

SUSTAINABILITY REPORT 2020

NEXT LEAP FORWARD

Sanli Environmental Limited

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This sustainability report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this sustainability report including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Mr David Yeong (Telephone number: +65 6232 3210), at 1 Robinson Road, #21- 00 AIA Tower, Singapore 04854

MESSAGE FROM OUR BOARD OF DIRECTORS



We are pleased to present our annual Sustainability Report ("**SR**") of Sanli Environmental Limited ("**Sanli**", the "**Company**", and together with its subsidiaries, the "**Group**") for the financial year ended 31 March 2020 ("**FY2020**").

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material economic, environmental, social and governance ("**EESG**") factors for the Group are identified and cautiously reviewed by the management annually. The data and information provided in this report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information. The Board of Directors of the Group (the "**Board**") oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies.

REPORTING PERIOD, SCOPE AND FRAMEWORK

This report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards - Core option, and on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Section B: Rules of Catalist ("**Catalist Rules**"). Sanli has chosen the GRI framework as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. This report highlights the key EESG related initiatives and strategies for the Group's operations in Singapore for the 12-month period from 1 April 2019 to 31 March 2020.

FEEDBACK

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to phyllyst@sanli.com.sg.

There was no feedback received for FY2020.

23 September 2020

ORGANISATIONAL PROFILE

Sanli Environmental Limited is an environmental engineering company in the field of water and waste management. Our expertise is in the design, supply, delivery, installation, commissioning, maintenance, repair and overhaul of mechanical and electrical equipment as well as process, instrumentation and control systems in wastewater treatment plants, water reclamation plants, NEWater plants, waterworks, service reservoirs, pumping stations and incineration plants.

Our business is divided into two main business segments:

ENGINEERING, PROCUREMENT AND CONSTRUCTION ("EPC")

- We provide engineering, procurement and construction services within the field of water and waste management.
- Our services include process upgrading of existing water treatment plants, upgrading of pumping station capacities, replacement of aged mechanical and electrical equipment, and design and build of various treatment process systems.

OPERATIONS AND MAINTENANCE ("O&M")

- We provide corrective and preventive maintenance services to ensure reliability and minimal disruptions to customers' operations.

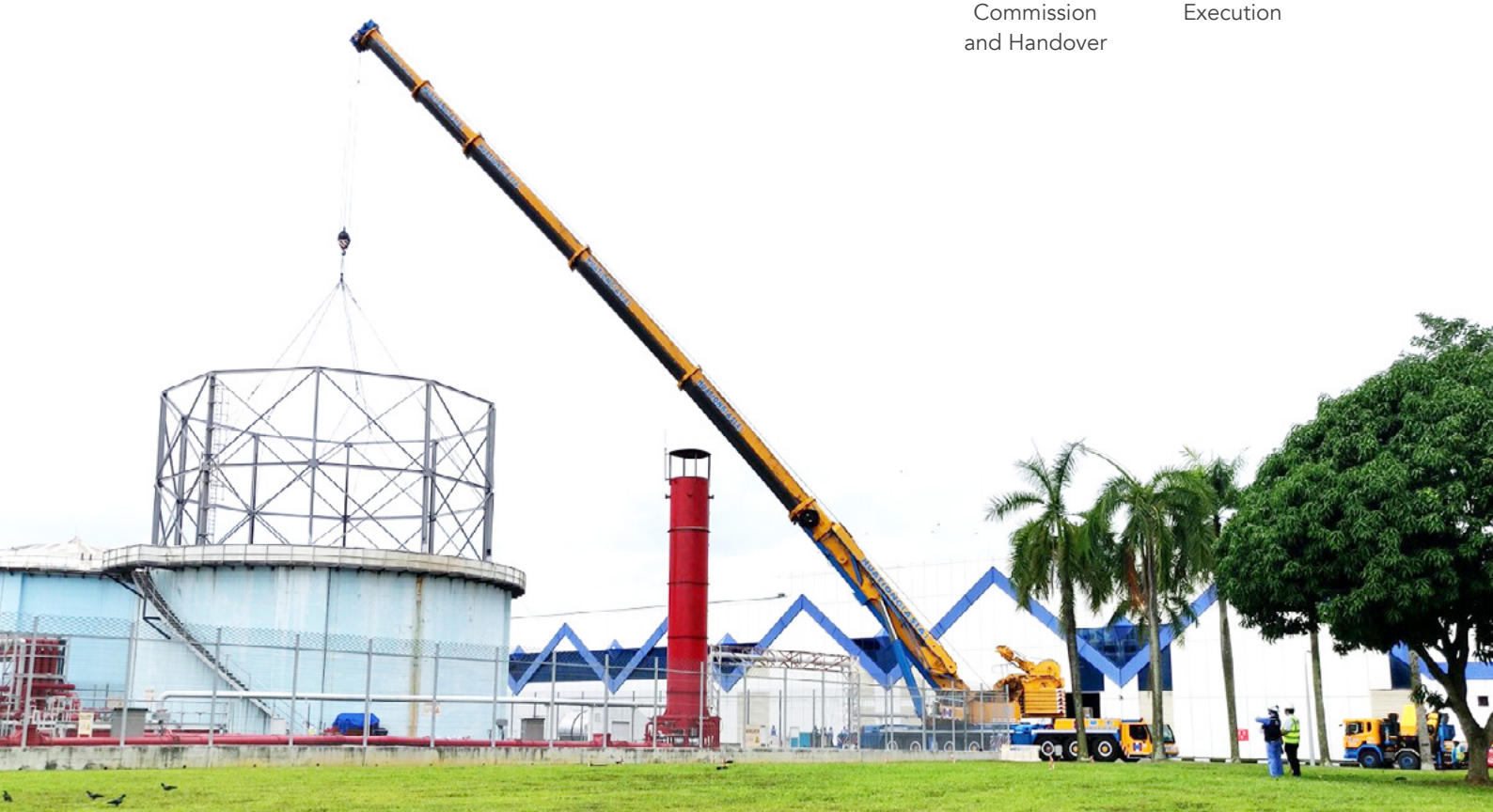
Backed by our strong engineering capabilities, we have the ability to integrate mechanical, electrical and process engineering expertise to provide customised, cost- and time-efficient integrated engineering solutions and services to our customers.

Water Management
Engineering solutions and services for the treatment of raw water and used water.

Waste Management
Engineering solutions and services for the treatment of refuse in incineration plants.

Work Process





SUSTAINABILITY APPROACH

SANLI'S SUSTAINABILITY METHODOLOGY

At Sanli, we are committed to conducting our business in a responsible and sustainable manner. To achieve and maintain our sustainability goals, the Group articulates our values through the following approach:



SUSTAINABILITY GOVERNANCE

Strong governance is the key to a sustainable business. It is a continual challenge to successfully manage environmental and social issues. Sanli has incorporated this into our business model and implemented sustainable and responsible practices throughout the Group. We are committed to providing top notch services to meet the relevant safety and environmental requirements set out by our customers and the regulatory bodies.

Sanli pays strict attention to enforcing good labour practices in all our operations. The Group provides various training opportunities for continuous employee development and this has been reflected in the quality and delivery of our services. We value our relationships with our clients and the wider community in which we operate, and these relationships forged have helped us through challenging times in the past. The Group strongly believes that in the long run, these efforts will be reciprocated through positive impacts on the Group's economic performance.

Our Performance

Throughout FY2020, we have complied in all material respects of the principles and provisions of the Code of Corporate Governance 2018 and achieved the predetermined targets that were set last year. The Board is aware and responsible for the standards of the Group's corporate governance and impresses the importance to all employees.

Our Target (FY2021)
Continue to comply with Code of Corporate Governance 2018

ENTERPRISE RISK MANAGEMENT

Sanli believes that Enterprise Risk Management ("**ERM**") is an integral part of good corporate governance as well as resource management. We have a thorough and comprehensive ERM framework to identify and manage risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on the Group's risk management processes, please refer to pages 35 to 36 of our Annual Report (**"AR**") 2020.

Our Performance

In FY2020, we accomplished our target set last year, i.e., reviewed the ERM policies to ensure all relevant risks are identified, communicated and addressed timely.

Our Target (FY2021)
Review ERM policies annually

BUSINESS ETHICS AND COMPLIANCE

When it comes to hiring, we take into serious consideration any conflict of interests. Our code of conduct clearly lays out the Group's expectations for our staff and spells out consequences for violating rules or not meeting expectations. In addition, we also have clear and fair grievance procedures for internal dispute resolution.

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group regularly updates relevant staff with developments in international and local regulations. Sanli is proud to inform that it is in compliance, in all material aspects, with all environmental rules and regulations, anti-competitive practices and the Workplace Safety and Health Act.

The Board is of the view that cyber security and data privacy are important not just for compliance, but in safeguarding both the Group's data and that of our customers. Sanli takes measures to guard against cyber risks, protecting confidential information for both our internal and external stakeholders. This also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised personnel on a need-to-know basis.

Our Performance

For FY2020, we have achieved the target we set last year. There were no (FY2019: nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations.

Our Target (FY2021)
0 Maintain zero incidents of non-compliance

STAKEHOLDERS AND MATERIALITY

STAKEHOLDERS ENGAGEMENT

We have identified our key stakeholders and material aspects that are instrumental to our business. The interests and requirements of our key stakeholders are taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, shareholders, employees, and regulators. We adopt both formal and informal channels of communication to understand the needs of our key stakeholders, so as to include and align the needs of the key stakeholders in our corporate strategies to achieve mutually beneficial relationships.

KEY STAKEHOLDERS	ENGAGEMENT PLATFORMS	FREQUENCY OF ENGAGEMENT	KEY CONCERNS RAISED
Employees 	Staff appraisal	Annually	Employee compensation and benefits, personal development
	Town hall session	Annually	
	Get-together session and Badminton competitions	Semi-annually	
Customers 	Face-to-face / Virtual meetings and feedbacks	Daily	Quality of services, on-time completion
	Occasional site-visits	Ad-hoc	
Suppliers 	Face-to-face / Virtual meetings	Daily	Prompt payment, accurate specifications, selection of reliable suppliers
	Evaluation and feedback	Annually	
Shareholders 	Annual general meeting	Annually	Financial and operational performance of the Group, corporate governance and sustainability practices, business strategies of the Group
	Annual report	Annually	
	Corporate announcements and financial results announcements	Ad-hoc	
	Company website	–	
Regulators 	Occasional face-to-face meeting / inspections	Ad-hoc	Full-compliance to regulations
	E-mails	Ad-hoc	
	Surveys	Ad-hoc	

STAKEHOLDERS AND MATERIALITY

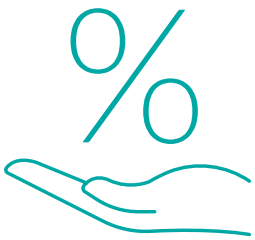
MATERIAL ASPECTS ASSESSMENT

Our sustainability process begins with the identification of relevant aspects. Relevant aspects are then prioritised to identify material factors which are subject to validation. The end result of this process is a list of material factors disclosed in this report. Process of which is shown below:



The Group has conducted a materiality assessment during the year. We engaged our employees from different departments and sought our internal stakeholders' feedback for prioritisation of these topics. The material issues are reviewed annually and updated from the previous reporting period, after incorporating input gathered from stakeholders' engagements.

In order to identify and prioritise a material factor, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI, we have identified the following as our material factors:



Economic

Economic Performance
Anti-Corruption



Environmental

Energy
Environmental Compliance



Social

Occupational Health and Safety
Diversity and Equal Opportunity
Local Communities
Socioeconomic Compliance



Governance

Sustainability Governance
Enterprise Risk Management
Business Ethics and Compliance

Impact Boundary: Sanli Environmental Limited – Employees, Project Sites, Office, Community

ECONOMIC PERFORMANCE

Sanli firmly believes that the financial sustainability of the Group is critical, and we are fully committed to the highest standards of corporate governance. The Group's basic principle is to ensure long-term profitability and shareholders' value, by taking into account the interests of all stakeholders, such as shareholders, employees, suppliers and society as a whole.

Our Target (FY2021)

Remain cautious with regards to market conditions and continue to be vigilant in managing costs and improving operational efficiencies

Our Performance

REVENUE FY2020

S$67.1 mil

6.0% ▼

(FY2019 : S$71.4 mil)

GROSS PROFIT FY2020

S$7.4 mil

24.1% ▼

(FY2019 : S$9.8 mil)

EPC REVENUE FY2020

S$53.9 mil

6.7% ▼

(FY2019 : S$57.8 mil)

O&M REVENUE FY2020

S$13.1 mil

3.0% ▼

(FY2019 : S$13.5 mil)

For detailed financial results, please refer to the following sections in our FY2020 Annual Report:

- Financial Review, pages 4 to 5;
- Financial Highlights, pages 8;
- Financial Statements and Notes to Financial Statements , pages 50 to 98

ECONOMIC

An extract from our Full Yearly Results Announcement dated 28 July 2020, paragraph 10

A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The **Covid-19** pandemic has had a pervasive impact across many sectors, including the water and waste management industry in which the Group operates.

The pandemic's disruptions to the Group's operations include:

- A temporary interruption in the supply chain in the last quarter of the financial year ended 31 March 2020, due to delayed shipments of materials from China following the country's implementation of pandemic-containment safety measures;
- A halt in Singapore operations for the Engineering, Procurement, and Construction segment, following the enforcement of Circuit Breaker lockdown measures starting in April 2020, though the Group has been able to continue activities for the Operations and Maintenance segment during the Circuit Breaker period as these are considered essential services as designated by the Singapore government; and
- Disruption in manpower due to pandemic's effect on the foreign worker community in Singapore, and the subsequent counter- measures put in place by the Singapore government, which include movement restrictions and quarantine measures.

The Group's supply chain has since been restored and we have been able to progressively resume our operations. We will continue to manage our manpower such that we are able to successfully execute our projects while ensuring safety and health of our staff. Overall, we expect the Covid-19 pandemic to impact the Group's financial performance for the upcoming financial year ending 31 March 2021, though we are unable to fully ascertain the full impact at this point. We will continue to assess the impact of the pandemic on the Group and update shareholders as and where there are material developments.

Looking ahead, we believe that ensuring sustainable water supply for Singapore will continue to be an ongoing and important focus of the government. With large-scale projects such as the Deep Tunnel Sewerage System ("**DTSS**") continuing to be a priority, we expect the public sector water and waste management industry to remain a stable source of business opportunities for the Group. The Group recently secured a sub-contract through its wholly-owned subsidiary, Sanli M&E Engineering Pte. Ltd., for the Mechanical, Electrical and Instrumentation Control and Automation portion of the Tuas Water Reclamation Plant Contract 4A – Biosolids and Digesters, which is a component of the DTSS Phase 2 project. While competition within our sector will continue to be stiff, the Group is encouraged by this recently secured sub-contract and is optimistic that its established track record and expertise in this field will allow it to continue securing more projects.

Moving forward, the Group retains a cautiously optimistic outlook on its operations. In line with the Group's renewed leadership as announced on SGXNet on 21 April 2020, the Group will focus on strengthening the abilities of its team, as well as driving innovation through technology, with the aim of enhancing the Group's capabilities to take on larger projects.

ANTI-CORRUPTION

We do not tolerate corruption in any form. This has been made clear to all of the Group's employees, suppliers and business partners. Dedicated whistleblowing hotlines, through both email and electronic platforms, are set up so that anyone wanting to report any business ethics issue can do so confidentially. Any report of corruption will be escalated to the attention of the Audit Committee.

Whistleblowing Policy

Our whistleblowing policy provides a transparent channel for employees to report any concern or complaint regarding any improper accounting or financial matters, internal controls, disclosure of information, conflict of interest, insider trading, or any other areas involving fraud, corruption and misconduct of employees. The public, customers and stakeholders can also report possible improprieties or provide other feedback through the Company's website at https://www.sanli.com.sg.

Our Performance

Our Group had accomplished the goal set in FY2019 to have zero (FY2019: Nil) reported incidents of corruption and whistleblowing cases in FY2020.



Our Target (FY2021)

- Regularly review our policies on whistleblowing and anti-corruption.
- Maintain zero reported incidents of anti-corruption and whistleblowing.

We endeavour to minimise the potential impact of our operations on the environment by putting in place proper processes for waste reduction and waste management. We encourage the use of renewable materials and resources, and where possible, reduce waste through re-using and recycling. We avoid any unnecessary use of hazardous materials and products and take all reasonable steps to protect the environment when such materials must be used, stored or disposed of.

Sanli aims to minimise the environmental impacts its operations create by having the following measures in place to protect the environment.

1. **Certification**
   We have attained ISO 14001:2015 renewal certificate, which is the standard required for Effective Environmental Management System.

2. **Promoting Green Practices – Green Building (Headquarters located at 28 Kian Teck Drive)**
   a. We have built a Lift Green Wall with an area of L2400mm by H13400mm and a two-sided of HyGroWall with an area of L6100mm by H3000mm at the office reception area.
   b. We have maintained the effort to fulfill the Skyrise Greenery Incentive Scheme for 5 years since FY2018.
      - The Greenery helps to clean outside air, pollutants, and dust that helps to offset the carbon footprint of people and fuel emissions.
      - The Greenery also helps to reduce the Volatile Organice Compounds' impact on indoor air quality and other harmful toxins such as benzene. It also acts like a sound proofing barrier and is naturally cooling, effectively reducing the heat transfer through building walls into the interior building space, thus leading to possible energy savings.
      - The system has improved the air ventilation within the premises by providing better quality air.

3. **Paper**
   In our efforts to reduce paper usage, we have provided our staff with tips on paper conservation such as printing only where necessary, printing on both sides of the paper, and reusing and recycling used paper. Recycling boxes are also conveniently placed beside the photocopier machine.

ENERGY

We encourage the use of energy efficient lighting and green label photocopiers in the office. Our premises uses LED lighting and we have an auto light-on system on level one in order to reduce carbon waste. We put up stickers at every level's switch ports to remind our employees to switch off power sources after use.

Our Performance

In FY2020, our total energy consumption for HQ was 108,933kWh.

Our Target (FY2021)

To improve electricity saving by 1% in FY2021

ENVIRONMENTAL COMPLIANCE

Here at Sanli, compliance with relevant Codes and Regulations on environmental issues is of utmost importance and we take steps at all our work sites to ensure the requirements are met throughout the duration of the projects.

Our Performance

In FY2020, we achieved our target of no (FY2019: nil) incidence of non-compliance with laws and regulations resulting in significant fines or sanctions set in FY2019.

Our Target (FY2021)

0 Maintain zero incidence of non-compliance with laws and regulations resulting in significant fines or sanctions.

OCCUPATIONAL HEALTH AND SAFETY

Our employees' safety and health at the workplace is one of our top priorities, and our ultimate goal is to have a zero accident workplace. We are committed to managing and reducing safety and health risks through effective risk management.

Our Workplace, Health & Safety department is independent from the operational departments and is responsible for the monitoring of the workplace to provide a safe working environment for all our staff and clients. A toolbox briefing, in accordance with the Workplace Safety and Health Council's Effective Toolbox Meeting guideline is held at each worksite every morning. A toolbox talk is an informal safety meeting that is part of the Group's overall safety program, which covers special topics on safety aspects related to a specific job. Toolbox meetings are generally conducted at the job site prior to the commencement of a job or work shift. Meetings are normally short in duration and cover topics such as workplace hazards, and safe work practices. It is one of the very effective methods to refresh workers' knowledge on workplace safety, cover last minute safety checks, and exchange information with experienced workers.

We have established a strict set of workplace, health and safety management policies applicable to our project managers, engineers, supervisors, foremen, workers and subcontractors for all projects. These policies cover all stages of our projects, from the time we occupy the worksites, up to the point of completion of the projects. In addition, all environmental aspects and occupational health safety hazards which are within our control or under our management, as well as those that we cannot control or directly manage but are expected to affect our projects, are covered in the policies.

Our Performance

We are pleased to confirm that we have reached our target set in FY2019 that zero (FY2019: nil) fatal accidents were reported in FY2020.

Our Target (FY2021)

- Zero incident of health, safety and environment non-conformity, accident and ill health.
- Establish and strategically devised a Health, Safety and Environmental (HSE) plan.

Our Workplace, Health and Safety department is responsible for ensuring that the safety measures which we have put in place are adhered to. Such measures include:

- Conducting periodic and necessary risk assessments for all our projects to identify the risks and gaps, and implementing mitigating procedures in order to achieve an accident-free environment or minimise risks to an acceptable level.

- Conducting regular safety meetings and providing sufficient management support and resources to plan, implement and execute safety measures in compliance with workplace health and safety legislations and other requirements which include directives, guidelines and standards prescribed by our Group.

- Allocating safety supervisors to our projects, where relevant, and conducting regular worksite inspections as well as tools and equipment checks.

- Improving the competency of our employees and cultivating good safety habits through proper training, instruction and guidance and ensuring that workplace safety and health matters are effectively communicated to all employees.

- Monitoring the effectiveness of risk control measures which have been implemented and conducting a third-party audit or an internal review to ensure that safety measures are adhered to.

- In view of the global pandemic, the Group has established additional safety measures to ensure our employees' health, safety and wellbeing. Taking guidance from the Ministry of Health's advisories to-date, temperature screening and safe distancing measures for all employees are implemented and required on a daily basis. We have also appointed Safety Management and Distancing Officers to implement and maintain all necessary control measures at the office and worksites. These practices are also implemented at our employees' dormitories and transportation of our work pass holders. Mental health and psychosocial support are made available to our employees if requested, as we conduct regular communications with our employees on their wellbeing.

As a testament to our commitment in maintaining high safety standards, we have been awarded the following certifications:



Date of issue: 06/02/2020

WSHCOUNCIL
Tripartite Alliance for Workplace Safety and Health

bizSAFE STAR
CERTIFICATE

The Workplace Safety and Health Council
is pleased to certify that

SANLI M&E ENGINEERING PTE. LTD.

has fulfilled the requirements to attain bizSAFE Level Star

This certificate is valid till 21/03/2022

Patrick Han
General Manager
Workplace Safety and Health Council

Certificate No. E03950



SOCOTEC CERTIFICATION INTERNATIONAL

SOCOTEC

CERTIFICATE

No. SCS 8871-1

certifies that:

Sanli M&E Engineering Pte Ltd

28 Kian Teck Drive Singapore 628845

operates a management system that has been assessed as conforming to:

ISO 9001 : 2015

for the scope of activities:

Mechanical & Electrical Engineering Services including Design

Issue date: 29 March 2020
Valid until: 28 March 2023 (Subject to adherence to the agreed ongoing programme, successful endorsement of certification following each audit and compliance with the terms and conditions of certification.)
Original date of certification: 29 March 2011

Dave CHENG LOON Managing Director

Accredited Certification Body SAC
QS-1999-05

IAF

SOCOTEC Certification Singapore Pte Ltd
60 Albert Street #13-03, OG Albert Complex
SINGAPORE 189969
www.socotec-certification-international.sg

The use of the SAC accreditation mark indicates accreditation in respect of those activities covered by the accreditation certificate number QS-1999-05



SOCOTEC CERTIFICATION INTERNATIONAL

SOCOTEC

CERTIFICATE

N° CN/ 8871O-2

certifies that:

Sanli E&C Pte Ltd

28 Kian Teck Drive Singapore 628845

operates a management system that has been assessed as conforming to:

ISO 45001 : 2018

for the scope of activities:

Mechanical and electrical engineering services and scaffolding works.

Issue date: 22 March 2019
Valid until: 21 March 2022 (Subject to adherence to the agreed ongoing programme, successful endorsement of certification following each audit and compliance with the terms and conditions of certification.)

Dave CHENG LOON Managing Director

Accredited Certification Body SAC
OSH-2008-01

SOCOTEC Certification Singapore Pte Ltd
60 Albert Street #13-03, OG Albert Complex
SINGAPORE 189969
www.socotec-certification-international.sg

The use of the SAC accreditation mark indicates accreditation in respect of those activities covered by the accreditation certificate number OSH-2008-01



SOCOTEC CERTIFICATION INTERNATIONAL

SOCOTEC

CERTIFICATE

N° CN/ 8871B

certifies that:

Sanli M&E Engineering Pte Ltd

28 Kian Teck Drive Singapore 628845

operates a management system that has been assessed as conforming to:

ISO 22301 : 2012

for the scope of activities:

Mechanical and electrical engineering services including design.

Issue date: 26 August 2018
Valid until: 25 August 2021 (Subject to adherence to the agreed ongoing programme, successful endorsement of certification following each audit and compliance with the terms and conditions of certification.)
Original date of certification: 26 August 2015

Dave CHENG LOON Managing Director

Accredited Certification Body SAC
BC-2010-01

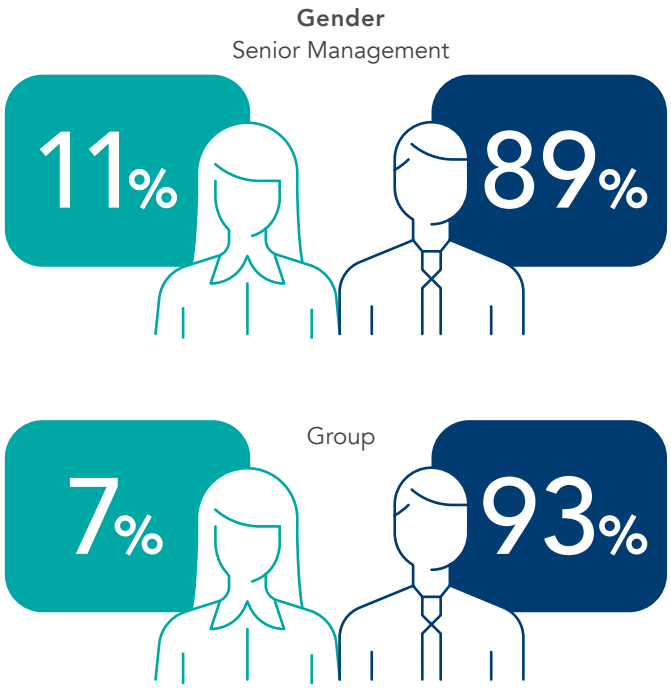
SOCOTEC Certification Singapore Pte Ltd
60 Albert Street #13-03, OG Albert Complex
SINGAPORE 189969
www.socotec-certification-international.sg

The use of the SAC accreditation mark indicates accreditation in respect of those activities covered by the accreditation certificate number BC-2010-01

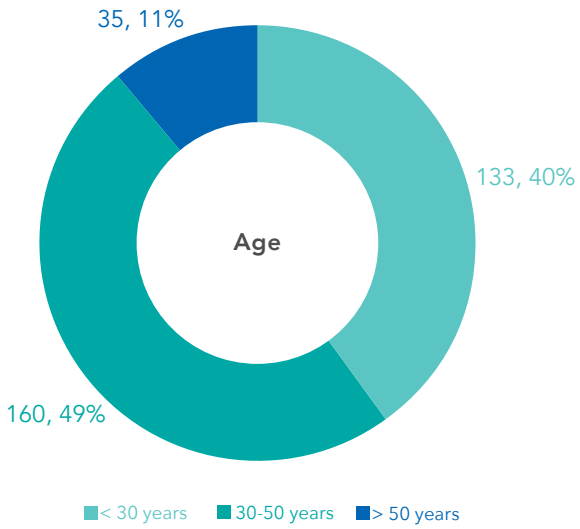
DIVERSITY AND EQUAL OPPORTUNITY

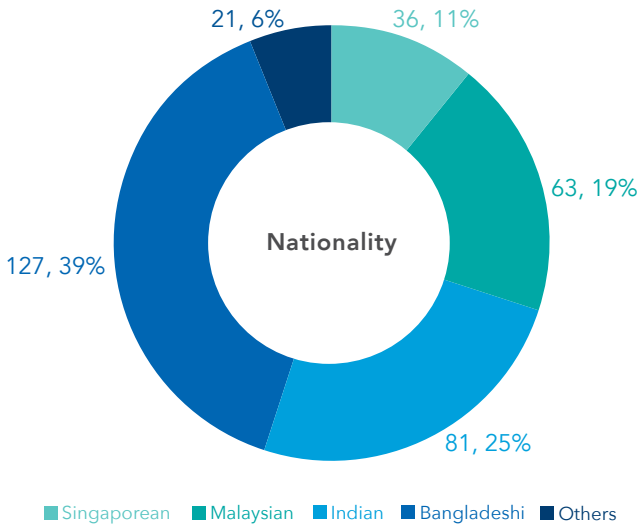
Sanli's staff recruitment and annual appraisals are conducted based on performance, work attitude, cooperation with other staff and workers and efficiency and effectiveness of work. The Group does not discriminate one's race, age, gender, religion, ethnicity, disability or nationality. In FY2020, we have a staff strength of 327 (FY2019: 361) full-time employees and one (FY2019: none) temporary/ contractual employees. The decrease in headcount is mainly due to the completion of project and contract staff.

The Group considers its employees to be its most valuable asset and offers them fair and competitive remuneration packages. Remuneration policies and packages are reviewed regularly to ensure that the compensation and benefits are in line with the market and that the employees are rewarded for their contributions, thus aligning the interests of the employees to those of the Group's. Variable bonuses are granted to eligible employees based on the individual employee's contribution to the Group, profitability of the Group, current economic/ business situation, government's wage guidelines, and internal and external salary equality. Contributions to retirement benefit schemes are offered as part of the remuneration package in accordance to The Retirement Age Act. The official retirement age is 62 years old but may be extended based on mutual agreement between the Company and the employee. In FY2020, we had 8 (FY2019: 6) employees who are above 62 years old. The Group will also continue to recruit and groom young talent, while at the same time acquiring senior experienced professionals e.g. retirees.



The ratio of female employees in the Group and our industry is relatively low due to the nature of our business. Our female employees represent 7% of our total workforce, and makes up 11% of our Senior Management.





Our Performance

There have been no (FY2019: nil) reported incidents of complaints on discrimination for FY2020.

Our Target (FY2021)

0 Zero complaints on discrimination and continue to have diversity and equal opportunity for all employees.

SOCIAL

LOCAL COMMUNITIES

In addition to pursuing economic growth, our Group also focuses on giving back to the community through corporate social responsibility initiatives.



2019 Yellow Ribbon Run

Our Performance

In FY2020, we have achieved the target we set last year and participated in 2019 Yellow Ribbon Run. This took place on 15 September 2019.

The beneficiary of the run was the Yellow Ribbon Fund, which was established in 2004 with the aim of developing and implementing rehabilitation and reintegration programmes for ex-offenders, as well as providing financial support for families of the incarcerated. Additionally, the run was also held to raise awareness within society of the plight of ex-offenders, as well as to inspire the community to give former inmates a chance to rebuild their lives after their release. 47 of our staff took part in the initiative, either in the 5-kilometre fun walk or the 10-kilometre competitive run. We are hopeful that our contribution will help to provide support for ex-offenders and current inmates, as well as their families.

Our Target (FY2021)

Continue to seek opportunities to contribute and foster a corporate culture that cares about giving back to the community.

SOCIOECONOMIC COMPLIANCE

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. Sanli is committed to conducting the business with integrity and to safeguarding the interests of all our stakeholders, both internal and external.

Our Performance

There were no (FY2019: Nil) reported incidents of non-compliance during FY2020.

We have achieved our target set in FY2019, which was to maintain zero incident of non-compliance.

Our Target (FY2021)

0 Zero incident of non-compliance and continue to comply with socioeconomics laws and regulation.

GOVERNANCE



The Board and the Management of Sanli commit to the best practices of the corporate governance to ensure sustainability of the Group's operations. We believe that the constant drive to upkeep corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and the value to our shareholders. Please refer to the Annual Report 2020 pages 16 to 42 for the details of the Group's Corporate Governance Report.

Memberships

SINGAPORE BUSINESS FEDERATION
Apex Business Chamber

SWA
SINGAPORE WATER ASSOCIATION

GRI CONTENT INDEX

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE		REFERENCE / DESCRIPTION
GRI 101: FOUNDATION 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organisation	Sanli Environmental Limited
	102-2	Activities, brands, products and services	SR: Organizational Profile, 2
	102-3	Location of headquarters	AR: Corporate Information, 14
	102-4	Location of operations	AR: CEO's message, 2 - 3
	102-5	Ownership and legal form	AR: Organisational Profile, 3
	102-6	Markets served	AR: CEO's message, 2 - 3
	102-7	Scale of the organisation	AR: Financial Review, 4 - 5
	102-8	Information on employees and other workers	SR: Social, 11
	102-9	Supply chain	SR: Organizational Profile, 2
	102-10	Significant changes to the organisation and its supply chain	None
	102-11	Precautionary Principle or approach	Sanli supports the intent of the Precautionary Principle, but has not expressed a specific commitment.
	102-12	External initiatives	SR: Social, 12
	102-13	Membership of associations	SR: Membership, 13
	102-14	Statement from senior decision maker	SR: Message from our Board of Directors, 1
	102-16	Values, principles, standards and norms of behavior	AR: Corporate Profile, 1
	102-18	Governance structure	AR: Corporate Governance Report, 16 - 42
	102-40	List of stakeholder groups	SR: Stakeholders and Materiality, 4
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	SR: Stakeholders and Materiality, 4
	102-43	Approach to stakeholder engagement	SR: Stakeholders and Materiality, 4
	102-44	Key topics and concerns raised	SR: Stakeholders and Materiality, 4
	102-45	Entities included in the consolidated financial statements	AR: Notes to Financial Statements, 86 - 87
	102-46	Defining report content and topic boundaries	SR: Message from our Board of Directors, 1
	102-47	List of material topics	SR: Stakeholders and Materiality, 5
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	SR: Message from our Board of Directors, 1
	102-51	Date of most recent previous report	26 July 2019
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR: Message from our Board of Directors, 1
	102-54	Claims if reporting in accordance with the GRI Standards	SR: Message from our Board of Directors, 1
	102-55	GRI content index	SR: GRI Content Index, 14 - 15
	102-56	External Assurance	SR: Message from our Board of Directors, 1

GRI CONTENT INDEX

GRI STANDARDS		DISCLOSURE	REFERENCE / DESCRIPTION
GRI 101: FOUNDATION 2016			
MATERIAL TOPICS			
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	SR: Economic, 6
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	SR: Economic, 7
GRI 302: Energy	302-1	Energy consumption within the organization	SR: Environmental, 8
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations	SR: Environmental, 8
GRI 403: Occupational health and safety	403-1	Occupational health and safety management system	SR: Social, 9 - 10
	403-5	Worker training on occupational health and safety	
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR: Social, 11
GRI 413: Local Communities	413-2	Operations with local community engagement, impact assessments, and development programs	SR: Social, 12
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SR: Social, 12

SUSTAINABILITY REPORT 2020

NEXT LEAP FORWARD

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(Incorporated in the Republic of Singapore on 27 February 2017)
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