



---

## **SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

---

### **Board Statement**

Sustainability is becoming a key component for companies to promote value creation, and demand for increased transparency on listed companies' environmental, social and governance ('**ESG**') practices has been growing among investors.

At Lion Asiapac, with support from the Board, management establishes a framework for its sustainability efforts before identifies, manages and addresses ESG factors that are material to its business.

The Board considers sustainability issues as part of its strategic formulation, determines the material WSG factors and oversees the management and monitors the material WSG factors.

Owing to its extensive global acceptance, we have adopted the globally recognised Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, which allows for comparability of our performance.

This report, produced in accordance with the GRI Reporting Guidelines, includes the primary components as set out by the SGX's requirements for sustainability reporting. It summarises our effort towards sustainability with addresses made to Lion Asiapac's material ESG matters for the year ended 30 June 2017 ("**FY 2017**"). As this is our inaugural report, we have not included any historical data for comparison.

The Company will continue to make improvements to its sustainability efforts and work with its stakeholders towards promoting sustainability in its businesses.

### **Sustainability Committee**

Lion Asiapac's Sustainability Committee, supported by the operations working groups, assesses and reviews sustainability efforts. The Executive Director chairs the Committee, which meets annually to plan and review the progress of our sustainability efforts. Where necessary, frequency of discussions is increased.

### **Materiality Assessment**

Our assessment is guided by the GRI reporting framework, and reflects the Group's material ESG factors. At Lion Asiapac, assessing materiality of ESG factors to our business operations is a continuous process.

In FY 2017, our Sustainability Committee has ascertained material ESG factors based on a review of our business, strategy, business model and key stakeholders, and the following material ESG factors were considered most relevant to Lion Asiapac.

## Material ESG Factors

Factors	Corresponding GRI aspects	Reference
a) Economic performance	Economic performance	Financial Statements
b) Governance	Corporate governance Business integrity	Corporate Governance Report Please see below
c) Environment	Pollution management Energy Management	Please see below Please see below
d) Social	Occupational health and safety Training and development	Please see below Please see below

## Corporate Governance

At Lion Asiapac, we are committed to maintaining a high standard of corporate governance. More details about Lion Asiapac's corporate governance practices can be found in the Corporate Governance Report.

## Business Integrity

Lion Asiapac advocates ethical business conduct in the Group's dealings and operations and has zero tolerance for bribery and corruption. All employees shall abide by the rules of the Code and Discipline under the Group's Corporate Policies and Procedures.

The Internal Audit Team reviews, on a regular basis, the adequacy and effectiveness of the Group's material internal controls. Any irregularities identified involving unethical business conduct will be reported to the Audit Committee, which will in turn take appropriate actions.

As part of the whistleblowing policies and procedures, any employee of the Group may, in confidence, raise concerns about possible bribery or corruption incidents. Arrangements are also in place for the independent investigation of such incidents and for appropriate follow up action.

## Pollution Management

At our lime production plant, we take a serious view on the environmental impact on our employees and the community at large. In terms of dust emission and noise pollution that arise inevitably during production process, we have in place appropriate mitigating measures, which are in accordance with the regulations imposed by the Malaysia Department of Occupational Safety and Health, to manage these concerns.

We have implemented a system to reduce and monitor dust emission. In addition, professional firms have been engaged to conduct, on an annual basis, pollutant surveys on Isokinetic Stack Emission and Boundary Noise Monitoring.

In FY 2017, our test results on pollutant parameters were within the permitted range under the Malaysia Environmental Quality (Clean Air) Regulation Act. We will continue to strive to keep the pollutant parameters within the permitted range.

## **Energy Management**

Lion Asiapac promotes responsible use of energy and takes measures to reduce energy wastage. Energy conservation not only helps to contribute to a friendlier climate, but also saves costs for the Group.

Our lime production plant consumes substantial amount of energy to power production line, furnace, petcoke grinding mill, blower motors, equipment and buildings. Energy usage is tracked regularly as part of our energy management initiatives. We are also exploring new sources of cleaner energy that have a much lower environmental impact.

Our total energy usage in FY 2017 was approximately 6.4 million kwh.

To cut down electricity consumption, we are in the process of converting the start up control system for the petcoke grinding mill & blower motors to frequency inverter, which will help to reduce the starting amperage and hence consumption. Electricity consumption is targeted to reduce by 1% after such conversion.

## **Occupational Health and Safety**

Lion Asiapac is committed to providing all employees with a safe and healthy workplace.

At our lime production plant, the health and safety system is a framework developed to systematically and methodically manage risks in all work processes. It requires swift investigation of any incident, and promotes a culture of open reporting and organisational learning. The aim is to achieve a safe environment for our employees, customers, suppliers and business partners.

As part of the system, a Safety Committee comprising *inter alia*, the Assistant General Manager, Safety Officer and representatives from various departments, has been established to help implementing and monitoring the safety program. All production staff must adhere strictly to the relevant Standard Operation Procedures under the Group's Corporate Policies and Procedures as well as the Safety Regulations. Training and education about health and safety, in addition to job-related training, are conducted before we place new staff on the job.

Safety meetings are conducted on a quarterly basis, to instil in and reinforce our staff with safety awareness, and also to review safety procedures and recommend appropriate actions where necessary, for our pursuit of a professional and safe working environment.

In FY 2017, there were no fatalities at our production plant. We are committed to maintaining a zero-fatality record at all times.

## **Training and Development**

Lion Asiapac believes in the continuing training and development of our employees, who are undoubtedly our most valued assets. We invest in our employees, so that they could grow professionally and achieve their full potential.

It is imperative that our employees keep abreast of the latest developments in their respective professional fields. Employees are assigned, on an ongoing basis where needed, to attend job-related workshops, training sessions and seminars. We also give support to employees for their professional memberships and provide study leave. All employees are accorded annual performance reviews and target setting sessions with their department heads.