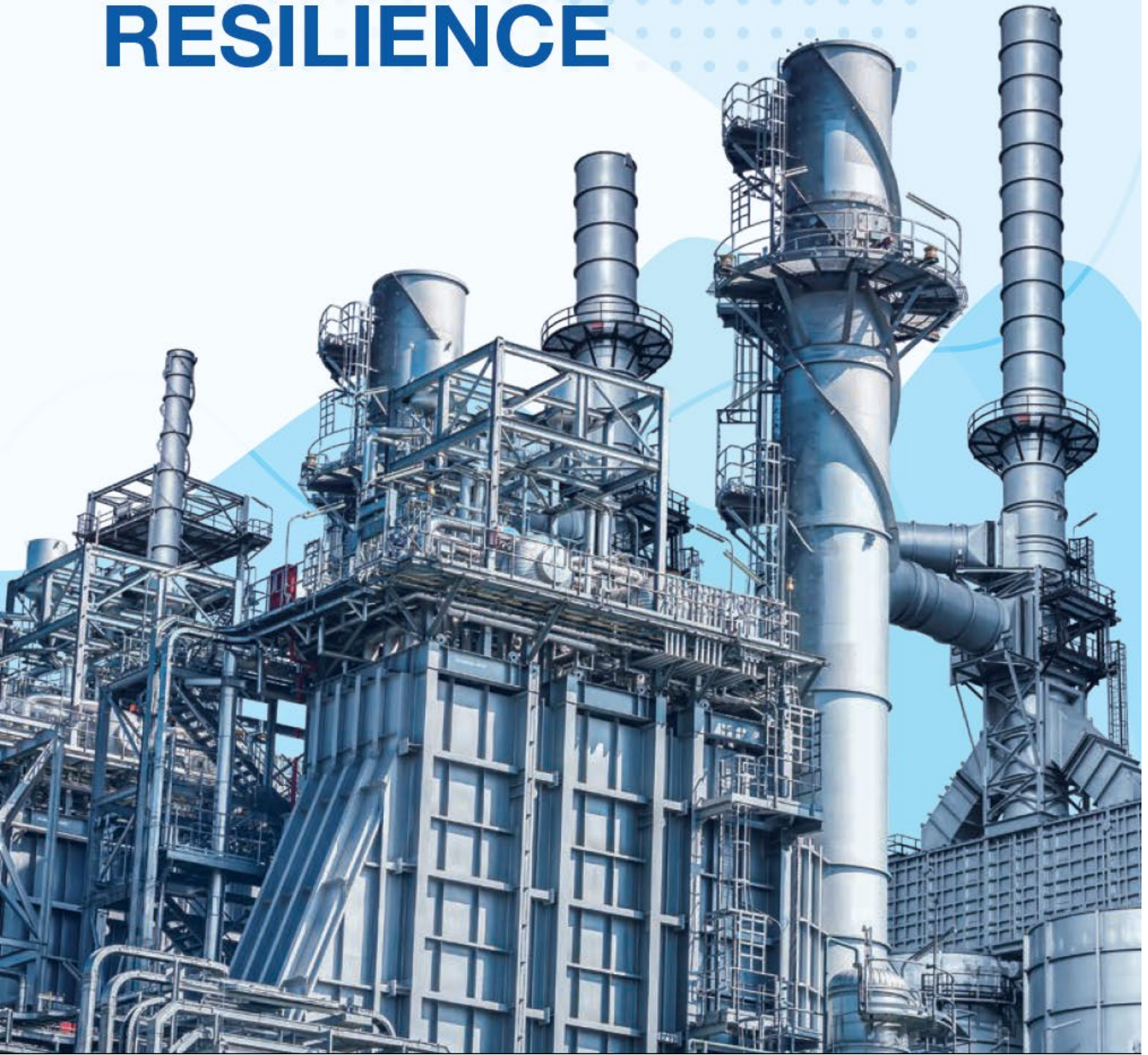




HAI LECK  
HOLDINGS LIMITED

SUSTAINABILITY  
REPORT **2023**

# UNWAVERING RESILIENCE



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## ABOUT THIS REPORT

This report has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards 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 subsidiaries in Singapore, which accounts for the major business operations of the Group. Information on the Group’s structure may be found in the 2023 Annual Report.

The data and information provided in this report covers the period from 1 July 2022 to 30 June 2023 as well as selected comparative data. We have engaged our internal auditors, RSM Risk Advisory Pte. Ltd. to review the current sustainability reporting process involved in preparing this report as required by Rule 711B(3) of the SGX Mainboard Rules. We did not seek external assurance for this report.

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](http://www.haileck.com).

### Material ESG topics

Our evaluation of material ESG topics is based on our assessment of matters that are important to the Group’s operations and our understanding of stakeholder expectations. We also benchmark against the reporting frameworks and practices of our peers within our industry and take into consideration SGX Listing Manual requirements.

Material ESG topics identified for FY2023 are as follows:

- GRI 201: Economic Performance 2016
- GRI 205: Anti-corruption 2016
- GRI 306: Waste 2020
- GRI 403: Occupational Health and Safety 2018
- GRI 405: Diversity and Equal Opportunity 2016

SGX has introduced a phased approach to mandatory climate reporting based on the recommendations of the Task Force on Climate-based Financial Disclosures (“TCFD”). We are working towards establishing a systematic data collection process to disclose our sustainability practices under the TCFD framework in the next Sustainability Report.

### Sustainability contact

Constructive views and feedback on the Group’s sustainability practices and reporting are welcomed at [info@haileck.com](mailto:info@haileck.com).

# EXECUTIVE CHAIRMAN AND CEO'S STATEMENT

## 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 2023 ("FY2023").

FY2023 has been an eventful year with the UN World Health Organization declaring an end to COVID-19 as a public health emergency and the reopening of almost all countries. However, global political tension and economic uncertainty has resulted in continuing rising costs amidst keen competition in the industries in which we operate.

Our operational challenges are further compounded by the extreme and unpredictable weather conditions which we are now experiencing. This has brought to the forefront, the need for us to be even more vigilant in ensuring the health and safety of our workforce, and I am heartened to report that we have continued to maintain our good safety records. We are also grateful that our efforts have been affirmed by our customers who have awarded us with various safety awards in FY2023.

As we start to experience the effects of climate change in Singapore, we sought to contribute to the protection of our ecosystem by cleaning up our green spaces in Singapore. We also did not overlook to continue to give back to the society and donated to Thye Hua Kwan Moral Charities which provides assistance to the elderly and the sick, families, persons with disabilities and children.

All in all, notwithstanding the challenges faced in FY2023, I am deeply appreciative of the resilience that our people have shown in their handling of any obstacles that come their way. I sincerely thank them for their unity, commitment and hard work.



***"...I am deeply appreciative of the resilience that our people have shown in their handling of any obstacles that come their way."***

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 HAI LECK

## AN INTEGRATED SERVICE PROVIDER

Hai Leck Holdings Limited is a limited liability company which is listed on the SGX.

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

The Group is headquartered in Singapore and has presence in Singapore and Thailand. As at 30 June 2023, the Group commanded a workforce headcount of 2,220 employees and also engaged 105 personnel via manpower supply agencies to support our operations. Details of employees by gender as at 30 June 2023 are as follows:

Female	Male	Total
Number of employees (headcount)		
448	1,772	2,220
Number of permanent employees (headcount)		
444	1,769	2,213
Number of temporary employees (headcount)		
4	3	7
Number of non-guaranteed hours employees (headcount)		
-	-	-
Number of full-time employees (headcount)		
441	1,770	2,211
Number of part-time employees (headcount)		
7	2	9

Singapore	Thailand	Total
Number of employees (headcount)		
1,632	588	2,220
Number of permanent employees (headcount)		
1,631	582	2,213
Number of temporary employees (headcount)		
1	6	7
Number of non-guaranteed hours employees (headcount)		
-	-	-
Number of full-time employees (headcount)		
1,623	588	2,211
Number of part-time employees (headcount)		
9	-	9

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.

#### **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

#### **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. All Directors in office during FY2023 have undergone training on sustainability matters as prescribed by SGX.

#### **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.

#### **SUSTAINABILITY STRATEGY**

We recognise the importance of sustainable development in shaping our future and strive to integrate sustainable practices into our operations, seek to minimise our environmental impact, promote social responsibility and create long-term value for our stakeholders.

#### **COMMITMENTS**

We are committed to ensuring that we continue to prioritise the health and safety of our workforce, uphold our diversity and equal opportunity policies and comply with applicable laws and regulations as we seek to create long-term value for our stakeholders. We are also committed to doing our part to integrate sustainable practices into our operation and seek to minimise our environmental impact.

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

## 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, our project and maintenance operations have implemented a robust workplace safety and health management system that is ISO 45001:2018 and ISO 9001:2015 compliant. We have also maintained our bizSAFE Level Star certification, which is the highest certification level accorded by the Workplace Safety and Health (“WSH”) Council.

Work-related hazards relating to our project and maintenance operations which have been identified through the Group’s risk assessment process include close proximity during lifting activity and risk of tripping and falling. Identified work-related hazard that pose a risk of ill health relates to exposure to asbestos. No significant work-related hazards or ill health relating to our business process outsourcing operations have been identified in view of the nature of the work.

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. 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.

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.

Our safety performance record for FY2023 and the financial year ended 30 June 2022 (“FY2022”) are as shown below. Rates have been calculated based on 200,000 hours worked.

Performance indicator	Employees		Workers who are not employees but whose work and/or workplace is controlled by the Group	
	FY2023	FY2022	FY2023	FY2022
Number of fatalities	0	0	0	0
Rate of fatalities	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0.06	0	0	0
Number of recordable work-related injuries	2	0	0	0
Rate of recordable work-related injuries	0.11	0	0	0
Number of hours worked	3,500,578	3,009,143	282,238	350,973



The main types of work-related injury in FY2023 were lifting and falling related.

In FY2023 and FY2022, there were no fatalities as a result of work-related ill health nor recordable work-related ill health in respect of our employees and all workers who are not employees but whose work and/or workplace is controlled by us.

In recognition of our safety efforts, we received accolades from our customers such as Zero LTI in 2022, Zero Recordable Injury for continuous years and Safety Performance for an Injury Free 2022.

The Group received further affirmation from the WSH Council through the following awards in July 2023

- WSH Innovation “Gold” Award
- WSH Performance (Silver) Award
- WSH Safety and Health Award Recognition for Projects (SHARP) Awards 2023

The WSH Innovation Award recognizes teams who have created innovative solutions to improve safety and health standards in the workplace. The WSH Performance Award recognizes companies that have implemented sound safety and health management systems, and went to extraordinary lengths to safeguard their employees, and contractors across all their worksites while WSH SHARP Award recognizes large-scale projects or worksites that have good safety and health performance, and workplace safety and health management systems.

We also provide our employees with access to panel doctors and medical treatment at public medical facilities.

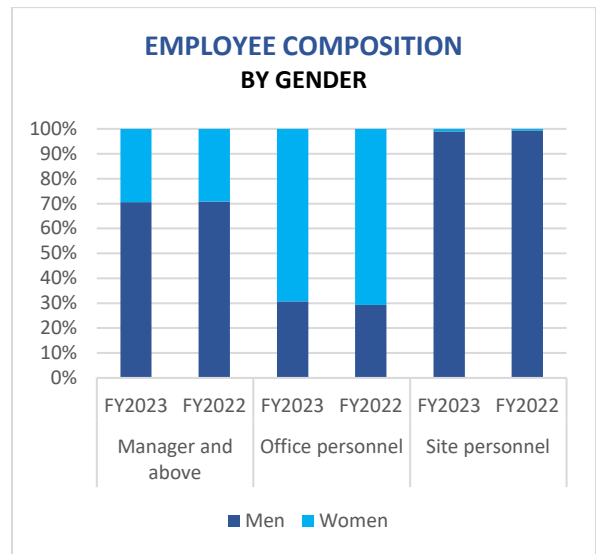
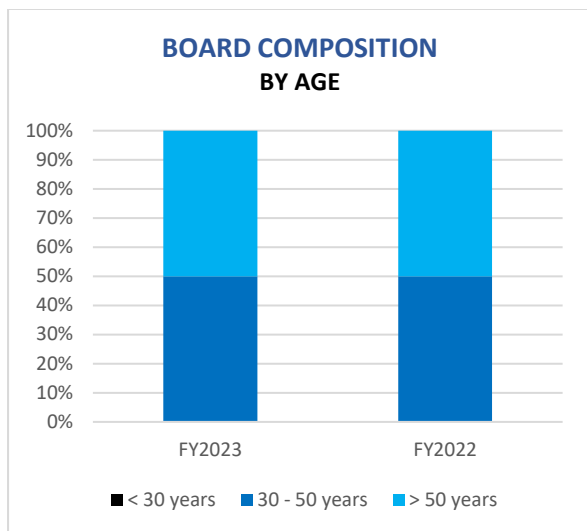
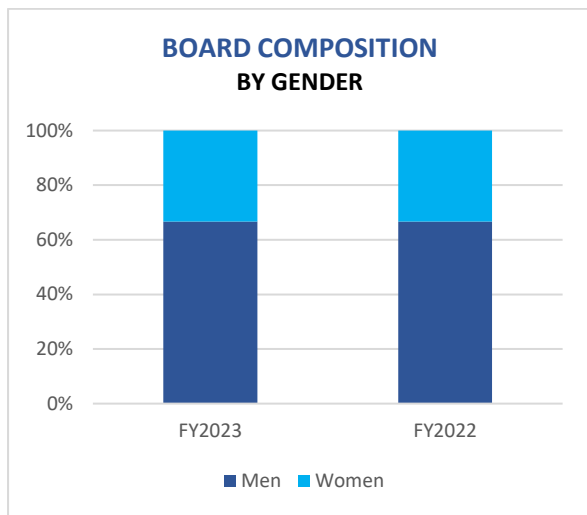


# DIVERSITY AND EQUAL OPPORTUNITY

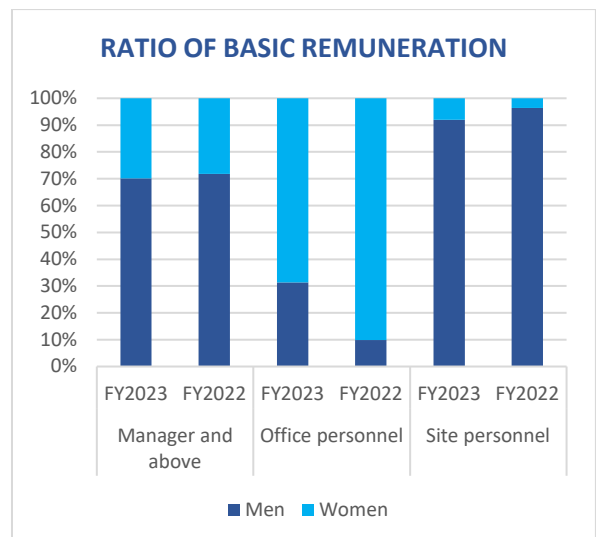
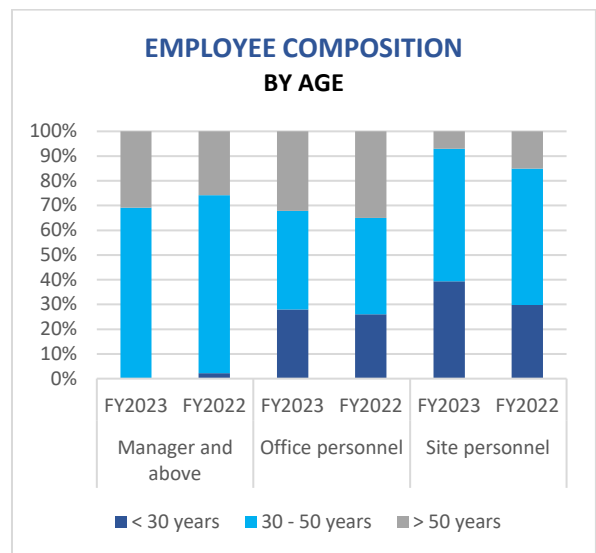
Our people are one of the most important and valuable resources to us. To ensure successful execution of our work, we need employees with a wide range of experiences and qualifications, who will bring different perspectives with them.

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

Our Board and employee profiles by gender and age as well as employee 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.



## WASTE MANAGEMENT

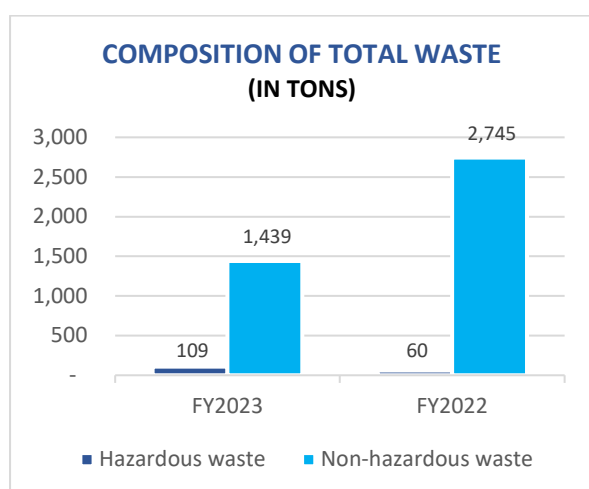
We dispose of waste in a safe and environmentally sound manner in accordance with local regulations.

The waste generated by our project and maintenance 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.

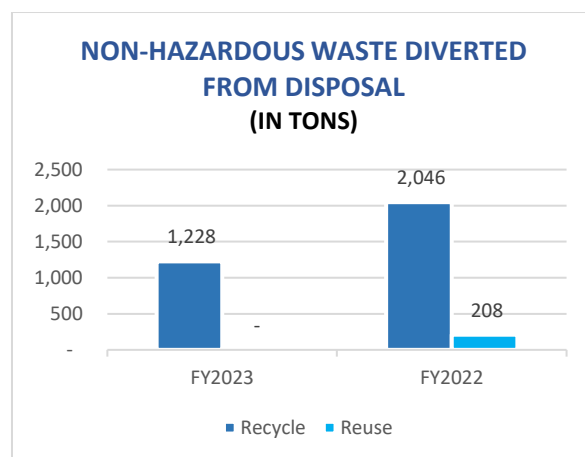
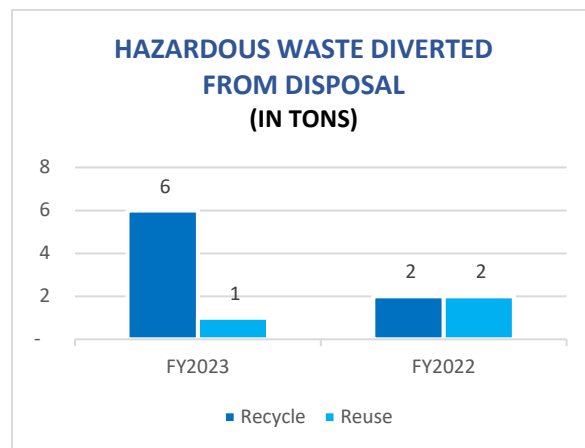
The quantities of hazardous and non-hazardous waste disposed in FY2023 and FY2022, based on waste transfer notes or weighbridge measurement from contracted waste collectors where the data is readily available, or estimations of the waste quantities based on contractual arrangements. The comparative information for FY2022 has been restated from 1,405 tons to 2,805 tons due to more comprehensive reporting, consistent with information presented for FY2023.

Breakdown of waste is as follows:

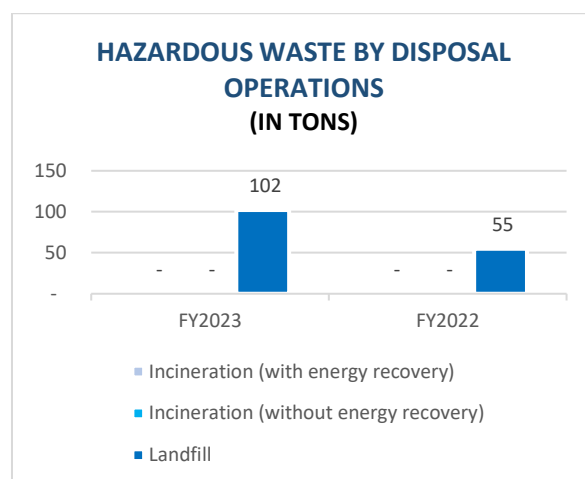


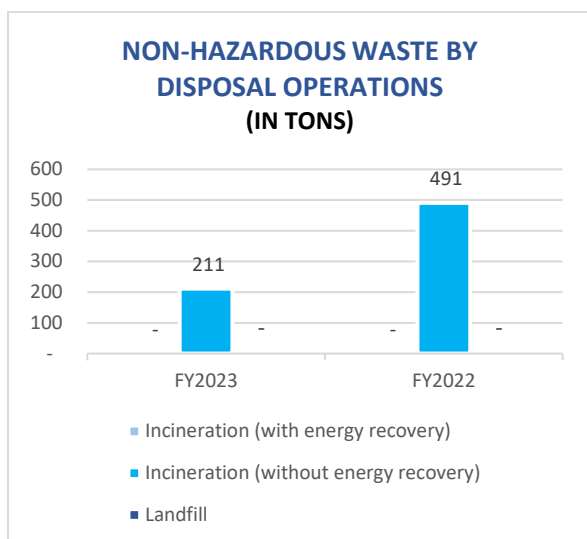
Where feasible, waste are diverted from disposal for recycling or reuse offsite. In FY2023, 1,235 tons (FY2022: 2,258 tons) of waste were diverted from disposal.

Total weight of hazardous and non-hazardous waste diverted from disposal, broken down by recovery operations is as follows:



Remaining waste are directed to disposal. Breakdown of hazardous and non-hazardous waste by disposal operations is as follows:





Our target is to have no violation of local regulations. There were no violations in FY2023.

## 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 which includes anti-corruption matters 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 FY2023.

## 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 FY2023 and FY2022 is as shown below:

	FY2023 \$'000	FY2022 \$'000
<b>Revenue</b>	68,617	82,539

A summary of economic value distributed in FY2023 and FY2022 is as follows:

	FY2023 \$'000	FY2022 \$'000
<b>Operating costs</b>	21,831	27,906
<b>Employee wages and benefits</b>	42,541	38,306
<b>Payments to providers of capital</b>	4,673	25,097
<b>Payments to government</b>	3,873	2,779
<b>Community investments</b>	11	7
<b>Economic value distributed</b>	<b>72,929</b>	<b>94,095</b>

More information regarding the Group's financial results and analysis may be found in the 2023 Annual Report.

We are committed to understanding and addressing climate change. By adopting sustainable practices and promoting renewable energy, we aim to minimize our carbon footprint. We are working towards establishing a systematic data collection process to disclose our sustainability practices under the TCFD framework in the next Sustainability Report.

## GRI CONTENT INDEX

<b>Statement of use</b>	Hai Leck Holdings Limited has reported the information cited in this GRI content index for the period from 1 July 2022 to 30 June 2023 with reference to the GRI Standards
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
GRI 2: General Disclosures 2021	2-1 Organizational details	Sustainability report (“SR”) front cover, pgs 3, 4
	2-2 Entities included in the organisation’s sustainability reporting	SR pg 1
	2-3 Reporting period, frequency and contact point	SR pg 1
	2-4 Restatements of information	SR pg 9
	2-5 External assurance	SR pg 1
	2-6 Activities, value chain and other business relationships	SR pg 3
	2-7 Employees	SR pgs 3, 8
	2-8 Workers who are not employees	SR pg 3
	2-9 Governance structure and composition	Annual report (“AR”) pgs 19 to 20
	2-10 Nomination and selection of the highest governance body	AR pgs 23 to 26
	2-11 Chair of the highest governance body	AR pgs 19 and 22
	2-12 Role of the highest governance body in overseeing the management of impacts	SR pg 4
	2-13 Delegation of responsibility for managing impacts	SR pg 4
	2-14 Role of the highest governance body in sustainability reporting	SR pg 4
	2-15 Conflicts of interest	AR pg 15
	2-16 Communication of critical concerns	AR pgs 18 to 19, 37
	2-17 Collective knowledge of the highest governance body	AR pgs 15 to 16
	2-18 Evaluation of the performance of the highest governance body	AR pgs 27 to 28
	2-19 Remuneration policies	AR pgs 28 to 29
	2-20 Process to determine remuneration	AR pg 30
	2-21 Annual total compensation ratio	Not disclosed due to confidentiality
	2-22 Statement on sustainable development strategy	SR pg 4
	2-23 Policy commitments	SR pg 4
	2-24 Embedding policy commitments	SR pgs 6 to 10
	2-25 Processes to remediate negative impacts	AR pg 37, SR pgs 6 to 10
	2-26 Mechanisms for seeking advice and raising concerns	AR pg 37, SR pg 10
	2-27 Compliance with laws and regulations	SR pg 10
	2-28 Membership associations	SR pg 4
	2-29 Approach to stakeholder engagement	SR pg 5
	2-30 Collective bargaining agreements	Not applicable. No collective bargaining agreements
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR pg 1
	3-2 List of material topics	SR pg 1
	3-3 Management of material topics	SR pgs 6 to 10

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location</b>
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR pg 10
	201-2 Financial implications and other risks and opportunities due to climate change	To be complied with in next report
	201-3 Defined benefit plan obligations and other retirement plans	Not applicable. None in Singapore other than the Central Provident Fund contributions
	201-4 Financial assistance received from government	Not applicable. No material financial assistance received from government
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR pg 10
	205-2 Communication and training about anti-corruption policies and procedures	SR pg 10
	205-3 Confirmed incidents of corruption and actions taken	SR pg 10
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	SR pg 9
	306-2 Management of significant waste-related impacts	SR pg 9
	306-3 Waste generated	SR pg 9
	306-4 Waste diverted from disposal	SR pg 9
	306-5 Waste directed to disposal	SR pg 9
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR pgs 6 to 7
	403-2 Hazard identification, risk assessment, and incident investigation	SR pgs 6 to 7
	403-3 Occupational health services	SR pgs 6 to 7
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR pgs 6 to 7
	403-5 Worker training on occupational health and safety	SR pgs 6 to 7
	403-6 Promotion of worker health	SR pgs 6 to 7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR pgs 6 to 7
	403-8 Workers covered by an occupational health and safety management system	SR pgs 6 to 7
	403-9 Work-related injuries	SR pgs 6 to 7
	403-10 Work-related ill health	SR pgs 6 to 7
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	AR pgs 21 to 22, SR pg 8
	405-2 Ratio of basic salary and remuneration of women to men	SR pg 8



**HAI LECK  
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