



LION ASIAPAC LIMITED

Listed on the mainboard of the Singapore Exchange
Company Registration Number 196800586R



SUSTAINABILITY REPORT

2023

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Statement from the Board

The Board of Directors is pleased to present Lion Asiapac Limited's ("LAP") sixth Sustainability Report for the financial year 2023 ("FY2023").

The Company is committed to achieving sustainability and contributing to a decarbonising world by providing essential lime solutions. Thanks to the high quality of its mineral deposits, production facilities and people, LAP is well placed to meet the increasing demand for lime, amid an increasing global demand for environmental protection. Additionally, the Company understands that it has a corporate duty to develop mineral deposits that meet world-class standards for environmental, workplace, and operating practices.

Moving forward, we recognised that increasing environmental governance and societal expectations are presenting challenges to the Company's operational, expansionary, and long-term viability. LAP regards such challenges as opportunities to further enhance our health and safety performances, to minimise our impact on the environment, and to develop stronger relationships with the community and other key stakeholders.

This report describes the identification of the ESG factors material to the Group, underlying the production of quicklime, hydrated lime, and trading business, and the policies, practices, and performances relating to these ESG factors and its targets for FY2023.

LAP reports sustainability performances as prescribed by the SGX Sustainability Reporting Guide and the Global Reporting Initiative ("GRI") framework. For this year's sustainability report, we have incorporated the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), which include disclosure of ESG material factors assessment on greenhouse gasses ("GHG") emission with the view to achieving a lowered carbon economy.

The Company will continue to work with its stakeholders towards promoting sustainability in its businesses.

About this Report

This report includes the environmental, social and governance (“ESG”) practices of LAP’s business operations in Singapore and Malaysia.

For the preparation of this report, third party has not been engaged to provide assurances. Controls and processes have been put in place to guide the end-to-end ESG information flow and ensure the quality of data produced and reported. Additionally, the internal audit review has added value by identifying and establishing a functional ESG control environment. . This review will provide assurances that both management and Board have oversight over the controls with regard to sustainability reporting.

In line with LAP’s continued commitment to environmental sustainability, no hard copies of this document have been printed. This report and previous editions are available on the company’s website at <http://www.lionasiapac.com/index.php/investors>.

In view of reporting scope, this report aims to share the initiatives and progress we have made during the financial year. Our strategic operations, namely the production of quicklime, quicklime powder and hydrated lime, and the trading of steel consumables are located in West Malaysia, while the Singapore’s operation manages the trading of mining equipment and investment holding activities.

With lime manufacturing as our core business, our plants are optimised with some of the most advanced technology to reduce wastage. During the year, we strive to keep our plant and equipment in optimal condition to deliver as best a quality of our products as we could. Our lime products have been a vital part of everyday life in the communities. Clean air, potable water and fertile soil are just to name a few examples of its applications, contributing to a greener place to live in.

Effective January 2022, new SGX Listing Rules require issuers to set out a robust board diversity policy which includes detailed targets and plan in the annual corporate governance report. As such, we have reinforced corporate governance over sustainability by adopting a Board Diversity Policy during the year.

Lastly, this report includes climate reporting with the recommendation of TCFD and greenhouse gas (GHG) emissions as the ESG material topic affecting business operations.

Feedback

LAP is committed to increasing transparency in all aspects of its sustainability reporting. Feedback from stakeholders can be addressed to the company at caroline.gan@liongroup.com.sg

About Lion Asiapac Limited

The Company was incorporated in Singapore in 1968 as a private limited company under the name of Metal Containers (Pte) Ltd. In 1981, it turned public and changed its name to Metal Containers Ltd.

In 1996, the Company was acquired by The Lion Group from Malaysia and adopted its present name. The major shareholders are currently Lion Corporation Berhad and Lion Industries Corporation Berhad, both of which are public companies in Malaysia.

Our Business

The businesses of the Group are lime manufacturing, trading of steel consumables and investment holding.

Lime manufacturing is undertaken by Compact Energy Sdn Bhd (CESB), a wholly owned subsidiary of LAP, which is based in Banting, Selangor, Malaysia. CESB has two quicklime production plants, with an annual production capacity of 430,000 metric tons, one hydrated lime production plant, with an annual production capacity of 72,000 metric tons, and one quicklime powder plant, with an annual output of 72,000 metric tons.

The uses of lime products could be found in Steel manufacturing, Soil stabilization, Sugar production, Portable water treatment, and Air pollution abatement.

Additionally, CESB also undertakes the trading of steel consumables.

LAP Exploration Pte Ltd holds an equity interest of just under 1.6% in Mindax Limited, a minerals-exploration company, listed on the Australia Stock Exchange, which has an impressive portfolio of projects in iron ore and gold in Western Australia.

LAP Trading (Shanghai) Co., Ltd commenced trading of mining equipment during the year.

Our Sustainability Efforts & Reporting Approach

Sustainability Initiative

Partnerships and good community relations are critical for our operations.

Following collaboration with all relevant stakeholders, LAP ensures that their representations are appropriately identified and that adequate information, including both benefits and negative impacts, is conveyed to the affected.

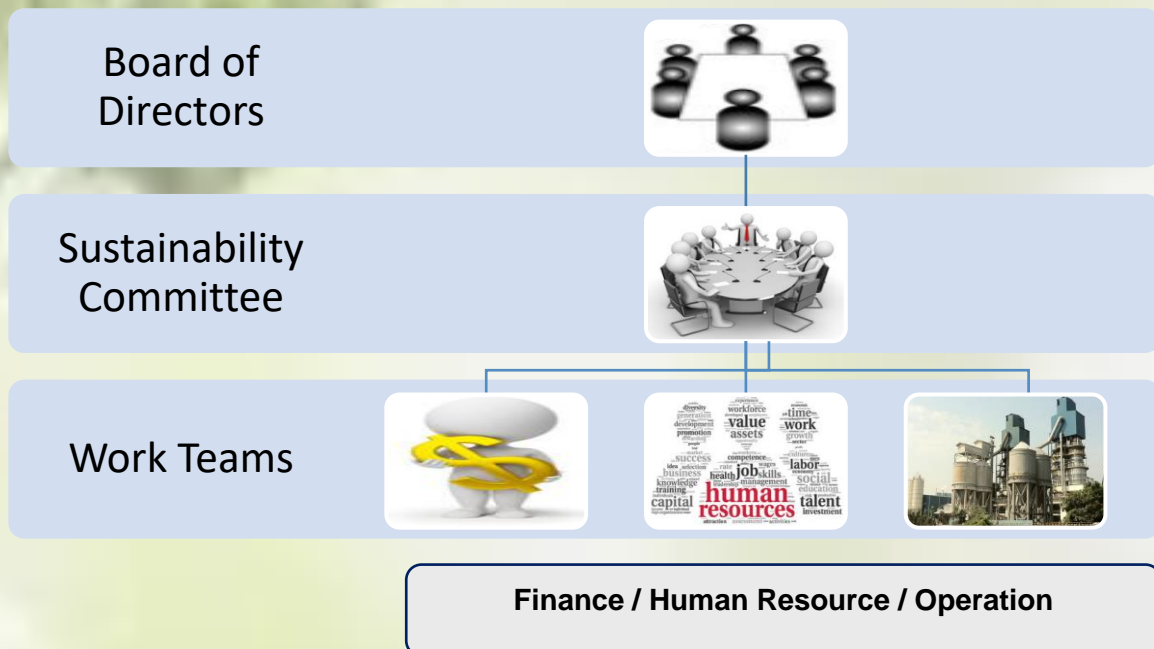
Our initiative takes into account of, the respect for human rights in the workplace, the ban on forced and child labour, the elimination of discrimination, the provision of fair wages and working hours, the respect for freedom of association, the provision of a healthy and safe working environment, ethical conduct, including zero tolerant towards corruption.

We strongly believe in responsible sourcing, where through collaboration with suppliers, we ensure that all limestone originates from legal and responsible sources.

Sustainability Committee

To deliver our sustainability commitments, the Board has assigned the management of ESG factors to the Sustainability Committee (“SC”). This Committee, which is chaired by the Executive Director, comprises key executives and representatives from the respective business functions.

While the Board is responsible for formulating corporate sustainability strategies, the SC focuses on implementing these strategies, and identifying and addressing emerging sustainability issues.



Sustainability Committee

The SC meets annually, or whenever needed, to plan and review the progress of the Group's sustainability efforts.

Annually, the Board receives briefings on relevant ESG matters and ESG risks updates, before evaluating the group sustainability strategy.

Sustainability Approach

Good corporate governance, environmental sustainability and social growth are integral to the Group's business strategy.

We have adopted a 4-step approach in deriving our material sustainability factors.

SN	4-steps approach	Descriptions
1	Identification	Through our focus group discussion with relevant stakeholders, we have identified the various ESG factors.
2	Prioritisation	The ESG factors will be prioritised based on their importance to the stakeholders and the importance of the Group. The material SGD factors will be shortlisted for reporting.
3	Validation	The shortlisted material ESG factor will then be internally validated by the Group's management and Board. This promotes the alignment of sustainability factors to the Group's corporate objectives.
4	Review	The material ESG factor will be reviewed on an annual basis and will be subject to amendments should there be any change in the business operations or market conditions.

Sustainability and social responsibility principles form the foundation of LAP's corporate values, which comprises ethical actions and professional behaviours of management and employees.

In addition to corporate governance activities, the Group's risk management also anticipates commercial opportunities and mitigates risks to preserve value over the long term. Strategic, operational, and commercial risks are evaluated through a precautionary approach.

Sustainability Scope

The scope of this report includes the business segments in Malaysia and Singapore.

Stakeholder Engagement

Engagement with stakeholders continues to remain as one of the key priorities of the Group. We endeavour to work closely with our customers, business partners/suppliers, employees, regulators and other stakeholders, to establish environmentally sustainable and responsible business practices.

Encouraged by SGX's initiative, we have made arrangements for all our directors to attend the sustainability training held by the Singapore Institute of Directors in May and July 2022. We have also arranged for our finance staffs to attend the courses conducted by the SGX on TFCD climate reporting and GRI Sustainability reporting.

Our stakeholder engagement mechanisms are outlined in Table 1 below:

Table 1: LAP's Stakeholder Engagement Mechanism

Stakeholders	Key Issues	Engagement Methods	Frequency
Customers	<ul style="list-style-type: none"> Product quality (<i>safe and environmentally responsible</i>) Product pricing Customer services 	<ul style="list-style-type: none"> Customer visits and meeting Sales quotation Corporate website Email corresponding 	<ul style="list-style-type: none"> Regularly throughout the year
Business partners / Suppliers	<ul style="list-style-type: none"> Sales growth Term and conditions of purchasing policies and agreement 	<ul style="list-style-type: none"> Supplier visits and meeting Purchase quotation 	<ul style="list-style-type: none"> Regularly throughout the year
Employees	<ul style="list-style-type: none"> Career growth Fair labour practice and remuneration Conducive workplace 	<ul style="list-style-type: none"> Appraisals and discussions Training workshops/courses 	<ul style="list-style-type: none"> Annually Regularly throughout the year
Shareholders	<ul style="list-style-type: none"> Business growth Financial results Return on investment 	<ul style="list-style-type: none"> Corporate website Periodic financial announcement Annual report Annual General Meeting 	<ul style="list-style-type: none"> Continuously Quarterly Annually
Regulators	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Formal communication with regulatory authorities Regulatory notices and updates Industry dialogues and visits 	<ul style="list-style-type: none"> Ad hoc

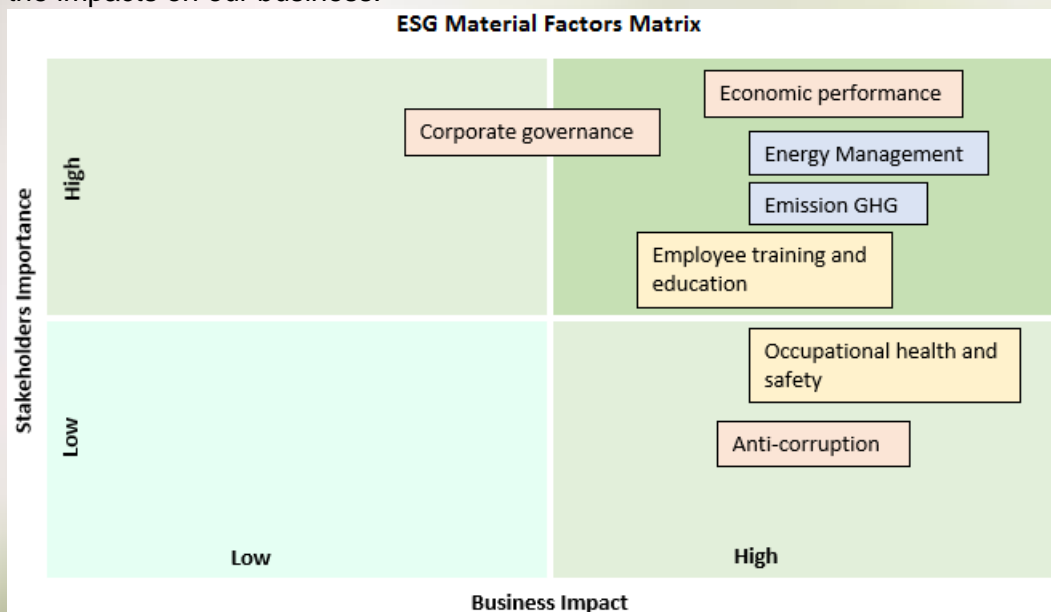
Materiality Assessment

Our assessment is guided by the GRI reporting framework. Through the ongoing process of interaction with stakeholders, the sustainability committee has reviewed the material factors to ensure they reflect the changes over the last year.

Table 2: LAP’s Material ESG Factors and Performance Targets

Environmental	
Energy management	Maintaining the energy consumption rate of 2022
Emission of Greenhouse Gas	Maintaining GHG emission intensity within 10% of 2022 level (0.81 CO2e per MT)
Social	
Employee training and education	Average training hours per employee of 8 hours per year
Occupational health and safety	Zero work-related fatalities
Governance	
Economic performance	To deliver stable and sustainable economic growth for the business and financial returns for the shareholders
Anti-corruption	Zero incidents of anti-corruption behaviour/practice
Corporate governance	Continuous strengthening of the enterprise risk management framework

The material factors are mapped onto the chart reflecting the stakeholder’s importance against the impacts on our business.



Material ESG – Environmental Topics

Energy Management

Why is it material?

As a lime producer, our plant consumes a substantial amount of energy and a large amount of dust and gases are produced in the production process, which could be harmful to the environment if left uncontrolled.

The ever-changing business environments, needs, and operating conditions will also give rise to new factors that could affect our energy consumption. In the Group's sustainability strategy, energy usage and emissions are the two key points of focus.

Our management approach and initiatives

LAP consistently strives to minimise energy consumption to increase efficiency. Over the years, we have implemented various energy efficiency policies and initiatives.

- For **Energy Usage**
 - The energy usage review task force identifies energy-saving opportunities throughout the entire manufacturing supply chain.
 - Plans and targets are communicated to every staff and reviewed annually.
 - Incentive is given to employees with innovative ideas to reduce the use of energy.
- For **Emissions**
 - The task force consistently monitors and ensures, the dust emissions from the lime plants, fall within the acceptable levels as prescribed by the local environmental regulators.

Our performance

For **Energy usage**, the total amount of non-renewable fuel consumed by the lime manufacturing plant is provided in Table 3.

Table 3: Non-renewable fuel consumptions:

	FY2022	FY2023
	kWh ('000)	kWh ('000)
Petcoke/Coal	194,261	142,675
Diesel	3,518	3,223
Electricity	10,501	8,929
Total	208,280	154,827
Total Production (MT)	222,830	189,468
Energy consumption rate kWh per MT	0.93	0.82

The total consumption of non-renewable fuel decreased by 53,453 kWh as compared to last year which is in line with the drop in production volume by 33,362 MT. The energy consumption rate decreased from 0.93 kWh per MT to 0.82 kWh per MT. This places us on our ESG target as we maintain our energy consumption, with 2022 data as the base year.

In view of the sharply increased petroleum coke price, the production unit resorted to a mixture of petroleum coke and coal as alternative burning fuel since the second quarter of 2022. To maintain the expected high-quality products, the production team has to identify customers' requirements, carefully adjusting the mixture ratio of petroleum coke and coal, including conducting numerous production tests, with the view to reducing the energy consumption rate.

For the **Emission of dust**, the total amount of dust generated during the process of lime manufacturing is illustrated in Table 4

Table 4: Dust emissions

Mg/m ³	FY2022	FY2023	Compliance Limit
Quick lime plant	34.0 – 37.3	29.0 – 40.0	50
Hydration lime plant	32.3 – 34.5	30.5 – 39.0	50

The test results are conducted by an independent third-party consultant. Regular maintenance is carried out to ensure the dust filtering system is kept at optimal state at all time. The test results for the year on dust emissions from both the quick lime and hydration lime plants reported satisfactorily within the compliance limits.

The environmental impact of the emissions was largely mitigated by the seclusion of the location of the plant.

Notwithstanding the plant being in a remote area, every effort has been made to ensure the plant is within the acceptable level of emissions.

Emissions of Greenhouse Gas

Why is it material?

There has been an increasing concern over the environmental impact arising from the lime manufacturing process. Since 2022, LAP has been publishing ESG material factors with GHG emissions produced from our business activities.

Our management approach and initiatives

The amount of GHG emission during the limestone calcination, stationary combustion, fuel combustion from commercial vehicles (*GHG emission direct scope 1*), and purchase from grid electricity (*GHG emission indirect scope 2*).

This year, we have extended the GHG emission to mobile combustion from commercial trucks driven by our suppliers (GHG emission indirect scope 3).

The initiatives undertaken to address GHG emissions are

- Setting up the GHG data collection system
- Increased communication and engagement with internal and external stakeholders for support and to implement carbon reduction initiatives within the Group.

Our performance

Emission of GHG or CO₂e, these are illustrated in Table 5.

Table 5: Emissions of GHG or CO₂e:

Emission of GHG - CO ₂ e	Singapore	Malaysia's	Total tonnes of CO ₂ e
Direct (Scope 1)	-	119,921	119,921
Energy indirect (Scope 2)	12,219	4,911	17,130
Indirect supplier (Scope 3)	-	2,930	2,930
Total	12,219	127,762	139,981
Total production (in MT)			189,533
2023 Emission GHG – CO₂e per MT			0.73
Direct (Scope 1)	-	164,852	164,852
Energy indirect (Scope 2)	9,426	5,775	15,201
Indirect supplier (Scope 3)	-	-	-
Total – 2022	9,426	170,627	180,053
Total production (in MT)			222,830
2022 Emission GHG – CO₂e per MT			0.81

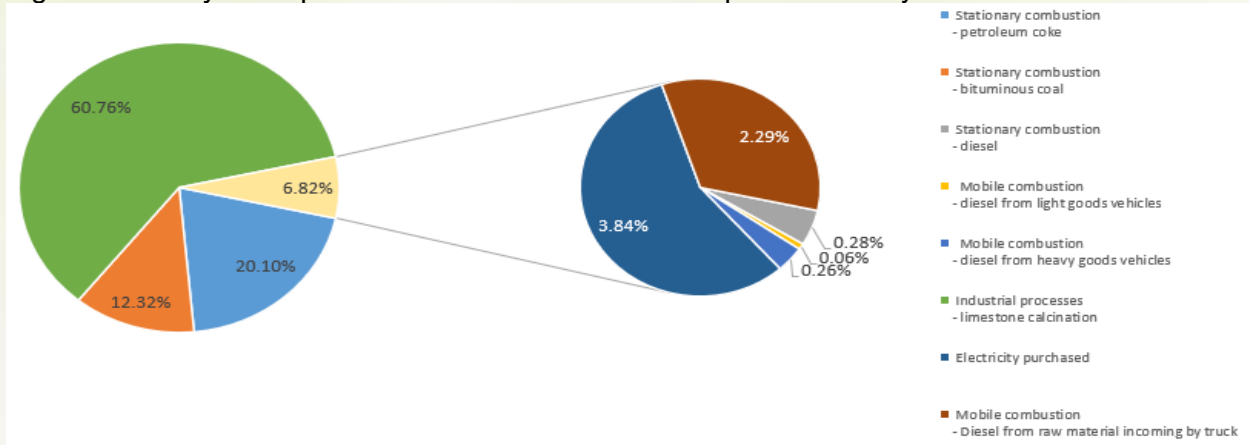
Note: The grid emission factor for 2022 are the latest available: Singapore: 0.406 (2022: 0.408) and Malaysia: 0.55 (2022: 0.55).

Source: Grid emission factors for Singapore were obtained from Energy Market Authority, Malaysia from TNB Sustainability Report 2021 - GHG emission.

For Singapore, the Scope 2 GHG emissions were 9,426 tonnes (2022: 12,219 tonnes) which relates to the grid electricity consumption for the 12 months ended 31 June 2023.

For Malaysia, the aggregates for Scopes 1, 2, and 3 GHG emissions were 127,762 tonnes (2022: 170,627 tonnes) of carbon dioxide equivalent (“CO₂e”) for the 12 months ended 30 June 2023.

Figure 1: Malaysia’s operation GHG emissions source pie chart analysis:



For 2023, we have adopted the same basis as 2022, which was conducted by a third-party consultant, in the calculation of the Malaysia operation’s GHG emissions. The Scope 1 direct GHG emissions produced 93.87% of the total GHG emissions. This comprised limestone calcination, stationary combustion, and fuel combustion by engineering vehicles. While the Scope 2 indirect GHG emissions from purchased grid electricity was 3.84% a Scope 3 indirect GHG emission from mobile combustion of diesel from suppliers was 2.29%.

We have set up a GHG information system to streamline GHG data collection methodology to ensure the same set of assumptions and standards are applied across the Malaysia’s operation. Additionally, we will be actively seeking stakeholders’ support for LAP’s carbon reduction initiative to create awareness and promote a lower carbon economy.

While the business environment remains volatile, the operating unit faces intensive market competition. To produce better quality lime products remains our key priority. We will closely monitor the GHG emissions rate by using 2022 as a base before we formalise our performance targets.

The GHG emissions for 2023 was 0.73 tonnes of CO₂e per MT production (2022: 0.81 tonnes of CO₂e per MT production).

In conclusion, we will continue to explore alternative lower emission energy sources (lower GHG emissions), to replace our reliance on fossil fuels.

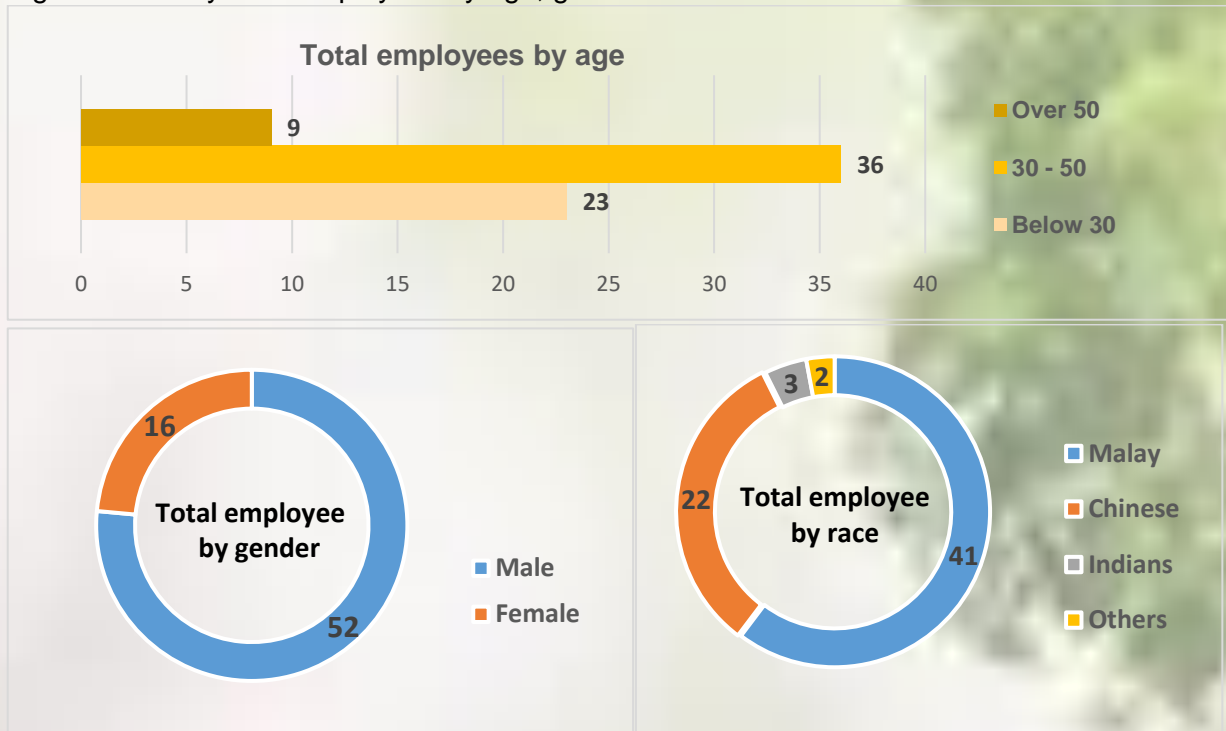
Material ESG – Social Topics

Our employees form the cornerstone of the business success. Without them, we would not be able to achieve our economic goals and sustainability objectives. Our emphasis on the welfare of our employees can be seen in our dedication to ensure a healthy and ethical work environment. Our operating policies and procedures are testament to our effort in this regard.

Diversity

By the end of the reporting year, the total headcounts of the Malaysia’s operation and the Singapore office were 58 and 10 respectively. The age, gender and race breakdown of our employees are provided in Figure 2.

Figure 2 – Analysis of employees by age, gender and race:



Wages and employee benefits

We have complied with the Ministry of Manpower requirement on wages and contracts documentation. Additionally, permanent staff are entitled to a range of benefits such as healthcare, insurance coverage, annual bonuses, parental and childcare benefits. We conduct annual performance review on all confirmed employees.

Non-Discrimination

We have a zero-tolerance policy towards gender discrimination and sexual harassment.

Employee training and education

Why is it material?

People are the most important factor to the sustainability of our group. It is vital that our employees are adequately trained and equipped with the capabilities to accomplish the demands of their job specifications.

Our management approach and initiatives

LAP encourages its employees to engage in continuous learning and development. We invest in them and provide support to grow professionally and achieve their full potential. The human resource department plans and develops the training program for the group.

All employees are entitled to a maximum of 80 hours of training per year, which could be in the form of internal or external training. Certain job function requires supervised on-the-job training. Employees are also accorded annual performance reviews and target-setting exercises.

LAP provides support for training and education in various ways, including the reimbursement of membership fees and approval of study and exam leaves. In 2023, some of the trainings were conducted virtually by the trainers.

Our performance

LAP maintains an average training hours per employee of close to 8 hours per year.

Table 6: Employees training :

	FY2022	FY2023
Total Training Hour	692	529
Average Training Hours per Employee	13.1	7.8

The average hours of training per employee in 2023 achieved was 7.8 hours (2022: 13.1 hours) . Certain training were pertaining to the topics surrounding health and safety, COVID-19 awareness, cyber-security awareness training and TCFD related courses.

Following the offers of courses for directors, by the Singapore Stock Exchange in March 2022 and the Singapore Institute of Directors in May and July 2022, the Company extended the courses to all the members of the Board. This contributes further to our sustainability initiative.

By supporting education and training, the group hopes to develop its people for a competitive labour force.

Occupational Health and Safety

Why is it material?

Safeguarding the well-being of our employees whilst ensuring their safety at the workplace is of utmost importance to LAP. This is ultimately creating a responsible and inclusive work environment.

Our management approach and initiatives

The management teams across all respective subsidiaries are required to ensure compliance with relevant local workplace health and safety regulations. Employees are reimbursed for visits to medical facilities and are covered by insurance for all hospitalisation and surgical incidents.

In the Malaysia's operation, the Safety Committee (SC), comprising the Assistant General Manager and representatives from various departments, has been established to implement and monitor the safety program. It is compulsory for all production staff to adhere strictly to the relevant Standard Operation Procedures under the Group's Corporate Policies and Procedures as well as Safety Regulations. Every new staff undergoes training and education about health and safety, in addition to training on the job.

The SC conducts safety meetings on a quarterly basis, so as to instill and reinforce safety awareness in our staff. In our pursuit of a safe working environment, safety procedures are reviewed, and appropriate actions are recommended where necessary. To ensure effectiveness, the safety meetings require attendance from all staff, and an attendance rate of 90% is to be expected. The regular testing of the fire protection alarm system, to ensure the system's effectiveness, is also part of the safety policies and procedures.

The Emergent Response Team (ERT), comprises participating employees from all departments, including managers and workers, was set up to respond to any incidents of an emergency nature, namely major operational interruptions, fire, floodings or other natural disasters.

Our performance

All business activities had resumed back to normality, albeit progressively in 2022, following announcements by the governments of Singapore and Malaysia to transit living with the endemic Covid-19.

LAP continued to practice maintaining Covid-19 awareness by conducting awareness broadcasts to employees, emailing regularly to employees to remind them of good hygiene practices, and encouraging employees to visit the doctors if they are feeling unwell.

There were zero incidents of work-related fatalities and high-consequence work-related injuries between 2022 and 2023.

Material ESG – Governance Topics

Economic Performance

Why is it material?

As a listed corporation, we have duties of stewardship and fiduciary duty to sustain our financial position and enhancing economic value for our key stakeholders.

Our management approach and initiatives

In addition to prudent management, we continue to streamline and revamp our lime operations to achieve better profitability.

Our Performance

With uncertainty in the global economy and challenges in business outlook, it ushered in the opportunity for us to rethink how we operate. The new normal is going to be different. We will have to continue to exercise caution in navigating these difficult times.

The details of LAP's financial performance are provided in our Annual Report 2023. A soft copy of our Annual Report can be found on our website at www.lionasiapac.com.

Markets

The Governments of Singapore and Malaysia have announced timelines and roadmaps to ease pandemic restrictions, normalising life with Covid-19, and lifting travel restrictions to revive their economies.

Strengthening existing business relationships with customers, developing a broader customer base, and building customers' trust, are seen as crucial factors for business sustainability. The company will continue to deliver high-quality products in order to maintain brand loyalty.

Competition remains one of the main challenges, the company emphasises high-quality products and improving customer services to differentiate ourselves from our competitors.

Customers

Our customers are the top priority. Some customers' businesses were temporarily shut down during the lockdown periods in Malaysia, this has adversely affected some customers' ability to continue their businesses. We collaborate with our customers through regular meetings to understand their difficulties if any, such as their business plans, cash flow forecasts, to facilitate our extension of assistance to our customers. We strongly believe this should help to foster a stronger relationship with our customers.

Product quality, shorter lead time, the provision of on-demand solutions, are some of the areas we focus on to build trusting relationships with our customers.

Products

Our products are used in many industries including steel manufacturing, water treatment, soil stabilisation, sugar bleaching, farming and pharmaceutical, just to name a few. During the lockdowns in Malaysia, our products continue to be supplied to water treatment plants, and sugar bleaching plants as they are considered essential services.

Being a quality conscious producer, our quality control teams conduct stringently inspections before deliveries are made to our customers. Our customer service team proactively communicate with our customers, customer feedback is gathered and communicated to quality control team for quality improvement.

Our production team monitors the condition of the plant and make every effort to ensure our plant is operating at its optimum level with consistent quality.

Suppliers

The company cautiously reassessed its supply network including the review of the existing stock levels, the consideration of multiple suppliers, the usage of new materials, and supplies from multiple locations. We have access to alternative supplies, if our existing supplies were terminated or disrupted owing to unstable business outlook. Additionally, we consider our existing stock level to be adequate to meet our production requirements.

We will ensure that all the materials inputs in our operations are responsibly and reliably sourced.

To achieve the above, we rely on effective management systems, strong supplier relationships, and close customer collaborations. The company is faced with limited raw material selection options, such risk is addressed through the supplier's long-term commitments to our business. The company is confident in relying on these key reliance and actively exploring for new supplies.

Anti-Corruption & Code of Business Ethics and Conduct

Why is it material?

We have a culture of zero tolerance for solicitation or bribery. Ethics is emphasised through all levels of employees through the above policies. Our corporate values are to constantly uphold our integrity in all business decisions and operations. We acknowledge the imperative of ethical behaviour and its compliance in retaining stakeholders' trust and loyalty, whilst securing our position as a trusted and reputable organisation.

Our management approach and initiatives

LAP has established Group policies to cover ethical business conduct within the group's operation.

- Annual compulsory declaration of conflict of interest for all employees within a controlled period.

Table 7: Compulsory declaration on IPT

	2023	2022	Target
Communication of anti-corruption policy and declaration of conflict of interest to employees	100%	100%	100%

- Securities Transaction

LAP adopts a compliance code that establishes the framework of dealing in the securities of the company by employees. Officers who have access to price-sensitive information are prohibited from dealing in the securities of LAP within specified time frames. This is also prohibited under the Singapore Stock Exchange's directives.

- Audit Committee and Internal Audit

The Audit Committee (AC) provides oversight of the financial reporting process, the audit process, the company's system of internal controls, and compliance with laws and regulations. The internal audit department conducts independent investigations under the instructions of the AC and the Board. The AC also reviews existing policies and procedures to prevent the occurrence of irregularities and fraud.

- Whistle-Blowing Policy

The policy on whistle-blowing has been enforced and communicated to all employees. The policy provides employees with clearly-defined processes and procedures through which they could raise their concerns in relation to possible irregularities to the Audit Committee. Whistleblowers are protected from any unfair treatment arising from their reporting.

The Audit Committee will consider the nature of the concern before instructing any further independent investigations.

There were zero incidents of irregularities or fraud reported in 2023 and we aim to maintain zero incidents in 2024.

Corporate governance

Why is it material?

The Board of Director of Lion Asiapac Limited is committed to the ensure that the highest standards of corporate governance adopted as a fundamental part of its responsibilities in protecting and enhancing shareholder value.

Our management approach and initiatives

The Board has established relevant internal control measure and monitoring mechanisms to ensure the corporate governance standards are practiced. Detail may refer to Annual report – corporate governance report.

- Enterprise Risk Management

LAP maintains an enterprise risk framework which manages the risk of failure in achieving strategic objectives. Under this framework, all key operations are required to carry out a self-assessment exercise on a yearly basis.

This risk assessment requires key operations to identify risks, assess risk likelihood and impacts, and consider the effectiveness of the existing controls. All operation heads of department are involved in these assessments and are required to provide a written assurance to the adequacy and effectiveness of their departmental internal control system and risk management.

Table 8: Non-compliance and business ethic statistic

	2023	2022	Target
Incidents in relation to non-compliance and business ethics	Nil	Nil	Nil

- Board diversity

We value diversity include our board composition. All board appointments will be made based on merit, considering the skills, experience, independence, and knowledge that the particular director can bring to the Board and without compromising on the diversity of the Board. Although, there is currently no female director or director from a younger age group appointed in the Board, the Board does not rule out the possibility of appointing such director if a suitable candidate is nominated for the Board's consideration.

Our Performance

We continue to strengthen the enterprise risk management framework.

TCFD

We recognised the important role that business play in mitigating and adapting the climate change.

Implementation Roadmap

The climate change poses significant risks and opportunities to our business. Lion Asiapac Ltd will be adopting a phased approach towards including climate-related disclosure in our sustainability report.

	Phase 1	Phase 2	Phase 3
Governance	Integrate climate risk into existing board governance structure.	Internal review of climate change management process.	Ongoing Board and management oversight.
Strategy	Identify key climate-related risk and opportunity, assess impact, and formulate appropriate action plan.	Continually identify key risk and opportunities and conduct scenario analysis to determine the materiality level.	Assess the Group's climate strategy, in alignment with the climate outcomes.
Risk Management	Define the process for identifying, prioritising, and managing climate-related risks.	Develop policies for managing climate-related risks and opportunity.	Effectively embed climate consideration into relevant process.
Metrics and Target	Compute and disclose Lion Asiapac Ltd major subsidiary's operational carbon footprint (Scope 1, 2 & 3 emissions).	Include all other subsidiaries in the computation and disclosure of carbon footprint and define metric to assess the impact of climate-related risks on the Group's activities.	Improve data systems and consider appropriate science-based emissions reduction target.

TCFD Content Index

Our climate-rated disclosure based on the 4 pillars of the Task Force on Climate-related Financial Disclosures (“TCFD”) is set out below:

TCFD Disclosure	Page Reference
Governance	
<p>a) Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>The Board oversee the sustainability performance of Lion Asiapac Ltd with support from the Sustainability Committee “SC” including the oversight of climate-related risks and opportunities as its review strategy plans for the group in long term.</p> <p>On an annual basis, the Board and Management reviews the performance against the targets set.</p>
<p>b) Describe the management’s role in assessing and managing climate-related risks and opportunities</p>	<p>The SC is chaired by the Executive Directors, comprises key executives and representatives from the respective business functions such as finance, plant operation team and IT.</p> <p>The SC supported by work teams to oversees and monitor ESG issues including assessing and managing climate-related risks and opportunities.</p>
Strategy	
<p>a) Describe the climate-related risks and opportunities, the organisation has identified over the short, medium, and long term.</p>	<p>The Board and management closely monitor group’s strategies and related financial plans and its related risks and opportunities including climate-related risks.</p> <p>Annually, the Board together with the SC reviews the relevance of group identified material factors and its target set.</p>
<p>b) Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy, and financial planning.</p>	<p>For FY2023, Lion Asiapac Ltd is working on its turnaround proposal and adopts a phased approach in relation to climate-related risks. Once the business stabilise, the group plans to perform a detailed climate risk assessment as form part of its Enterprise Risk Management’s review of key risks.</p>
<p>c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>Transition risks such as policy changes from Government in which production plant operates and related opportunities will be reviewed in detail. The short, medium, and long-term impact analysis will be performed.</p>

TCFD Content Index

TCFD Disclosure		Page Reference
Risk Management		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	The Audit Committee (“AC”) is responsible for the review of the effectiveness of the Group’s material internal controls, including financial, operational and compliance control and risk management.	Refer to Corporate Governance Report for detail on AC’s roles and responsibilities.
b) Describe the organisation’s processes for managing climate-related risks.	The AC consider the key risk including climate-related risk as part of its Enterprise Risk Management program.	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	As abovementioned, the group plans to perform a detailed climate risk assessment as part of its Enterprise Risk Management’s review once its business stabilise.	
Metrics and Target		
a) Describe the metrics used by the organisation to assess climate-related risk and opportunities in line with its strategy and risk management process.	Lion Asiapac Ltd identify the material GHG emission from our lime manufacturing process and purchase from grid electricity. This year, the group extend the GHG emission to mobile combustion from stock supply chain on supplier’s incoming commercial trucks. (GHG emission indirect Scope 3)	Sustainability Report Page 10 - 11
b) Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas (“GHG”) emissions and the related risks.	The group has set the target for the in-scope entity and performance against the target-set reviewed at least once annually.	
c) Describe the target used by the organisation to manage climate-related risks and opportunities and performance against target.	<ul style="list-style-type: none"> Maintaining GHG emission intensity within 10% of 2022 level (0.81 CO₂e per MT). <p>As part of phase approach, the group will continue to explore alternative low-emission GHG, to replace our reliance on fossil fuels.</p>	

GRI Content Index

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NO.
General Disclosure		
2-1	Organizational details	2 - 3, Annual Report (Notes to FS & Shareholding Statistics)
2-2	Entities included in the organization's sustainability reporting	Refer to Annual Report (Notes to FS - Investment in subsidiaries)
2-3	Reporting period, frequency and contact point	1 - 2 & 18
2-4	Restatements of information	Not applicable
2-5	External assurance	2, we have not engaged third party assurance
2-6	Activities, value chain and other business relationships	3, Refer to Annual Report
2-7	Employee	12
2-8	Information on employees and other workers	12 - 14
2-9	Governance structure and composition	4 - 5
2-10	Nomination and selection of the highest governance body	Refer to Annual Report (Corporate Governance Report)
2-11	Chair of the highest governance body	Refer to Annual Report (Corporate Governance Report)
2-12	Role of the highest governance body in overseeing the management of impacts	15 - 18
2-13	Delegation of responsibility for managing impacts	1
2-14	Role of the highest governance body in sustainability reporting	4
2-15	Conflict of interest	Refer to Annual Report (Interested person transactions)
2-16	Communication of critical concerns	17
2-17	Collective knowledge of the highest governance body	4
2-18	Evaluation of the performance of the highest governance body	Refer to Annual Report (Corporate Governance Report)
2-19	Remuneration policies	Refer to Annual Report (Corporate Governance Report)
2-20	Process to determine remuneration	Refer to Annual Report (Corporate Governance Report)
2-21	Annual total compensation ratio	Refer to Annual Report (Corporate Governance Report)
2-22	Statement on sustainable development strategy	1
2-23	Policy commitments	4, 17 - 18 & Refer to Annual Report (Corporate Governance Report)
2-24	Embedding policy commitment	12 - 18
2-25	Process to remediate negative impacts	12 - 18
2-26	Mechanisms for seeking advice and raising concerns	17 - 18
2-27	Compliance with laws and regulations	8 - 18 and Annual report

GRI Content Index

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE NO.
General Disclosure		
2-28	Membership associations	Singapore National Employers Federation
2-29	Approach to stakeholder engagement	6
2-30	Collective bargaining agreements	There is no collective bargaining agreement
GRI 3 Material Assessment		
3 - 1	Process to determine material topics	5 - 7
3 - 2	List of material topics	7
3 - 3	Management of material topics	4 - 18
Special Disclosure		
GRI 201 Economic Performance		
201-1	Direct economic value generated and distributed	16 & Refer to Annual Report
GRI 205 Anti-Corruption		
205-1	Operations assessed for risks related to corruption	17
205-2	Communication and training about anti-corruption policies and procedures	17- 18
205-3	Confirmed incidents of corruption and actions taken	18
GRI 302 Energy Management		
302-1	Energy consumption within the organisation	8
302-3	Energy intensity	8
GRI 305 Emissions		
305-1	Direct (Scope 1) GHG emissions	10 - 11
305-2	Energy indirect (Scope 2) GHG emissions	10 - 11
305-3	Other indirect (Scope 3) GHG emissions	10 - 11
305-4	GHG emissions intensity	10 – 11
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	10 - 11
GRI 401 Employment		
401-2	Benefits provided to full-time employees	12
GRI 403 Occupational Health and Safety		
403-5	Work training on occupational health and safety	14
403-9	Work-related injuries	14
GRI 404 Training and Education		
404-1	Average hours of training per year per employee	13
404-2	Programs for upgrading employee skills and transition assistance programs	13
GRI 405 Diversity and equal opportunity		
405-1	Diversity of government bodies and employees	12, 18