plastics with biodegradable plastics. In FY2018, a total of 58 types of plastic bags were used across our operations of which 28 types are biodegradable and make up 78% of the plastic bags we use.

Currently 85% of light fittings across Bakery outlets are LED-type. We will continue replacement and explore greener and more environmentally-friendly technologies across all divisions.

## FOOD ATRIUM

In line with World Environment Day in June 2018, Food Republic started a Go Green campaign aimed at encouraging the use of reusable bottles and tumblers. For every hot coffee or tea purchased at any of our drink stalls, diners are entitled to purchase a reusable thermos flask at a discount from all food atria island-wide. A 10% discount will be extended on their subsequent visit when the same thermos flask is used. Close to 10,000 thermos flasks were sold across our outlets. During the campaign period, we recorded a total of 2,500 discounts given to diners, which is more than 25% of the flasks sold. Due to the encouraging response, the 10% incentive was extended to 31 December 2018. FR is proud to be part of Bring Your Own ("BYO") Singapore movement launched by Zero Waste Singapore.

Aside from plastic waste, we have also achieved 100% replacement of all light fittings to LED-type lights across all outlets in FY2018.

## RESTAURANT

At Din Tai Fung, we have an Energy Efficiency Improvement Plan which sets objectives, targets (e.g. procuring energy-saving items and reducing electricity used) and implementation strategies in energy usage.

- Plastic reduction initiatives for FY2018
  - 30% of plastic bag reduction in FY2018 by increasing individual packaging amount from our Central Kitchen to distribute to respective outlets
- Energy-saving initiatives for FY2018
  - 30% of utilities bills saving through aircon scheduling during peak and non-peak hours across DTF outlets

We will look towards improving energy performance and reduce energy consumption across all facilities and operations within our restaurants.

### Case Study: Bring your Own Cup Campaign

In July 2018, Toast Box launched an initiative to encourage customers to bring their own cups. Customers were offered with a 10¢ discount with any purchase. At the end of the year, we recorded a total of 18,097 redemptions, translating to an average reduction of 3,000 takeaway cups each month. We would like to thank all customers for their support and encourage everyone to adopt this eco-friendly habit!



<sup>12</sup> Based on an inaugural study conducted by Singapore Environment Council ("SEC") on plastic bag usage in Singapore released in July 2018.



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	102-3	Location of headquarters	About the Report Corporate Information AR 2018	2 3–6 1
	102-4	Location of operations	About the Report Corporate Information AR 2018	2 3–6 1
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GRI 102: General Disclosures 2016	<b>Stakeholder Engagement</b>			
	102-40	List of stakeholder groups	Stakeholder Engagement	7–9
	102-41	Collective bargaining agreements	None of BreadTalk Group's employees are covered under collective bargaining agreements	
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	7–9
	102-43	Approach to stakeholder engagement	Stakeholder Engagement Customer Satisfaction	7–9
	102-44	Key topics and concerns raised	Stakeholder Engagement Customer Satisfaction	7–9
	<b>Reporting Practice</b>			
	102-45	Entities included in the consolidated financial statements	AR 2018	133–150
	102-46	Defining report content and topic Boundaries	About the Report	2
	102-47	List of material topics	Materiality Assessment	10
	102-48	Restatements of information	Not applicable	
	102-49	Changes in reporting	About the Report	2
	102-50	Reporting period	About the Report	2
	102-51	Date of most recent report	About the Report	2
	102-52	Reporting cycle	About the Report	2
	102-53	Contact point for questions regarding the report	AR 2018	Inside Back Cover
	102-54	Claims of reporting in accordance with the GRI Standards	About the Report	2
	102-55	GRI content index	GRI Content Index	39–43
	102-56	External assurance	About the Report	2

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GRI Standard		Disclosure	Section of Report and / or Explanation for Omission	Pg.
<b>Business Ethics</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Business Ethics	14
	103-2	The management approach and its components	Business Ethics	14
	103-3	Evaluation of the management approach	Business Ethics	14
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Business Ethics	14
<b>Regulatory Compliance</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Regulatory Compliance	15–16
	103-2	The management approach and its components	Regulatory Compliance	15–16
	103-3	Evaluation of the management approach	Regulatory Compliance	15–16
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Regulatory Compliance	16
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Regulatory Compliance	16
<b>Economic Performance</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Economic Performance	12
	103-2	The management approach and its components	Economic Performance	12
	103-3	Evaluation of the management approach	Economic Performance	12
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Our Performance in FY2018 Economic Performance AR 2018	1 12 81–87

MATERIAL TOPICS				
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	103-3	Evaluation of the management approach	Food Safety and Hygiene	17–25
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Our Performance in FY2018 Food Safety and Hygiene	1 18, 21, 22, 25
Customer Satisfaction				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Customer Satisfaction	28–37
	103-2	The management approach and its components	Customer Satisfaction	28–37
	103-3	Evaluation of the management approach	Customer Satisfaction	28–37
Energy and Carbon Footprint				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Energy and Carbon Footprint	38
	103-2	The management approach and its components	Energy and Carbon Footprint	38
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GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Our Performance in FY2018	1
	302-3	Energy Intensity	Our Performance in FY2018	1
GRI 305: Emissions 2016	305-2	Energy indirect (Scope 2) GHG Emissions	Our Performance in FY2018	1
	305-4	GHG emissions intensity	Our Performance in FY2018	1

Members of BreadTalk Group Ltd



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