



**HAI LECK
HOLDINGS LIMITED**

2021 SUSTAINABILITY REPORT

CONTENTS

- 1 EXECUTIVE CHAIRMAN AND CEO'S STATEMENT
- 2 ABOUT THIS REPORT
- 3 ABOUT HAI LECK
- 5 STAKEHOLDER ENGAGEMENT
- 6 OCCUPATIONAL HEALTH AND SAFETY
- 7 WASTE MANAGEMENT
- 7 ECONOMIC PERFORMANCE
- 8 DIVERSITY AND EQUAL OPPORTUNITY
- 9 ANTI-CORRUPTION
- 10 GRI CONTENT INDEX

EXECUTIVE CHAIRMAN AND CEO'S STATEMENT



“We seek to balance the potential for growth with important ESG considerations that are key to the sustainability of the Group’s operations.”

DEAR STAKEHOLDERS,

On behalf of the Board of Directors of Hai Leck Holdings Limited and its subsidiaries (the “Group”), I am pleased to present our sustainability report for the financial year ended 30 June 2021 (“FY2021”).

FY2021 continues to be a challenging year as the Singapore and global economies continues to feel the adverse effects of the COVID-19 pandemic.

We continue to focus on the long-term viability and profitability of the Group. As we engage our teams to prepare for the eventual re-opening of the Singapore and global economies, we also seek to balance the potential for growth with important environmental, social and governance (“ESG”) considerations that are key to the sustainability of the Group’s operations.

Health and safety of our personnel remain of paramount importance amidst this pandemic. We are deeply saddened by the loss of a colleague to an accident during FY2021 which brings to the forefront the importance of being constantly mindful of personal safety as we go about performing our daily work. We continue to focus on equipping our personnel with the right knowledge on workplace safety as well as enforcing compliance with safety rules and regulations. In addition, we also continue to actively comply with existing safe management measures.

With news of extreme weathers and natural disasters from around the world, we share in the global community’s concerns over climate change and actively play our part to ensure that our operations do not bring harm to the environment and personnel involved.

Through the various challenges faced throughout FY2021, I am heartened to see the resilience shown by our people in overcoming difficulties encountered and the unity that they have shown in getting through uncertain times together. I sincerely thank them for their commitment and hard work.

I would also like to take this opportunity to thank all our stakeholders: customers, shareholders, employees, suppliers, bankers and business partners for the support given through the years. The Group looks forward to being able to contribute to the well-being of all stakeholders for many years to come.

Cheng Buck Poh

Executive Chairman and Chief Executive Officer

ABOUT THIS REPORT

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core Option which provides an extensive framework that is widely accepted as a global standard for sustainability reporting. The requirements of Sustainability Reporting Guide in Practice Note 7.6 of the Singapore Exchange Securities Trading Limited (“SGX”) Listing Manual have also been taken into consideration in the preparation of this report.

This report covers the Group’s operations in Singapore, which accounts for substantially all of the Group’s activities in FY2021. Information on the Group’s structure may be found in the 2021 Annual Report.

The most recent previous report for the financial year ended 30 June 2020 was published on 20 November 2020.

The data and information provided in this report, covering the period from 1 July 2020 to 30 June 2021 as well as selected comparative data, have not been independently verified. Instead, we have placed reliance on internal data monitoring and verification to ensure accuracy.

As part of our effort to conserve the environment, we have not printed physical copies of this report. Instead, electronic copies of this report have been uploaded to the SGX website and the Group’s website at www.haileck.com.

Material ESG topics

Material ESG topics identified for FY2021 are as follows:

- GRI 201: Economic Performance
- GRI 205: Anti-corruption
- GRI 306: Effluents and Waste
- GRI 403: Occupational Health and Safety
- GRI 405: Diversity and Equal Opportunity

Sustainability contact

Constructive views and feedback on the Group’s sustainability practices and reporting are welcomed at info@haileck.com.



ABOUT HAI LECK

AN INTEGRATED SERVICE PROVIDER

Established in 1975, the Group is one of the leading Singapore companies that provides project and maintenance services to the oil and gas and petrochemical industries.

The Group has presence in Singapore and Thailand. The Group commands a workforce of around 2,000 employees to service our customers.

The Group's principal activities are:

Project and maintenance services

- Mechanical engineering services in structural steel and piping fabrication and installation as well as plant equipment installation, maintenance, modifications and repairs; scaffolding erection services; corrosion protection services utilising automated blasting; thermal insulation services; refractory and passive fireproofing services as well as general civil engineering services.
- Maintenance services provided on a routine and turnaround basis.

Business process outsourcing – provision of contact centre services

- Premium contact centre providing innovative outsource services with professional and integrated solutions. Contact centre solutions include customer service support; technical helpdesk; virtual receptionist services; lead generation; live web chat; email management; redemption facilities as well as service centre assistance.

Our competitive strengths include our seamless integration of in-house competencies, strong performance track record, good safety performance, technical competency, effective project management, skilled manpower, quality workmanship and high responsiveness to customers' requests.

The Group manages its project and maintenance services through seamless integration of in-house competencies such as automated shop blasting and coating, steel structure and piping shop fabrication and field installation, tankage, scaffolding, corrosion protection, thermal insulation, refractory and general civil works.

With our operational expertise, our dedicated project management team proactively participates in our customers' project planning, anticipating and providing solutions to challenges. We manage and measure our projects with key performance indicators that focus on safety, quality, productivity and timely completion of the entire project. With our experienced management team, skilled tradesmen and advanced fabrication facilities and equipment, the Group is confident of meeting project and maintenance requirements and expectations with high safety, reliability and quality standards.

Through the combined efforts of our management and operations teams above, the Group strives to create value for our customers and stakeholders.

SUPPLIERS

Our key suppliers have been our business partners for many years. Potential suppliers undergo a qualification process which takes into account product and service quality as well as required certifications, if any. Approved suppliers are also continuously assessed based on feedback from end-users. Suppliers who do not meet quality and/or service expectations are removed from the approved supplier list.

BOARD STATEMENT

The Board considers sustainability to be of strategic importance and is committed to the economic, social and environmental well-being of its stakeholders.

SUSTAINABILITY MANAGEMENT

Our sustainability efforts are led by the Board of Directors with support from all levels within the Group.

Board of directors

- Responsible for direction setting, strategies and policies formulation

Senior management

- Provide advice and support to the Board
- Responsible for overall management and monitoring of sustainability efforts

Heads of department

- Reports on outcomes of sustainability efforts

- Communicates sustainability policies and initiatives to each department

All personnel

- Implement sustainability initiatives
- Provide feedback for improvement

Together in our journey towards greater sustainability, we will continuously strive to ensure that we have the right policies and practices in place.

INDUSTRY ASSOCIATIONS

We engage relevant industry associations through our membership with these associations. The Group's memberships include:

- Access Solution Industry Association
- Association of Process Industry (ASPRI)
- Contact Centre Association of Singapore
- Singapore Business Federation
- Singapore Welding Society



STAKEHOLDER ENGAGEMENT

A variety of channels are used to update our stakeholders regarding our developments and to gather their feedback.

Based on the impact our business has on them, our key stakeholders have been identified as follows:

Stakeholders	Engagement platforms	Issues of concern	Section reference
Employees	<ul style="list-style-type: none"> ▪ Department and company meetings ▪ Performance appraisals ▪ Informal feedback ▪ Training courses 	<ul style="list-style-type: none"> ▪ Remuneration and benefits ▪ Workplace safety ▪ Fair treatment ▪ Training and development 	<ul style="list-style-type: none"> ▪ Diversity and equal opportunity ▪ Occupational health and safety
Shareholders	<ul style="list-style-type: none"> ▪ Annual general meetings ▪ Regular SGX announcements ▪ Annual reports ▪ Sustainability reports ▪ Corporate website 	<ul style="list-style-type: none"> ▪ Sound management ▪ Profitability ▪ Dividend payment 	<ul style="list-style-type: none"> ▪ Economic performance ▪ Anti-corruption
Customers	<ul style="list-style-type: none"> ▪ Regular meetings ▪ Annual reports ▪ Sustainability reports 	<ul style="list-style-type: none"> ▪ Safety standards ▪ Compliance with environmental regulations ▪ Financial stability 	<ul style="list-style-type: none"> ▪ Occupational health and safety ▪ Waste management ▪ Economic performance
Government and regulators	<ul style="list-style-type: none"> ▪ Regular SGX announcements ▪ Annual reports ▪ Sustainability reports ▪ Submission of surveys 	<ul style="list-style-type: none"> ▪ Compliance with safety standards ▪ Compliance with environmental regulations ▪ Anti-corruption 	<ul style="list-style-type: none"> ▪ Occupational health and safety ▪ Waste management ▪ Anti-corruption
Suppliers	<ul style="list-style-type: none"> ▪ Supplier qualification process ▪ Quotations and proposals ▪ Annual reports ▪ Sustainability reports 	<ul style="list-style-type: none"> ▪ Financial stability ▪ Fair business practices 	<ul style="list-style-type: none"> ▪ Economic performance ▪ Anti-corruption
Communities	<ul style="list-style-type: none"> ▪ Community services 	<ul style="list-style-type: none"> ▪ Safety standards ▪ Environmental protection ▪ Good corporate citizenship ▪ Social development 	<ul style="list-style-type: none"> ▪ Occupational health and safety ▪ Waste management ▪ Anti-corruption ▪ Economic performance

OCCUPATIONAL HEALTH AND SAFETY

We have zero tolerance where workplace safety is concerned, and this is a culture that we actively cultivate within the Group.

We have a target of a zero accident workplace. To that end, we have implemented a robust workplace safety and health management system that is BS OHSAS 18001 compliant. We have also renewed our bizSAFE Level Star certification, which is the highest certification level accorded by the Workplace Safety and Health (“WSH”) Council.

In line with our culture of zero tolerance where safety is concerned, we believe that everyone is responsible for their own safety and the safety of others. To inculcate this culture right from the start, each new hire is required to attend the necessary safety induction courses tailored to their respective scope of work, during which workplace hazards and at-risk areas are highlighted. They are also issued with standard personal protective equipment as well as specialised safety equipment suited to their nature of work. In the current global health situation, masks are also supplied to further protect their health. External training courses and all medical examinations required under the Workplace Safety and Health Act are carried out by qualified service providers.

We regularly share best safety practices in order to continuously improve on our safety standards. Recent accidents in the industry or near misses are periodically shared as learning points and to serve as reminder of the importance of safety at our workplace. To further reinforce the importance of workplace safety, we regularly conduct safety campaigns or actively participate in campaigns organised by our customers.

Our safety performance record for FY2021 and the financial year ended 30 June 2021 (“FY2021”) are as shown below:

Performance indicator	FY2021	FY2020
Lost Time Incident (“LTI”) Rate	0.1	0
Fatalities	1	0

Unfortunately, despite our best endeavours, there was a workplace fatality in FY2021. We are co-operating fully with the Ministry of Manpower whose investigations are still ongoing.

Pursuant to

In fact, safety is so deeply ingrained into our corporate culture that compliance with the Group’s safety requirements and safety awareness form part of our performance appraisal.

In recognition of our safety efforts, we received accolades from our customers. Amongst the accolades received in FY2021 are:

- Zero LTI in 2020
- Safety Excellence – 45 million manhours without LTI

Beyond occupational health and safety, we also prioritised personal health and safety. Since news of COVID-19 first surfaced, we have actively sought to protect our personnel by equipping them with face masks and advised them to avoid crowded areas. We increased frequency of cleaning and disinfection of frequently touched surfaces and made hand sanitisers readily available even before official guidelines were issued by the authorities.

Unfortunately, notwithstanding our best efforts, we were not able to keep the infection at bay. While our workers have since been cleared to resume work, we continue to be mindful of the need to remain vigilant and work closely with our personnel to ensure necessary precautions continue to be taken.



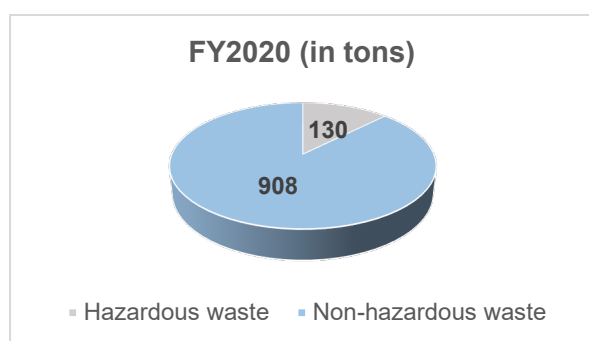
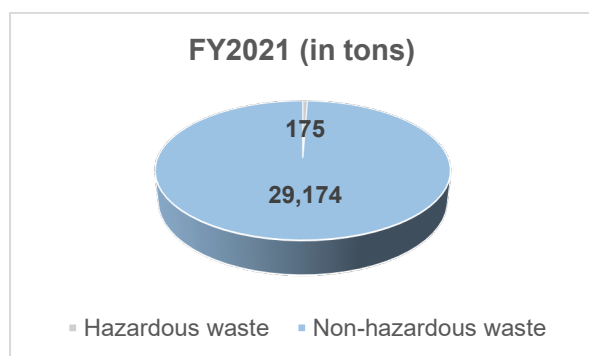
WASTE MANAGEMENT

We dispose of waste in a safe and environmentally sound manner in accordance with local regulations.

The waste generated by our operations are categorised into hazardous and non-hazardous waste. Due to its potential impact on the environment and persons who come into contact with them, waste disposal, particularly hazardous waste, is taken seriously. All wastes are collected by licensed waste collector to ensure proper transportation and disposal.

The amount of waste generated is a function of the level of activities during the year. Nonetheless, the Group is careful not to procure excess raw materials with limited shelf life that may eventually end up as waste.

The quantities of hazardous and non-hazardous waste disposed in FY2021 and FY2020 are as shown below:



Our target is to have no violation of local regulations. There were no violations in FY2021.

ECONOMIC PERFORMANCE

We are committed to creating wealth for our stakeholders. Therefore, we constantly seek opportunities for operational and financial improvements.

The Group's direct economic value generated in FY2021 and FY2020 is as shown below:

	FY2021 \$'000	FY2020 \$'000
Revenue	88,506	95,351

A summary of economic value distributed in FY2021 and FY2020 is as follows:

	FY2021 \$'000	FY2020 \$'000
Operating costs	44,686	49,359
Employee wages and benefits	33,604	35,197
Payments to providers of capital	235	273
Payments to government	2,216	1,153
Community investments	-	-
Economic value distributed	80,741	85,982

More information regarding the Group's financial results and analysis may be found in the 2021 Annual Report.

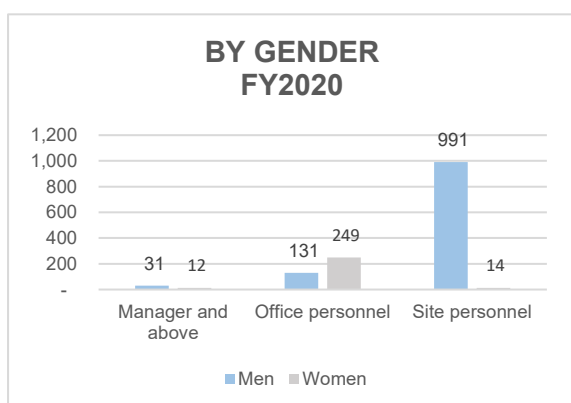
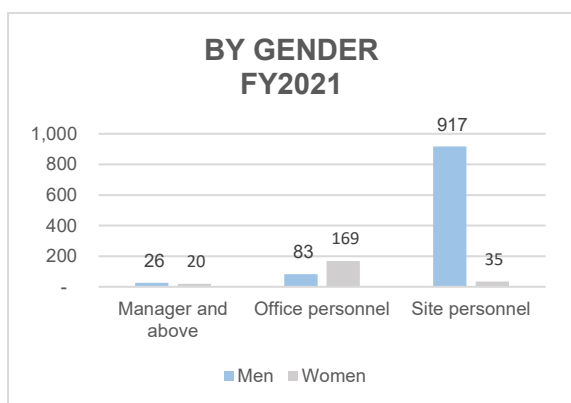


DIVERSITY AND EQUAL OPPORTUNITY

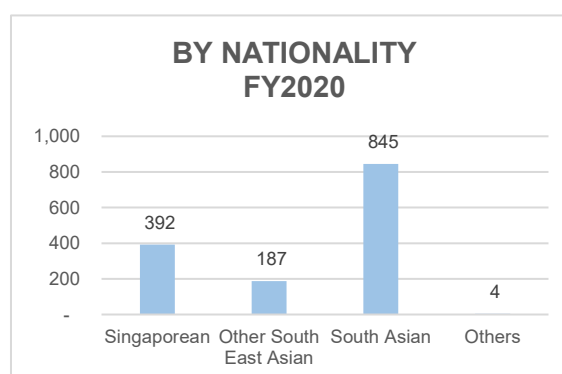
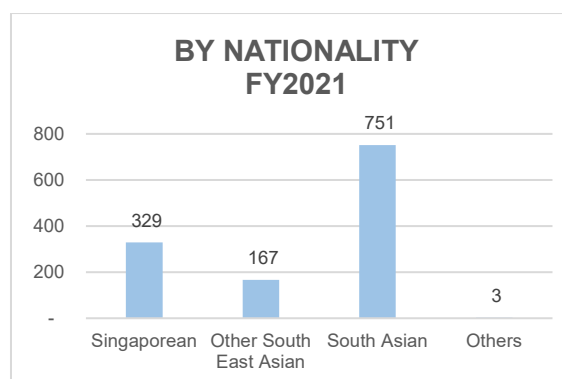
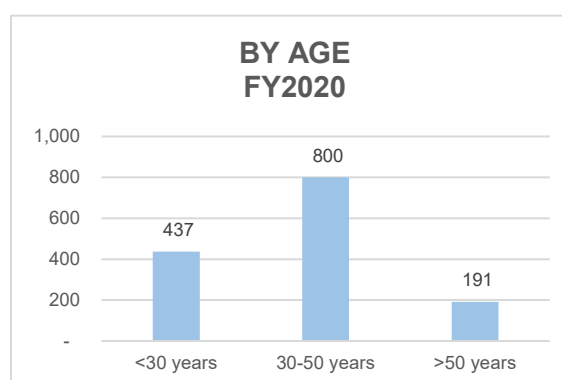
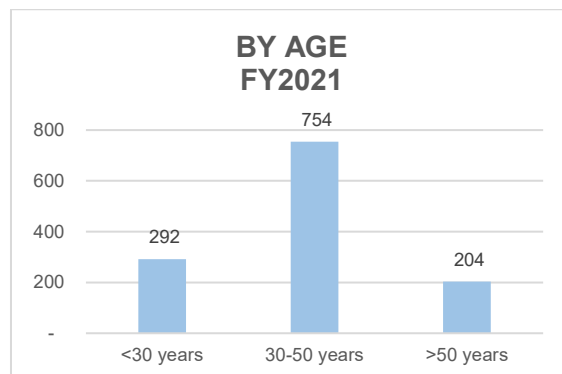
Our people are one of the most important and valuable resources to us. To ensure successful execution of our work, we need employees with a wide range of experiences and qualifications, who will bring different perspectives with them.

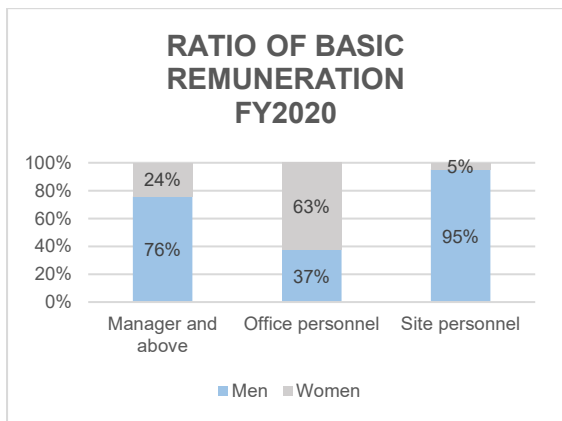
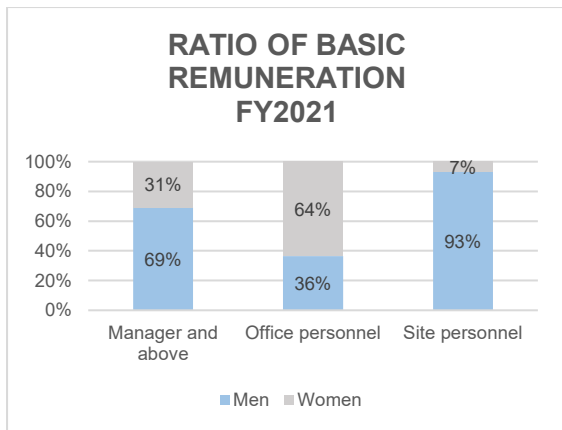
Hence, the Group advocates equal opportunity, as well as racial, gender and age diversity. Employment and promotion are based on merit, regardless of their gender, race, age, religion and marital status.

Our employee profiles by gender, age and nationality as well as ratio of basic remuneration of women to men are presented below:



Note: Site personnel are almost exclusively men due to the physically demanding nature of the work involved.





The COVID-19 pandemic has resulted in much hardship for certain segments of our society. As such, we chose to do our part for the society this year by supporting the Salvation Army which helps the needy who may require more assistance during this difficult period. The Salvation Army was selected due to their long and reputable history in Singapore since 1935.

The event was held from 7 to 9 December 2020. To ensure that this event was conducted safely during the pandemic, we put in place safety measures such as isolated storage location, disinfection of items collected and social distancing when our staff contributed and sorted the donated items. Thanks to overwhelming support from our staff, we were able to do our part for the charity.

ANTI-CORRUPTION

The Group complies with all applicable anti-corruption laws of the countries in which we operate.

All new staff are briefed on the established Code of Professional Conduct during their orientation. All staff are required to declare any possible conflict of interest and are prohibited from offering or accepting favours or gifts from third parties.

Our Whistle Blowing policy and procedures enable employees to report any illegal or unethical behaviour.

There were no confirmed incidents of corruption in FY2021.



GRI CONTENT INDEX

GRI Standard	Disclosure	Page number (s)
General Disclosures		
GRI 102: General Disclosures	102-1 Name of the organization	Front cover
	102-2 Activities, brands, products, and services	3
	102-3 Location of headquarters	3
	102-4 Location of operations	3
	102-5 Ownership and legal form	3
	102-6 Markets served	3
	102-7 Scale of organization	3, 9
	102-8 Information on employees and other workers	7, 8
	102-9 Supply chain	3
	102-10 Significant changes to the organization and its supply chain	None
	102-11 Precautionary Principle or approach	9
	102-12 External initiatives	3, 6, 9
	102-13 Membership of associations	4
	102-14 Statement from senior decision-maker	1
	102-16 Values, principles, standards, and norms of behavior	1, 4, 9
	102-18 Governance structure	4
	102-40 List of stakeholder groups	5
	102-41 Collective bargaining agreements	Not applicable
	102-42 Identifying and selecting stakeholders	5
	102-43 Approach to stakeholder engagement	5
	102-44 Key topics and concerns raised	5
	102-45 Entities included in the consolidated financial statements	2
	102-46 Defining report content and topic Boundaries	2
	102-47 List of material topics	2
	102-48 Restatements of information	Not applicable
	102-49 Changes in reporting	Not applicable
	102-50 Reporting period	2
	102-51 Date of most recent report	2
102-52 Reporting cycle	2	
102-53 Contact point for questions regarding the report	2	
102-54 Claims of reporting in accordance with the GRI Standards	2	
102-55 GRI content index	10	
102-56 External assurance	2	
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	9
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	9
	205-3 Confirmed incidents of corruption and actions taken	9
GRI 306: Effluents and Waste	306-2 Waste by type and disposal method	9
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	6
	403-2 Hazard identification, risk assessment, and incident investigation	6
	403-4 Worker participation, consultation, and communication on occupational health and safety	6
	403-5 Worker training on occupational health and safety	6
	403-9 Work-related injuries	6
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	8
	405-2 Ratio of basic salary and remuneration of women to men	9



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