



**LION ASIAPAC LIMITED**

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



**SUSTAINABILITY REPORT 2024**

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## Statement from the Board

The Board of Directors (Board) is pleased to present Lion Asiapac Limited (Company) and its subsidiaries' (Group) sustainability report for the year ended 30<sup>th</sup> June 2024 (FY2024). LAP is committed to achieving sustainability and contributing to a decarbonising environment by providing essential lime solutions and roofing solutions. With its production facilities and skilled workforce, LAP is well-positioned to meet the increasing demand for lime and roofing solutions amid growing environmental concerns.

LAP directors have registered for ESG courses in 2022 organised by The Singapore Institute of Directors as part of their sustainability training as Board members. The training includes the Board's roles and responsibilities with respect to sustainability, ESG development, TCFD recommendations, climate-related risks reporting, value creation through ESG and sustainability reporting.

LAP understands its corporate duty to deliver products and services that meet world-class standards for environmental, workplace, and operational practices. Moving forward, we recognise that increasing environmental governance and societal expectations present challenges to LAP's operations, expansion, and long-term viability. Additionally, LAP views these challenges as opportunities to enhance our health and safety performances, minimise our environmental impact, and strengthen relationships with the community and key stakeholders.

This report details the identification of the environmental, social, and governance (ESG) factors material to the Group, particularly those related to the main businesses of the Group. These include the supply of roofing solutions, the production of quicklime and hydrated lime, and the trading business. It outlines our policies, practices, and performances concerning these ESG factors for FY2024 and our targets for future years, as well as specifies comparative data for the year ended 30<sup>th</sup> June 2023 (FY2023). Meanwhile, LAP has diligently tracked its performance against previously set targets, and this sustainability report provides information on the progress made so far.

LAP reports its sustainability performance in accordance with the SGX Sustainability Reporting Guide and the Global Reporting Initiative (GRI) framework. This year's sustainability report continues to incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), including the disclosure of ESG material factors assessment on Greenhouse gas (GHG) emissions to achieve a lower carbon economy. LAP has also provided its climate-related disclosures following the conceptual foundations and general requirements set out under IFRS S1.

LAP will continue to work with its stakeholders to promote sustainability in its business operations.

## About this Report

This report includes the ESG practices of LAP's business operations in Singapore and Malaysia.

This report was prepared with the involvement of an independent consultant – Roma Risk Advisory Limited in compliance with the SGX listing rules. However, no external assurance has been conducted. Controls and processes have been put in place to guide the end-to-end ESG information flow and to 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 the Board have oversight over the controls of 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 Group's website at <http://www.lionasiapac.com/index.php/investors>.

This report aims to share the initiatives and progress we have made during the year. Our operations involve the supply of roofing solutions, the production of quicklime, quicklime powder, and hydrated lime in Malaysia, the trading of steel consumables and investment holding activities in Singapore; and the trading of mining equipment in the People's Republic of China (PRC).

During the year, we strive to keep our plant and equipment in optimal condition to deliver our products with the highest quality possible. Since January 2022, new SGX Listing rules require issuers to set out a robust board diversity policy, which includes detailed targets and plans that are illustrated in the annual corporate governance report. As such, we have reinforced corporate governance over sustainability by having a Board Diversity Policy in place this year.

Lastly, this report includes climate reporting guided by the recommendations of the TCFD and 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 Group at [caroline.gan@liongroup.com.sg](mailto:caroline.gan@liongroup.com.sg) and [river.gan@liongroup.com.sg](mailto:river.gan@liongroup.com.sg).

## About Lion Asiapac Limited

The Company was incorporated in Singapore in 1968 as a private limited company under Metal Containers (Pte) Ltd. It went public in 1981 before changing its name to Metal Containers Ltd.

In 1996, the Company was acquired by the Lion Group before it 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 the supply of roofing solutions, lime manufacturing, trading of steel consumables, trading of mining equipment, and investment holding.

In August 2023, the Group announced the completion of the acquisition of the Semangat Meriah Group (Semangat). Based in Shah Alam, Malaysia, Semangat provides high-end premium roofing and wall cladding solutions to the construction industry in Malaysia. This includes both the Swissma and the Sanko roofing profiles.

Lime manufacturing is undertaken by Compact Energy Sdn Bhd (Compact), based in Banting, Selangor, Malaysia. Compact produces quicklime, hydrated lime and quicklime powder.

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

LAP Trading (Shanghai) Co Ltd undertakes the trading of mining equipment, while LAP Trading & Marketing Pte Ltd undertakes the trading of steel consumables.

# Our Sustainability Efforts and 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.

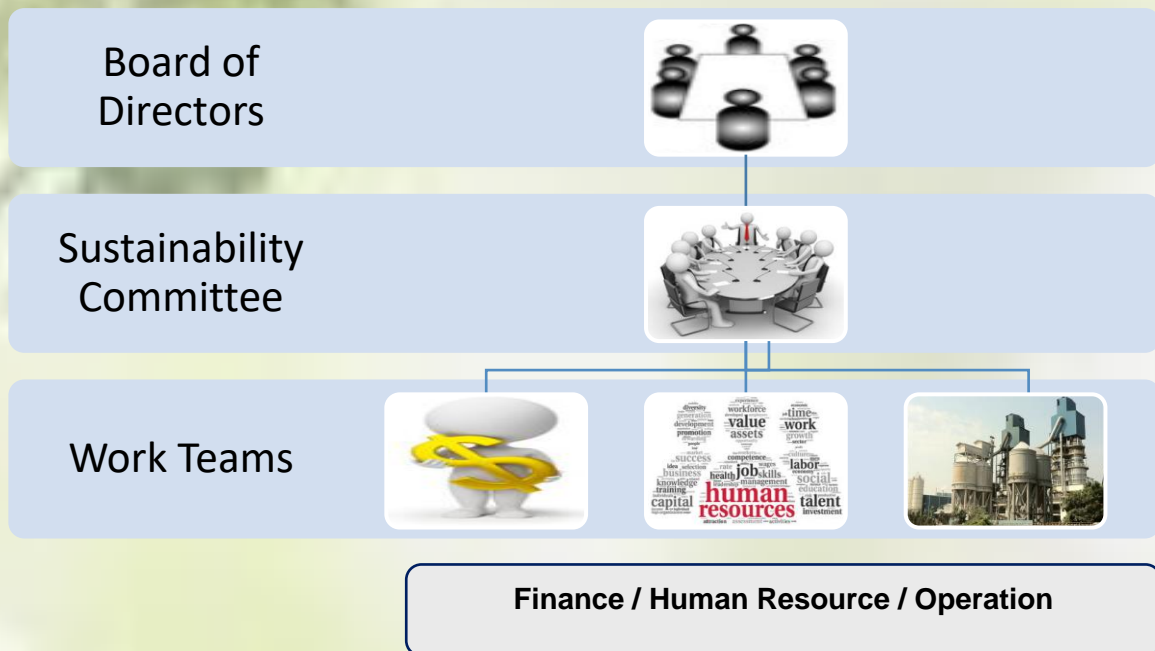
Our initiative considers the respect for human rights in the workplace, the ban on forced and child labour, the elimination of discrimination, the provision of fair wages and working hours, the respect for freedom of association, the provision of a healthy and safe working environment, and ethical conduct,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

Our sustainability initiative and commitment include long-term economic benefits for our stakeholders and overseeing the resources we consume and produce in our business.

## 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.



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 the associated risk updates before evaluating the Group's 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.

	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 to the Group. The material factors will be shortlisted for reporting.
3	Validation	The shortlisted material ESG factors will then be internally validated by the management and the Board. This promotes the alignment of sustainability factors to the corporate objectives.
4	Review	The material ESG factor will be reviewed annually and amended to reflect any changes in the business operations or market conditions.

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

In addition to corporate governance, 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. This year, we have expanded our report to include the newly acquired roofing solutions business.

## Stakeholder Engagement

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

Table 1: Stakeholder Engagement Mechanism

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



## **Materiality Assessment**

Our assessment is guided by the GRI reporting framework. Through the ongoing process of interaction with stakeholders, the SC has reviewed the material factors to ensure they reflect any changes identified.

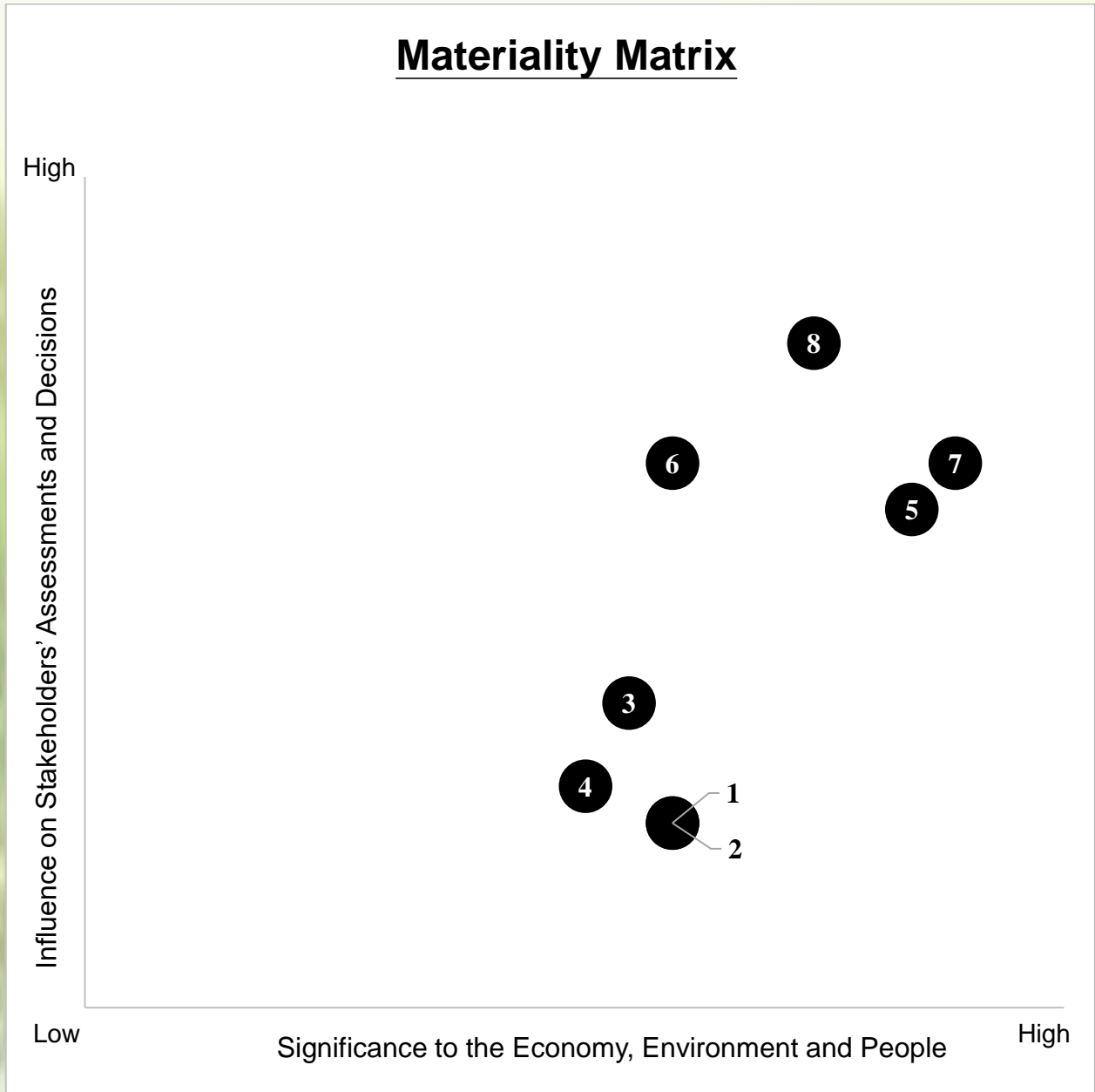
Table 2: Material ESG Factors and Performance Targets

<b>Environmental</b>	
Energy management	Maintaining the energy consumption rate within 10% of the baseline (FY2022 <sup>(1)</sup> - 0.93 MWh per MT).
Emission of greenhouse gases (GHG)	Maintaining GHG emission intensity within 10% of the baseline (FY2022 <sup>(1)</sup> - 0.81 tonnes of tCO <sub>2</sub> e per MT).
Climate change	Identifying, assessing, and managing climate-related risks and opportunities.
<b>Social</b>	
Employee training and education	Average training hours per employee of 8 hours per year.
Occupational health and safety	Zero work-related fatalities
<b>Governance</b>	
Economic performance	To deliver stable and sustainable economic growth for the business and financial returns for the shareholders.
Anti-corruption	Zero incident of anti-corruption behaviour/practice.
Corporate governance	Continual strengthening of the enterprise risk management (ERM) framework.

Note:

(1) FY2022 denotes the financial year ended 30<sup>th</sup> June 2022.

The material factors are mapped onto chart reflecting their significance to the economy, environment and people against their influence on stakeholders' assessments and decisions.



Material ESG Factors	
1	Energy management
2	GHG emissions
3	Climate change
4	Employee training and education
5	Occupational health and safety
6	Economic performance
7	Anti-corruption
8	Corporate governance

## Material ESG – Environmental

### Energy Management

#### Why is it material?

As a producer of roofing, wall cladding, and lime, our plants consume 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 our sustainability strategy, energy usage and emissions are the two key points of focus.

#### Our management approach and initiatives

We consistently strive 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 **Dust Emissions**
  - The task force consistently monitors and ensures that the dust emissions from the lime plants, fall within the acceptable levels as prescribed by the local environmental regulators.

#### Our performances

For **Energy Usage**, the total amount of non-renewable fuel consumed by the roofing supplies manufacturing plant and lime manufacturing plant is provided below.

Table 3: Non-renewable Fuel Consumption:

	FY2023	FY2024
	MWh	MWh
Petcoke/Coal	142,675	162,053
Diesel	3,223	3,477
Unleaded Petrol	-	69
Electricity	8,929	10,023
<b>Total</b>	<b>154,827</b>	<b>175,622</b>
<b>Total Production (MT)</b>	<b>189,468</b>	<b>215,006</b>
<b>Energy Consumption Intensity - MWh per MT</b>	<b>0.82</b>	<b>0.82</b>

The total consumption of non-renewable fuel increased by approximately 13.43% as compared to FY2023, which is in line with the rise in production volume by approximately 13.48%. In FY2024, the energy consumption intensity remained to be approximately 0.82 MWh per MT compared to FY2023. This places us on track to maintain the energy consumption rate, against the baseline of 0.93 MWh per MT in FY2022.

To maintain high-quality, the production team needs to understand the customers' requirements before calibrating the mixture ratio of petroleum coke and coal.

For **Dust Emissions**, the total amount of dust generated during the process of lime manufacturing

Table 4: Dust Emissions

Mg/m <sup>3</sup>	FY2023	FY2024	Compliance Limit
Quick lime plant	29.0 – 40.0	3.9 – 16.0	50
Hydration lime plant	30.5 – 39.0	0.2 – 67.4	50

The test results are conducted by an independent third-party consultant. The dust emissions from the hydration plant exceeded the compliance limit based on a test in FY2024, which was later found to have been caused by the malfunctioning of the dust filter. The filter was replaced to bring the dust emissions to within the compliance limit for the remaining period of the year.

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.

## GHG Emissions

### Why is it material?

There has been an increasing concern over the environmental impact of lime manufacturing, for which we have been monitoring the GHG emissions given the rising awareness of climate change.

### Our management approach and initiatives

The amount of GHG emission during the limestone calcination, stationary combustion, fuel combustion from commercial vehicles (*Scope 1 – Direct GHG emissions*), purchase from grid electricity (*Scope 2 – Energy indirect GHG emissions*), and mobile combustion from incoming commercial trucks driven by our suppliers (*Scope 3: Other indirect GHG emissions*).

The initiatives taken to address GHG emissions include

- Setting up the GHG data collection system
- Increased engagement with stakeholders to affect carbon reduction initiatives

### Our performance

Our **GHG emissions** are as follows:

Table 5: GHG Emissions

GHG Emissions	Singapore	Malaysia	Total tCO <sub>2</sub> e
Direct (Scope 1)	-	134,978	134,978
Energy indirect (Scope 2)	12,454	5,513	17,967
Other indirect (Scope 3)	-	3,585	3,585
Total – FY2024	12,454	144,076	156,530
Total production (in MT)			215,006
FY2024 GHG Emission Intensity – tCO <sub>2</sub> e per MT			0.73
Direct (Scope 1)	-	119,921	119,921
Energy indirect (Scope 2)	12,219	4,911	17,130
Other indirect (Scope 3)	-	2,930	2,930
Total – FY2023	12,219	127,762	139,981
Total production (in MT)			189,533
FY2023 GHG Emission Intensity – tCO <sub>2</sub> e per MT			0.73

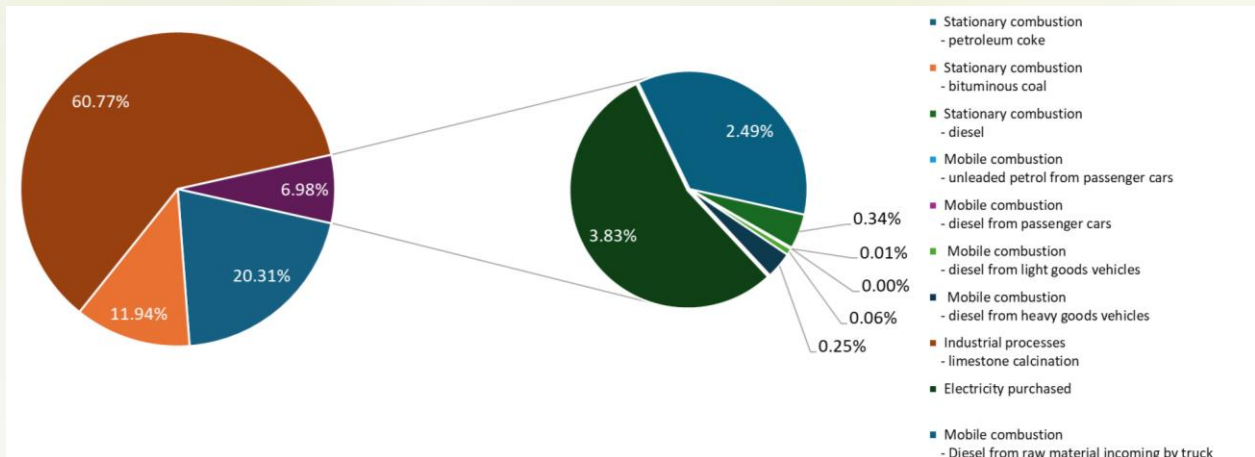
Note: For Singapore, the grid emission factor in 2022 is the latest available: 0.417 kgCO<sub>2</sub>e/kWh. For Malaysia, the grid emission factor in 2023 is the latest available: 0.55 kgCO<sub>2</sub>e/kWh.

Source: Grid emission factors for Singapore were obtained from Energy Market Authority, Malaysia from Tenaga Nasional Berhad's Sustainability Report 2023 - GHG emission.

In FY2024, Singapore operation's Scope 2 GHG emissions were approximately 12,454 tCO<sub>2</sub>e (FY2023: 12,219 tCO<sub>2</sub>e).

In FY2024, the Group's operation in Malaysia aggregates for Scopes 1, 2, and 3 GHG emissions of approximately 144,076 tCO<sub>2</sub>e (FY2023: 127,762 tCO<sub>2</sub>e).

Figure 1: GHG Emissions from Operations in Malaysia:



For FY2024, the basis adopted is the same as FY2022 and FY2023, which was used by a third-party consultant, in deriving the Malaysia operation’s GHG emissions. The Scope 1 direct GHG emissions produced approximately 93.68% of the GHG emissions from the operation in Malaysia. This comprised limestone calcination, stationary combustion, and fuel combustion by engineering vehicles. While the Scope 2 indirect GHG emissions from purchased grid electricity was approximately 3.83%, a Scope 3 indirect GHG emission from mobile combustion of diesel from suppliers was approximately 2.49%.

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 while being committed to product quality.

As FY2022 GHG emissions intensity (0.81 tCO<sub>2</sub>e per MT) has been designated as a base line for comparison purposes, the Group has achieved its target of maintaining GHG emission intensity within 10% of FY2022’s level.

We will continue to explore alternative energy sources incurring lower GHG emissions, to replace our reliance on fossil fuels.

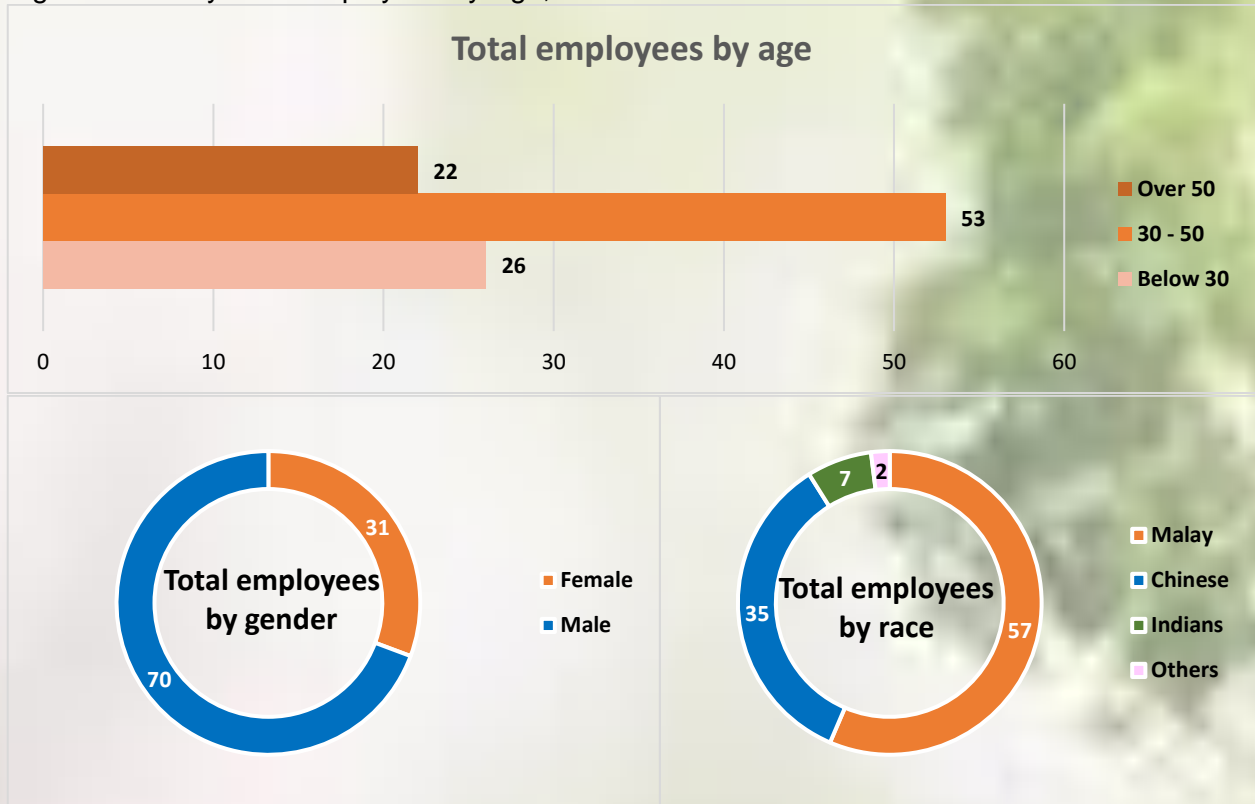
## Material ESG – Social

Our employees form the cornerstone of our 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 ensuring a healthy and ethical work environment. Our operating policies and procedures are a testament to our effort in this regard.

### Diversity

The total headcounts of our operations in Malaysia and Singapore were 92 and 9 respectively. The age, gender and race breakdown of our employees are below.

Figure 2 – Analysis of Employees by Age, Gender and Race:



### Wages and employee benefits

We have complied with the Ministry of Manpower’s requirements on wages and contract 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 reviews 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 in the sustainability of our group. Our employees must be adequately trained and equipped with the capabilities to accomplish the demands of their job specifications.

### Our management approach and initiatives

We encourage our employees to engage in continual learning and development. We invest in them and provide support to them 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, subject to employees' positions. In FY2024, some of the training was conducted virtually by the trainers.

### Our performance

LAP exceeded its target of maintaining an average training hours per employee of 8 hours per year by having an average training hours per employee of approximately 11.7 hours in FY2024.

Table 6: Employee Training:

	FY2023	FY2024
Total Training Hours	529.0	1,177.0
Average Training Hours per Employee	7.8	11.7

The average hours of training per employee in FY2024 achieved was approximately 11.7 hours (FY2023: 7.8 hours). These training included the topics on health and safety, personal development, regulations and procedures, sales negotiations, accounting, as well as general business operations.

By supporting education and training, we hope to develop our people into 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, comprising the Head of Operations and representatives from various departments, has been established to implement and monitor 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 Safety Regulations. Every new staff undergoes training and education about health and safety, in addition to training on the job.

The Safety Committee conducts safety meetings every quarter, to instil 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 Emergency Response Team (ERT), which 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, flooding or other natural disasters.

### Our performance

There were zero incidents of work-related fatalities in FY2023 and FY2024. We achieved our target of maintaining zero work-related fatalities for FY2024 and we aim to maintain these zero work-related fatalities trend.

In FY2024, there was 1 case of high-consequence work-related injury (FY2023: nil). We ensure that all recordable work-related injuries are investigated and analysed to identify occurrence time, place, sequence of events and casualties. We will continue to strive for zero work-related injuries by providing safety training for our employees and enforcing the Group's health and safety rules.

## Material ESG – Governance

### Economic Performance

#### Why is it material?

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

#### Our management approach and initiatives

In addition to prudent management, we continue to streamline and revamp our 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.

Previously, we set a target of delivering stable and sustainable economic growth for the business and financial returns for the shareholders. To augment recurring revenues and profits, this year, we have acquired the Semangat Meriah Group, a roofing and wall cladding solutions provider.

We will continue to monitor geopolitical conflicts and global economic uncertainties. We aim to minimise risks, optimise operating costs and resource management, improve operating efficiency, and mitigate any financial impact on our business.

The details of LAP's financial performance are provided in the Annual Report 2024. A soft copy of the Annual Report can be found on our website at [www.lionasiapac.com](http://www.lionasiapac.com).

## Markets

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

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

## Customers

Our customers are our top priority. We regularly meet our customers to understand their challenges and business plans to facilitate our collaborations. We believe this should help to foster a stronger relationship with our customers.

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

## Products

Our lime products are used in many industries including steel manufacturing, water treatment, soil stabilisation, sugar bleaching, farming and pharmaceutical.

For our roofing solutions, NS BlueScope Malaysia is our main strategic partner for premium coated steel. Following the acquisition, we have kick-off plans to increase production lines with the view to driving up revenues and profits.

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

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

## Suppliers

We regularly reassessed our supply network including the review of the existing stock levels, the consideration of multiple suppliers, the usage of new materials, and suppliers from multiple locations. We have arranged for access to alternative supplies in the event of any disruption of supplies from our existing suppliers. Additionally, we consider our existing inventory level to be adequate to meet our production requirements.

We will endeavour to secure all our materials inputs for our operations from sources who are responsible and reliable.

To achieve the above, we rely on effective control systems, strong supplier relationships, and close customer collaborations. We are faced with limited raw material options, which is being addressed through the supplier's long-term commitments. We are confident in relying on these commitments while we continue to explore new suppliers.

## 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

We have established corporate policies to cover ethical business conduct within the company's operation.

- Annual compulsory declaration of conflict of interest by all employees

Table 7: Compulsory Declaration on IPT

	FY2023	FY2024	Target
Communication of anti-corruption policy and declaration of conflict of interest to employees	100%	100%	100%

- Securities Transaction

We adopt a compliance code that establishes the framework of dealing in the securities of the Group 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 SGX's directives.

- Audit Committee (AC) and Internal Audit

The AC provides oversight of the financial reporting process, the audit process, the 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 whistleblowing has been in place and communicated to all employees. The policy provides employees with clearly defined processes and procedures through which they could raise their concerns concerning possible irregularities to the AC. Whistleblowers are protected from any unfair treatment arising from their reporting.

The AC will consider the nature of the concern before deciding on the need for any further independent investigations.

There were zero incidents of irregularities or fraud reported in 2024. We aim to maintain a policy of zero incidents in future years.

## Corporate Governance

### Why is it material?

The Board is committed to ensuring that the highest standards of corporate governance are adopted as a fundamental part of the corporation's responsibilities in protecting and enhancing shareholder value.

### Our management approach and initiatives

The Board has established relevant internal control measures and monitoring mechanisms to ensure the corporate governance standards are adhered to. Details are provided in the Annual report under the Corporate Governance Report.

- ERM

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

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 the department participating in these assessments are required to provide a written assurance of the adequacy and effectiveness of their departmental internal control system and risk management.

Table 8: Non-Compliance and Business Ethics Statistics

	FY2023	FY2024	Target
Incidents concerning non-compliance and business ethics	Nil	Nil	Nil

- Board diversity

We value diversity including our board composition. All board appointments are based on merit, skills, experience, independence, and knowledge that the director can bring to the Board without compromising on the diversity of the Board. The current Board's composition reflects the Company's effort toward board diversity.

A female director was appointed as a non-executive director on 16 August 2024.

### Our Performance

Previously, we set a target of strengthening the ERM framework. This year, our newly acquired business has been included in our assessment of risk management.

The establishment of a risk management framework includes:

- Establishing open communication between the Audit Committee, the management, and the operational teams.
- Requiring regular risk profile reporting from operational management to the Audit Committee and
- Involving internal audit in identifying key risks and internal controls assessments.

We adopt a continual policy in strengthening the ERM framework.

## Task Force on Climate-Related Financial Disclosures (TCFD)

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

### Implementation Roadmap

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

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

The Group is currently in phase 1 of its climate-related disclosure journeys. It will strengthen its disclosure on TCFD as it progresses forward. A summary of the Group's responding actions to the TCFD recommendations is illustrated below.

### Governance

The Board oversee the sustainability effort, of LAP with support from the Sustainability Committee (SC), including the oversight of climate-related risks and opportunities for the Group. The Board and Management review the performance against the targets set annually. The Board has considered sustainability issues in LAP's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The SC is chaired by the Executive Director and comprises key executives and representatives from the respective business functions such as finance, operation teams and Information Technology. Supported by work teams, the SC oversee and monitors ESG issues including assessing and managing climate-related risks and opportunities.

**Strategy**

The Board and the management closely monitor the Group’s strategies and related financial plans and its related risks and opportunities including climate-related risks.

To help us better understand the resilience of our climate strategy and business model to climate change, we conducted an analysis of the identified physical and transition risks as well as opportunities that have the potential to influence our strategy and operations against two scenarios – 1) the Representative Concentration Pathway (RCP) 2.6, which represents scenarios in the literature leading to very low GHG concentration levels and aiming at limiting global warming to below 2°C above pre-industrial levels and 2) RCP 8.5, which represents a high-emissions pathway with warming likely to surpass 4°C. To evaluate our physical risks, we assessed the impact of acute and chronic hazards, including extreme rainfalls and extreme heat, on our operations. To evaluate our transition risks, sustainability reporting obligations were selected.

Based on our analysis, the Group’s major climate-related risks, as well as its corresponding mitigation measures are as follows:

Risk Type	Time Horizon	Potential Impacts	Risk Level		Mitigation Measures
			Below 2°C	Above 4°C	
<b>Physical risks</b>					
Extreme rainfall	Long-term	An increase in extreme rainfall may result in operational delays, increased costs, customer dissatisfaction, and revenue losses, thereby affecting profitability.	Low	Moderate	Ensure business continuity plans and extreme rainfall response plans are implemented. Develop flood control measures, including rain gardens and permeable pavements to manage stormwater runoff where appropriate.
Extreme heat	Long-term	Hot days and extreme heat could become more common and/or severe, which could increase in cooling demand and higher electricity costs.	Low	Moderate	Ongoing maintenance to ensure that air cooling systems and generators are in good working order and appropriate for both the local and changing climate conditions.

					Implement health and safety initiatives to protect people from extreme heat risk, including special work arrangements during peak temperature hours and provision of reminders of staying hydrated and consequences of dehydration for employees, as required.
<b><u>Transition risks</u></b>					
Policy and legal risks resulting from sustainability reporting obligations	Short-term	Increased demand from governments and regulators for sustainability-related information disclosure by enterprises, requiring greater transparency and detailed data.	Low to Moderate	Low	Ensure sustainability-related information is disclosed following the latest requirements and reporting guidelines.

In addition to risk assessment, climate-related opportunities were also explored. Realising the potential increase in awareness of climate change among our clients, we have been exploring opportunities to incorporate sustainability elements into our business. We see opportunities in improving energy efficiency and cost savings. By implementing energy-efficient technologies across our operations, we can substantially reduce our energy consumption and costs over the short, medium and long term. Additionally, our approach to continually striving to reduce our GHG emissions enhances our brand reputation and customer loyalty over the short, medium and long term, as consumers increasingly favour environmentally responsible companies. It also reduces our carbon footprint and contributes to a lower environmental impact.



## **Risk Management**

The Audit Committee is responsible for the review of the effectiveness of the Group's material internal controls, including financial, operational and compliance control and risk management.

In FY2024, the Group completed a process to identify and assess the nature and extent of climate-related risks within the Group's business operations. After conducting the process to identify, assess and manage climate-related risks covering FY2024, the Group is aware of the existence of climate-related risks, including physical risks and transition risks, which could affect its financial performance, reputation, and long-term development to a range of extent. This enabled the Group to better identify, evaluate, and possibly exploit the right opportunities at the right time, ensuring all the appropriate controls are in place to mitigate risks and prevent any non-compliance issues.

The Group acknowledges that climate-related issues have impacted or may impact its operations through internal discussion and assessment. Recognising that climate-related risks, along with other ESG risks, can affect our businesses, we will continue to review our climate-related risks regularly and take corresponding actions to manage them effectively.

## **Metrics and Targets**

The Group used direct (Scope 1) GHG emissions, energy indirect (Scope 2) GHG emissions, indirect supplier (Scope 3) GHG emissions, as well as intensity as its metrics to assess climate-related risks and opportunities in line with its strategy and risk management process.

To manage its climate-related risks and opportunities, the Group has set the targets for the in-scope entity and the performance against the targets set is reviewed at least once annually.

- Maintaining GHG emission intensity within 10% of FY2022's level (0.81 tCO<sub>2</sub>e per MT).

The Group has achieved its target and reported a GHG emission intensity of 0.73 for both FY2024 and FY2023.

A continual policy to identify, assess, and manage climate-related risks and opportunities has been adopted by the Group.

## TCFD - Content index

Our climate-rated disclosure based on the 4 pillars of the TCFD is set out below:

TCFD Disclosure	Page reference
<b>Governance</b>	
a) Describe the board's oversight of climate-related risks and opportunities.	4 – 5, 20
b) Describe the management's role in assessing and managing climate-related risks and opportunities	4 – 5, 20
<b>Strategy</b>	
a) Describe the climate-related risks and opportunities, the organisation has identified over the short, medium, and long term.	21 – 22
b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.	
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
<b>Risk management</b>	
a) Describe the organisation's processes for identifying and assessing climate-related risks.	23  Refer to the Corporate Governance Report for details on AC's roles and responsibilities.
b) Describe the organisation's processes for managing climate-related risks.	
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
<b>Metrics and target</b>	
a) Describe the metrics used by the organisation to assess climate-related risk and opportunities in line with its strategy and risk management process.	11 – 12, 23
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	
c) Describe the target used by the organisation to manage climate-related risks and opportunities and performance against targets.	

## GRI – Content index

Disclosure No	Disclosure title	Page no / Explanation
<b>General Disclosure</b>		
2-1	Organizational details	2 – 3, Refer to the Annual Report (Notes to FS & Shareholding Statistics)
2-2	Entities included in the organization's sustainability reporting	Refer to the Annual Report (Notes to FS - Investment in subsidiaries)
2-3	Reporting period, frequency and contact point	1 – 2
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 the Annual Report
2-7	Employees	13
2-8	Workers who are not employees	There are no workers who are not employees
2-9	Governance structure and composition	4 – 5
2-10	Nomination and selection of the highest governance body	Refer to the Annual Report (Corporate Governance Report)
2-11	Chair of the highest governance body	Refer to the Annual Report (Corporate Governance Report)
2-12	Role of the highest governance body in overseeing the management of impacts	16 – 19
2-13	Delegation of responsibility for managing impacts	4 – 5, 20
2-14	Role of the highest governance body in sustainability reporting	4
2-15	Conflicts of interest	Refer to the Annual Report (Interested person transactions)
2-16	Communication of critical concerns	18
2-17	Collective knowledge of the highest governance body	4
2-18	Evaluation of the performance of the highest governance body	Refer to the Annual Report (Corporate Governance Report)
2-19	Remuneration policies	Refer to the Annual Report (Corporate Governance Report)
2-20	Process to determine remuneration	Refer to the Annual Report (Corporate Governance Report)
2-21	Annual total compensation ratio	Refer to the Annual Report (Corporate Governance Report)
2-22	Statement on sustainable development strategy	1
2-23	Policy commitments	4, 18 – 19, Refer to Annual Report (Corporate Governance Report)
2-24	Embedding policy commitments	2, 13 – 19
2-25	Processes to remediate negative impacts	18 – 19

## GRI – Content index

Disclosure no	Disclosure title	Page no / Explanation
<b>General disclosure</b>		
2-26	Mechanisms for seeking advice and raising concerns	18 – 19
2-27	Compliance with laws and regulations	9 – 19 and Annual Report
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
<b>GRI 3 Material assessment</b>		
3 – 1	Process to determine material topics	7 – 8
3 – 2	List of material topics	8
3 – 3	Management of material topics	4 – 19
<b>Special disclosure</b>		
<b>GRI 201 Economic performance</b>		
201-1	Direct economic value generated and distributed	16 & Refer to Annual Report
<b>GRI 205 Anti-corruption</b>		
205-1	Operations assessed for risks related to corruption	18
205-2	Communication and training about anti-corruption policies and procedures	18 – 19
205-3	Confirmed incidents of corruption and actions taken	19
<b>GRI 302 Energy management</b>		
302-1	Energy consumption within the organisation	9
302-3	Energy intensity	9
<b>GRI 305 Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	11 – 12
305-2	Energy indirect (Scope 2) GHG emissions	11 – 12
305-3	Other indirect (Scope 3) GHG emissions	11 – 12
305-4	GHG emissions intensity	11 – 12
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	10

## GRI – Content index

Disclosure no	Disclosure title	Page no / Explanation
<b>Special disclosure</b>		
<b>GRI 401 Employment</b>		
401-2	Benefits provided to full-time employees	13
<b>GRI 403 Occupational health and safety</b>		
403-5	Work training on occupational health and safety	15
403-9	Work-related injuries	15
<b>GRI 404 Training and education</b>		
404-1	Average hours of training per year per employee	14
404-2	Programs for upgrading employee skills and transition assistance programs	14
<b>GRI 405 Diversity and equal opportunity</b>		
405-1	Diversity of government bodies and employees	13, 19