

HONG LEONG ASIA LTD.

Sustainability Report 2016

SUSTAINABILITY REPORT

Board Statement

As we embark on our sustainability reporting journey, we are aware of how our business practices impact the environment and communities we operate in. In the long term, our focus on sustainability will place our Group in a better position to create long-term value for shareholders while taking into account the broader stakeholder community.

The Board has set a strategic direction to achieve this through good corporate governance, prudent financial management, upholding health and safety standards, limiting environmental impact, utilising resources efficiently, and engaging communities we operate in. At HLA, the Board sets the tone for all sustainability efforts, supported by the Sustainability Committee. Together, we continually identify, manage and address ESG factors material to the business. This sustainability journey takes constant effort and we look forward to your continued support in creating a sustainable future for generations to come.

CEO's Message

With the landmark agreement from the United Nations Climate Change Conference in Paris (COP21) in 2015 and the launch of Singapore Exchange (SGX)'s "Comply or Explain" rule for sustainability reporting, sustainability interest has reached new heights both globally and in the region. We are able to report ahead of SGX's timeline as sustainability is embraced at Hong Leong Asia (HLA). In our daily business operations, we have always been conscious in adopting responsible environmental, social and governance (ESG) practices, as well as extending good quality product and service offerings to our customers.

The increasing complexity of the business environment has presented us with multiple challenges. With the bulk of our businesses based in China, the continued weakness of the Chinese economy coupled with market overcapacity has taken its toll on our Group revenue. Notwithstanding these challenges, we have developed a multi-faceted sustainability strategy to guide our daily operations. Our sustainability strategy focuses on continuous reduction of our ecological footprint in our manufacturing process, ensuring fair employment practices, engaging our workforce and investing back in the community.

This year, we have stepped up our commitment towards sustainability by publishing our inaugural sustainability report which has met SGX's sustainability reporting requirements. Covering issues which are most pertinent to our business, this sustainability report serves as a tool to communicate to our stakeholders how through our ESG commitment, efforts and progress we are managing areas that pose a risk and provide opportunities for improvement. We recognise that sustainability is a continuous learning process and we seek to improve ourselves year-on-year in the various ESG aspects.

Despite the challenging business environment, we remain committed to being a responsible corporate citizen. Our goal is to exercise cost discipline, organisational restructuring and strategy repositioning to tide our businesses through the rough patch, as we continue to march on this sustainability journey ahead.

Philip Ting Sii Tien @ Yao Sik Tien

Chief Executive Officer

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About This Report

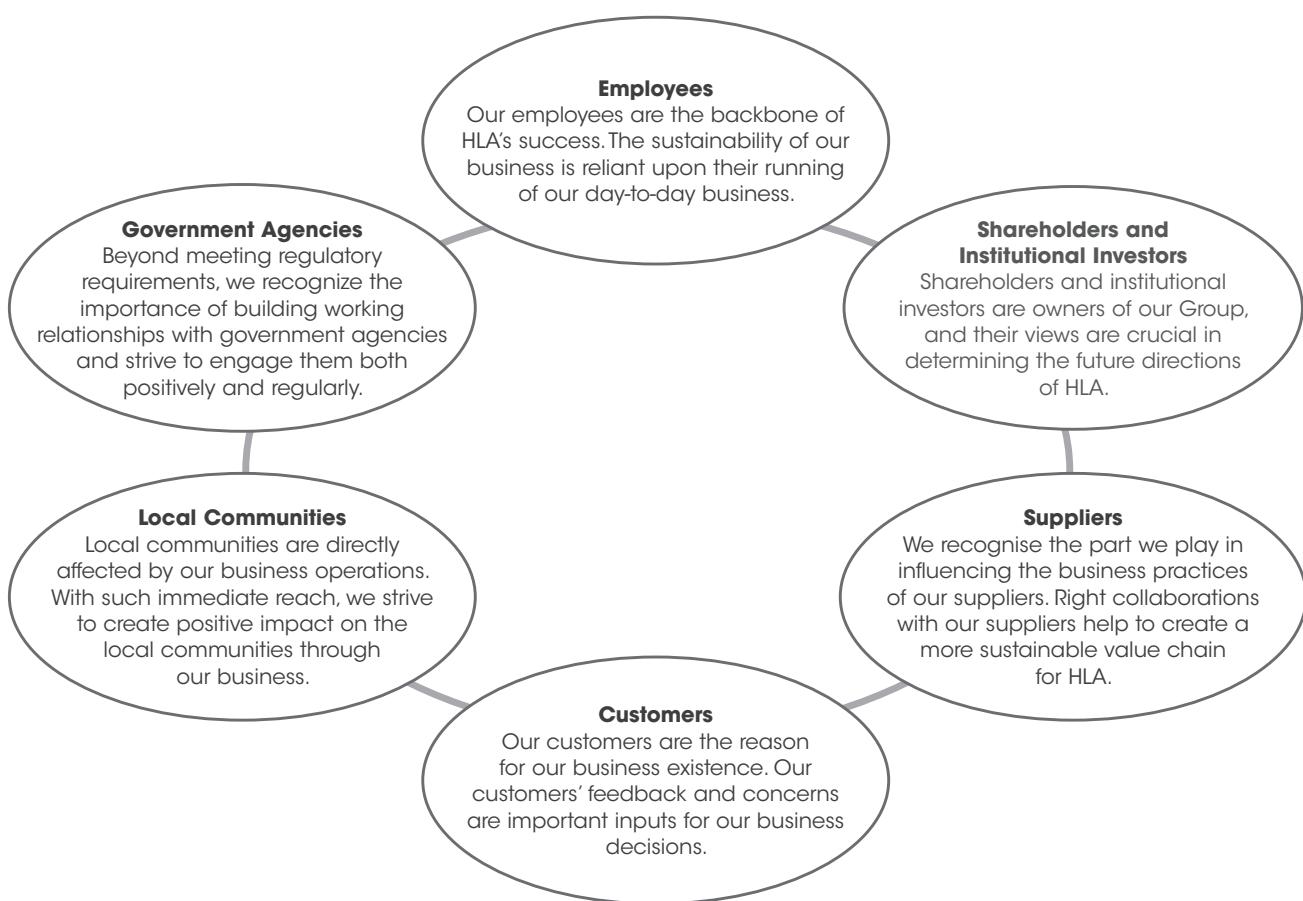
This report has been prepared in accordance to the internationally recognised Global Reporting Initiative (GRI) G4 guidelines – Core. The report focuses on the sustainability performance of our major operations across consumer products and building materials business segments from 1 January 2016 to 31 December 2016, and the diesel engines business segment from 1 January 2016 to 30 September 2016 (projected to 12 months for 2016 where applicable) unless otherwise stated. A historical comparison to the previous year has also been presented where information is available. Through this inaugural sustainability report, we will continue to assess and improve our data collection systems over time.

Engaging Our Stakeholders

Stakeholder Engagement Approach

We believe that a positive, two-way engagement with our stakeholders helps to build informed relationships which enable us to identify risks and opportunities for HLA and its business units (Figure 1). This, in turn, helps us to make better decisions, address challenges, and prioritise areas where we can make the greatest impact on sustainability. The rest of this sustainability report dictates how the Group has responded to our key stakeholders' concerns.

Figure 1: Impact & Significance of Key Stakeholders

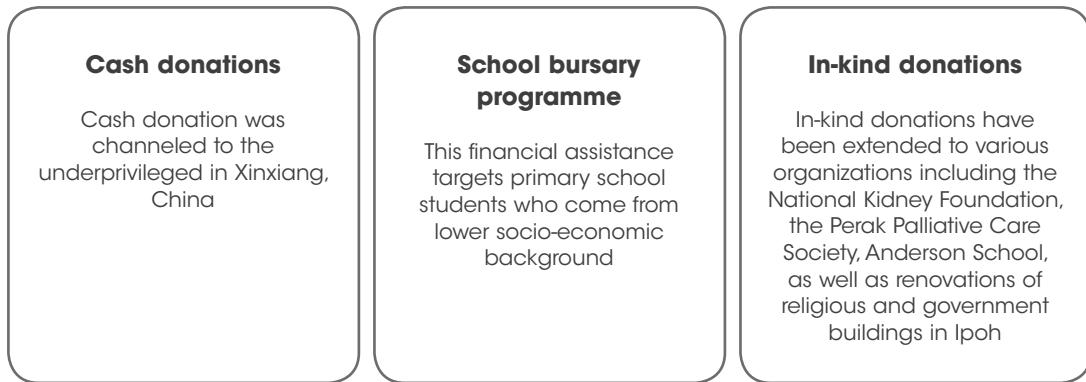


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Corporate Social Responsibility (CSR)

As a responsible corporate citizen, we aim to improve the well-being of the surrounding communities where we operate in. More than S\$470,000 was channelled to CSR initiatives in 2016, with key examples listed below.

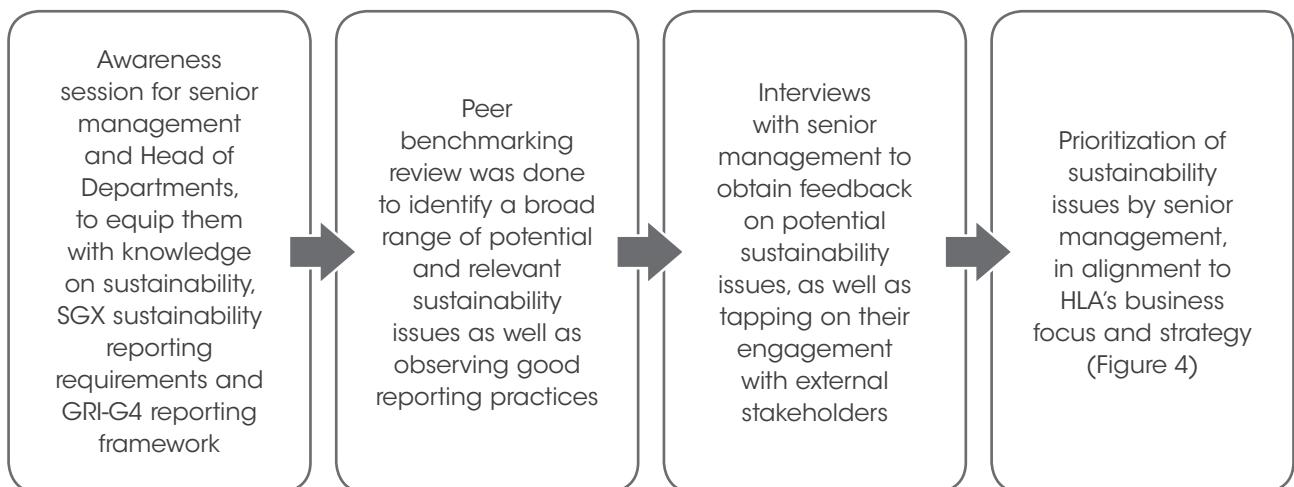
Figure 2: Key Examples of HLA's CSR Initiatives in 2016



Materiality Assessment

Our first formal materiality assessment was conducted with our senior management in July 2016. The process followed the procedures outlined in Figure 3, with assistance from independent sustainability consultants. There were 11 issues identified as material (Table 1), and 8 additional issues (Table 2) selected for reporting due to their significance to HLA's business operations (Figure 4).

Figure 3: Materiality Assessment Process



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Figure 4: HLA's Materiality Matrix

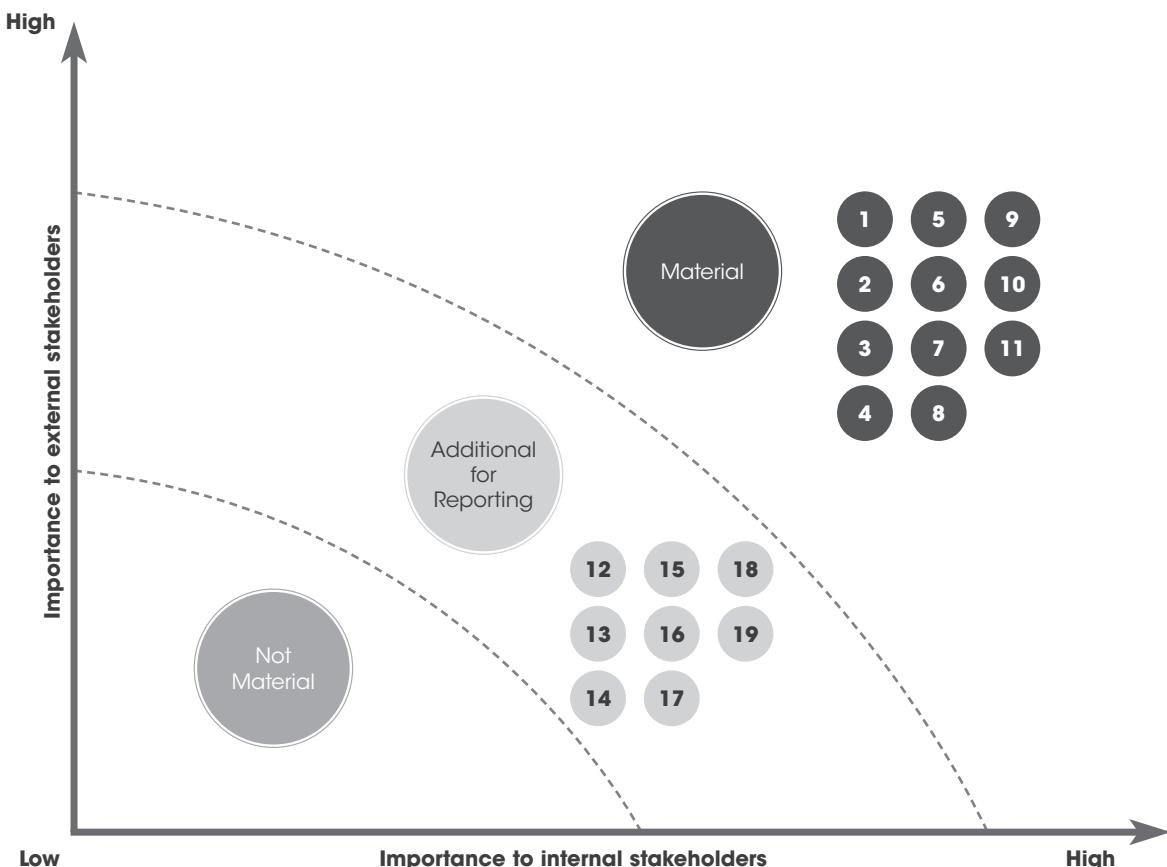


Table 1: Mapping Material Issues to GRI-G4 Aspects

S/N	Material Issues	Definition	GRI Aspects	Report Sections	Aspect Boundary
1	Economic Performance	Financial performance of the company	• Economic Performance	Financial Highlights	Within
2	Enterprise Risk Management	Management of financial, operational, investment, IT, human resource, environmental, safety and crisis risks for business continuity	• General Standard Disclosure	Corporate Governance Report	Within
3	Regulatory Compliance	Compliance to regulatory and other core operational regulations	• Compliance	Our Business Environment	Within

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Table 1: Mapping Material Issues to GRI-G4 Aspects (cont'd)

S/N	Material Issues	Definition	GRI Aspects	Report Sections	Aspect Boundary
4	Ethical Business Conduct	Practicing responsible business policy such as anti-corruption, anti-competitive behaviour, anti-trust, including a clause on ethical practices in contracts	<ul style="list-style-type: none"> • Anti-Corruption • Anti-Competitive Behaviour 	Our Business Environment	Within
5	Customer Satisfaction	Meeting customer expectations and maintaining good relationships	<ul style="list-style-type: none"> • Product and Service Labelling 	Understanding Our Customers' Needs	Within and outside
6	Product and Service Quality	Innovate and develop high quality products/services to meet customers' needs	<ul style="list-style-type: none"> • Not applicable 	Understanding Our Customers' Needs	Within and outside
7	Customer Health and Safety	Develop products which comply with mandatory or voluntary safety requirements	<ul style="list-style-type: none"> • Customer Health and Safety 	Understanding Our Customers' Needs	Within and outside
8	Employment Practices	Provide equitable opportunities and treatment to all employees including proper grievance management	<ul style="list-style-type: none"> • Employment • Labour Practices • Grievance Mechanisms 	Looking After Our People	Within
9	Employee Well-being and Engagement	Creating a great place to work through welfare and benefits, and regular engagement with employees	<ul style="list-style-type: none"> • General Standard Disclosure 	Looking After Our People	Within
10	Employee Health and Safety	Provide for and promote the health and safety of employees and contractors, as measured by recordable incidents, fatalities and lost days	<ul style="list-style-type: none"> • Occupational Health and Safety 	Looking After Our People	Within
11	Environmental Compliance	Disclose any environmental non-compliance and efforts taken to mitigate or follow up actions	<ul style="list-style-type: none"> • Compliance 	Caring for the Physical Environment	Within

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Table 2: Mapping of Additional Issues for Reporting to GRI-G4 Aspects

S/N	Additional Issues	Definition	GRI Aspects	Report Sections	Aspect Boundary
12	Customer Distribution Management	Specific to Xinfei: Engage and work with dealers and distributors to enable them to meet customers' needs and maintain customer relationships	• Not applicable	Understanding Our Customers' Needs	Within and outside
13	Career Advancement and Succession Planning	Disclose availability of career training to promote career progression and other training for lifelong learning, which may not be career-related. Identify and develop high-potential employees to take over key positions in the organisation for leadership continuity.	• Training and Education	Looking After Our People	Within
14	Waste Management and Recycling	Minimise waste generation and reuse/recycling waste for beneficial use	• Effluents and Waste	Caring for the Physical Environment	Within and outside
15	Energy and Carbon Footprint	Efficient use of energy to minimise carbon emissions throughout the production cycle	• Energy • Emissions	Caring for the Physical Environment	Within and outside
16	Other Atmospheric Emissions	Specific to TCB: Disclose dust emissions for TCB's operations	• Emissions	Caring for the Physical Environment	Within and outside
17	Sustainable Use of Materials	Manage the use of natural resources and promote the use of environmentally friendly materials during design and production processes	• Materials	Caring for the Physical Environment	Within and outside
18	Water Management	Specific to BMU – Singapore: Manage water resources efficiently, equitably and sustainably for BMU – Singapore's operations	• Water	Caring for the Physical Environment	Within and outside
19	Stakeholder Engagement	Collaborate with stakeholders and community members through dialogues to discuss project ideas, address conflicts or voice concerns. Enrich lives in the community we operate in by various CSR activities.	• General Standard Disclosure • Economic Performance	Engaging Our Stakeholders	Within and outside

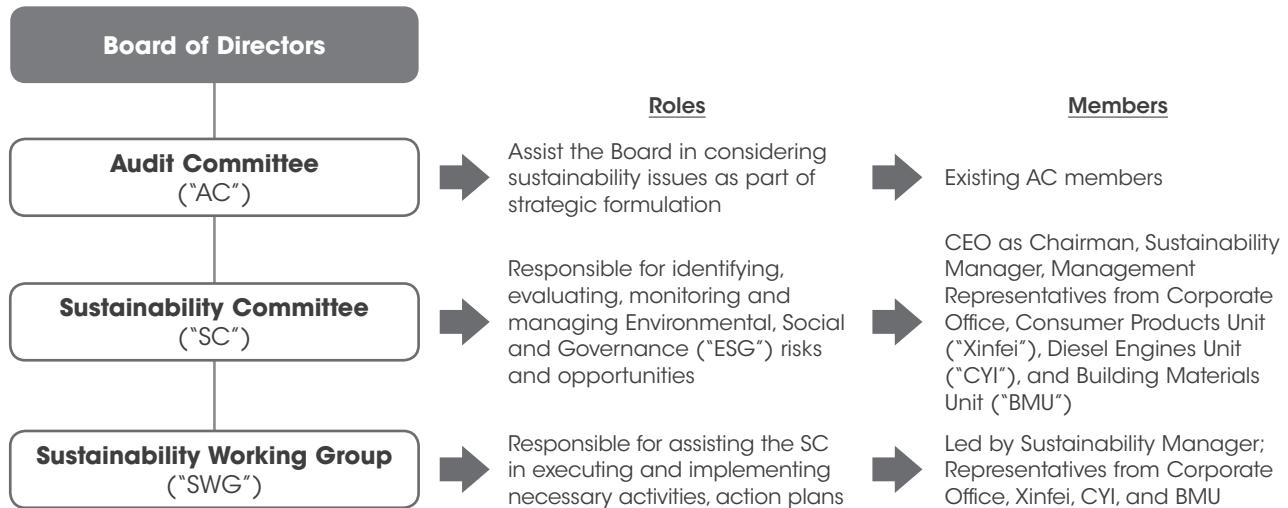
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Our Business Environment

Sustainability Governance

We recognise the importance of having a robust governance structure to achieve our sustainability targets and commitments. In HLA, sustainability issues are accounted as part of strategy formulation by the Board of Directors. Together with the Sustainability Committee, the Board oversees sustainability efforts across HLA, which are managed and implemented by the Sustainability Committee and Sustainability Working Group (Figure 5).

Figure 5: HLA's Sustainability Governance Structure



Ethical Business Conduct

We uphold the trust of our shareholders to maintain the integrity of our financial performance. On that principle, we have zero tolerance for unethical business conduct and non-compliance with governing laws. Our commitment is reiterated through our "I - ACE - IT" corporate values and Code of Business Conduct (COBC). To ensure that the same commitment is consistently applied across HLA, all employees are required to sign a declaration of compliance with the COBC annually. In addition, key personnel are required to disclose information on potential conflict of interests on a quarterly basis. For more information on our "I - ACE - IT" corporate values, please refer to the cover page of the Annual Report.

Integral to our ethical business conduct is our stringent approach towards anti-corruption. This is communicated through various channels, including the employee induction programme, annual training, awareness sessions, sharing sessions with the trade union and information display on notice boards within our premises. In addition, we enforce a strict policy where all donations and sponsorships are subject to authorised limits and Standard Operating Procedures.

There have been no cases of corruption or legal actions for non-competitive behaviour, anti-trust and monopoly practices in 2016 involving the Group. In the following year, we hope to maintain this record, as well as review the adequacy of our COBC and continually share it with our employees and significant business partners.

Regulatory and Environmental Compliance

While we did not incur any significant fines during the year, the Group received two stop-work orders to make improvements to a batching plant in Malaysia and a factory in China. The issues have been addressed and there were no significant impacts to the operations. We have since implemented measures to avoid them from happening again. In 2017, we strive to achieve full compliance with all rules and regulations.

SUSTAINABILITY REPORT

Understanding Our Customers' Needs

Product and Service Quality

Responsible Procurement Practices

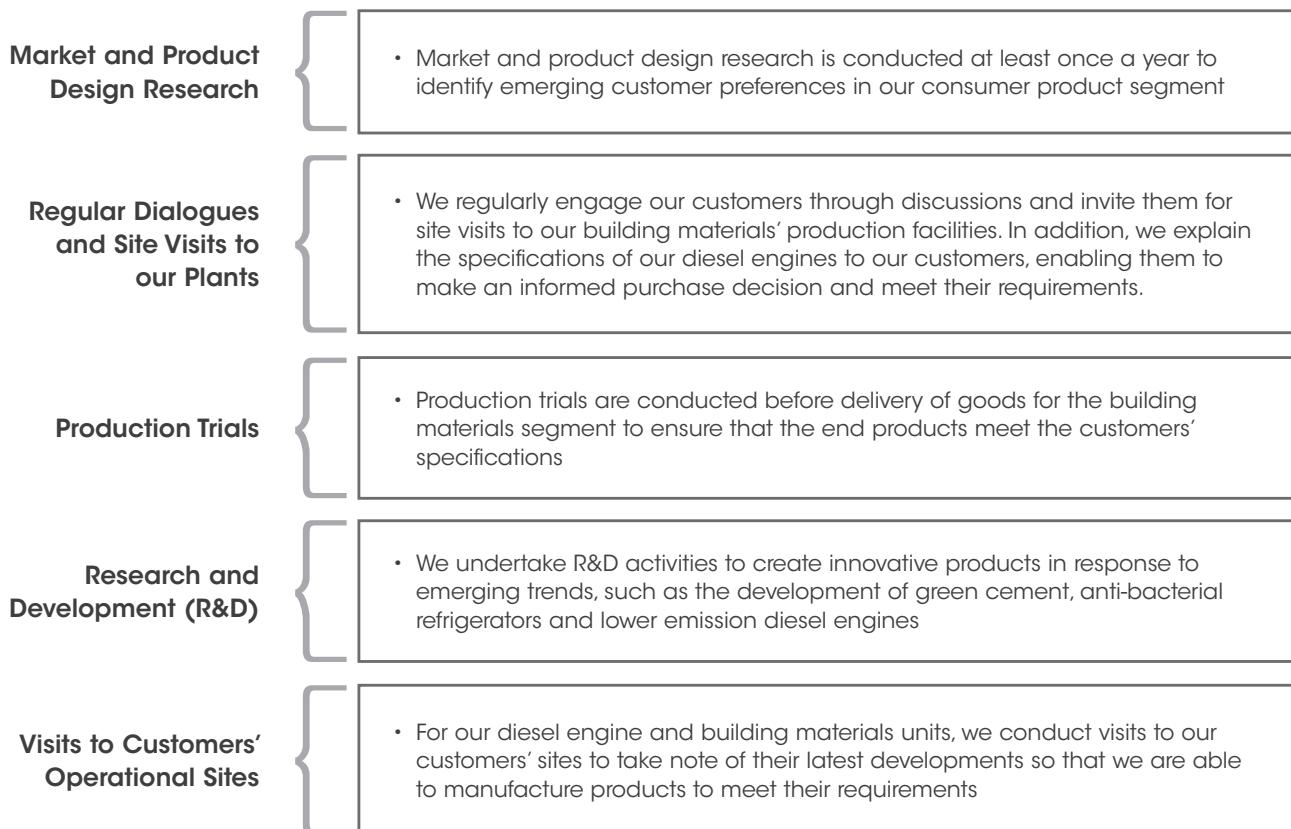
Producing the highest quality products for our customers requires stringent quality control beginning from the sourcing of raw materials. We have established a pre-qualification process for significant tenders, where our suppliers are necessarily required by us to be in compliance with local laws and preference is given to those who are ISO 9001 certified. We plan to incorporate other criteria for our pre-qualified suppliers, such as evaluating their labour practices in future. To date, we have engaged over 4,000 suppliers mainly across China, Malaysia and Singapore. Annual evaluation is conducted for selected significant suppliers. In addition, CYI has been filing conflict minerals reports to the Securities Exchange Commission (SEC), in line with the United States Dodd-Frank Act, Section 1502. Beyond meeting regulatory requirements, conflict minerals reporting has helped us to trace our chain of custody to ensure that our supplies are ethically sourced.

Delivering Highest Quality Products

Each of our business units has their own set of quality benchmarks and controls depending on the nature of the product, regulatory and industrial requirements, as well as satisfying customer specifications. We hope not only to continue meeting our customers' expectations but also to achieve the stricter standards which we demand on ourselves. For instance, our diesel engines have met China's regulatory requirements of National V emissions standards, but we are currently undertaking research and development efforts to manufacture diesel engines which will meet stricter National VI emissions standards, ahead of its regulatory implementation date.

Innovation lies at the heart of our business and is a key driver for our continued success. We constantly assess our customers' needs and offer innovative solutions in response, as outlined in Figure 6 below.

Figure 6: HLA's Approach towards Understanding Customers' Needs



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As a testament to our commitment towards highest product quality, we have won various awards and attained certifications for our products and processes in 2016 (Figure 7).

Figure 7: HLA's Awards for Product Quality

ISO 9001 Quality Management System (BMU, CYI, Xinfei)	ISO 14000 Certification (CYI, Xinfei)	Singapore Green Labelling Scheme by Singapore Environment Council (BMU)	Precaster Accreditation Scheme (BMU - Singapore)	MS ISO/IEC 17025 Laboratory Accreditation Scheme of Malaysia (TCB)
3C Certification (Xinfei)	Bacteria Removal Certification (Xinfei)	Henan Industrial Design Competition (Gold) (Xinfei)	China Quality Award (CYI)	China Patent Excellence Award (Xinfei)

Customer Distribution Management

Our sales and distribution strategy forms an integral part of delivering high quality products to meet our customers' increasingly stringent needs. Especially for our consumer product segment, we have invested heavily in training programmes for both our front line sales personnel and distributors. The training programmes are designed to equip them with knowledge on Xinfei's latest developments, as well as new products' differentiating features and selling points. Conducted by trainers and market analysts, our line sales personnel and distributors attended more than 950 training programmes organised by Xinfei in 2016. We also update our distributors with insights during product launch meetings regularly.

Customer Satisfaction

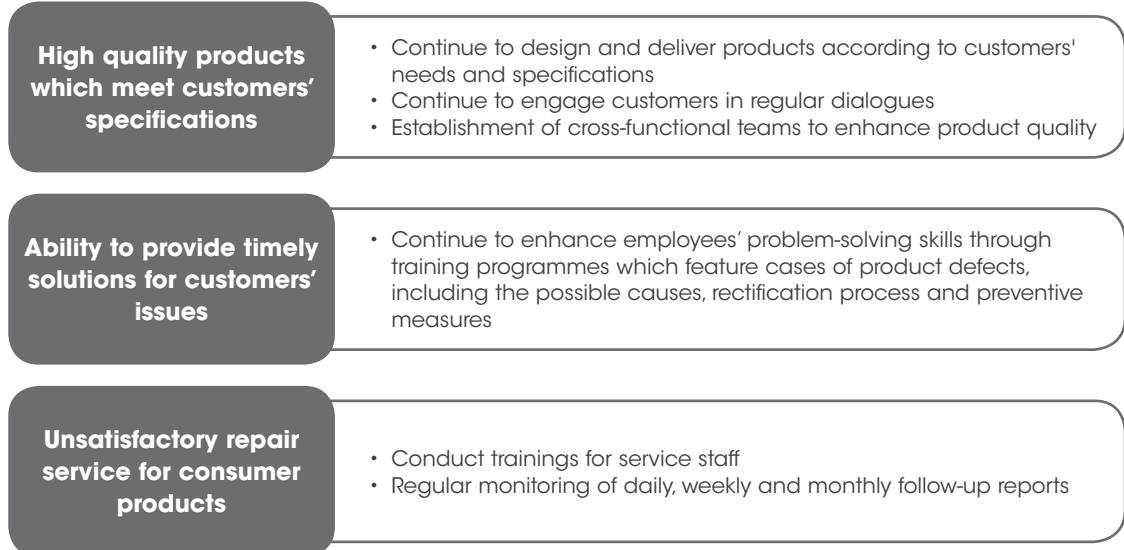
Our customers' interest lies at the core of everything we plan, operate and deliver at HLA. We strive to deliver our promises and enhance our customers' satisfaction at all times. Due to the diversity of our business offerings, in relation to customer satisfaction, each business unit sets its own set of unique targets which are tailored to the nature of its business and customer profile instead of Group-wide targets.

We leverage on various avenues to assess the satisfaction level of our customers, including customer surveys, face-to-face dialogues, site visits, e-mails and phone calls. Every customer feedback is analysed before we devise action steps to enhance positive customer experience, as well as correct and prevent re-occurrences of negative customer experience. Upon evaluating the 2016 survey results for TCB's cement division, we noted that they did not meet its targeted customer satisfaction survey score, largely stemming from some occasions where we had insufficient supply to meet our customers' demands. To this end, we are optimising our cement plant's production and looking to upgrade our plant equipment and machinery to better satisfy our customers.

We endeavour to continue meeting our internal customer satisfaction benchmarks amidst tougher market conditions. Some of the common feedback we have received and the action steps we have taken in response are shown in Figure 8.

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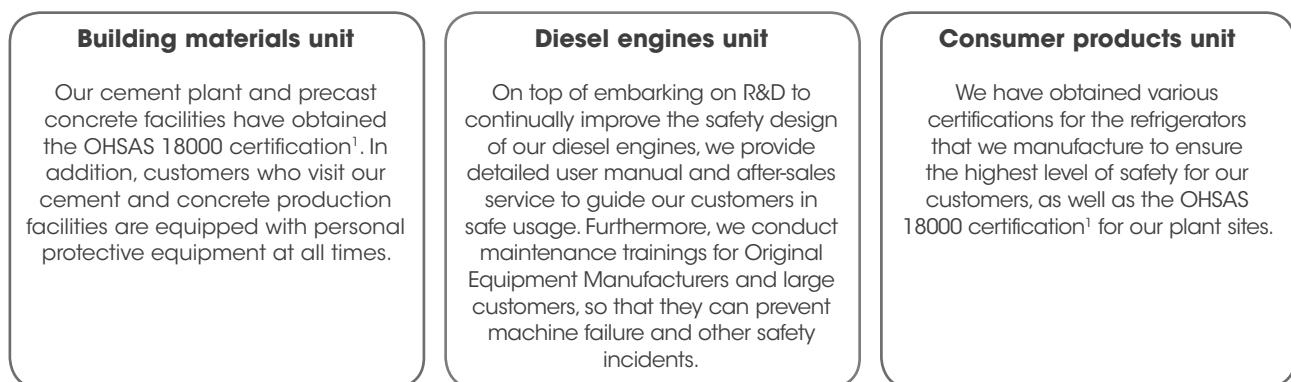
Figure 8: Common Feedback Received from Customers and Action Steps Taken



Customer Health and Safety

A key component of our product responsibility is to factor in customer health and safety as our top criterion.

Figure 9: Customer Health & Safety



There have been no cases of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products and services in 2016. In 2017, we aim to implement awareness briefings to all customers and external visitors at our various business units' visitors' centres before they can enter our plants' operational boundaries.

¹ OHSAS 18000 is the international occupational health and safety management system which covers any person on the site, including visitors

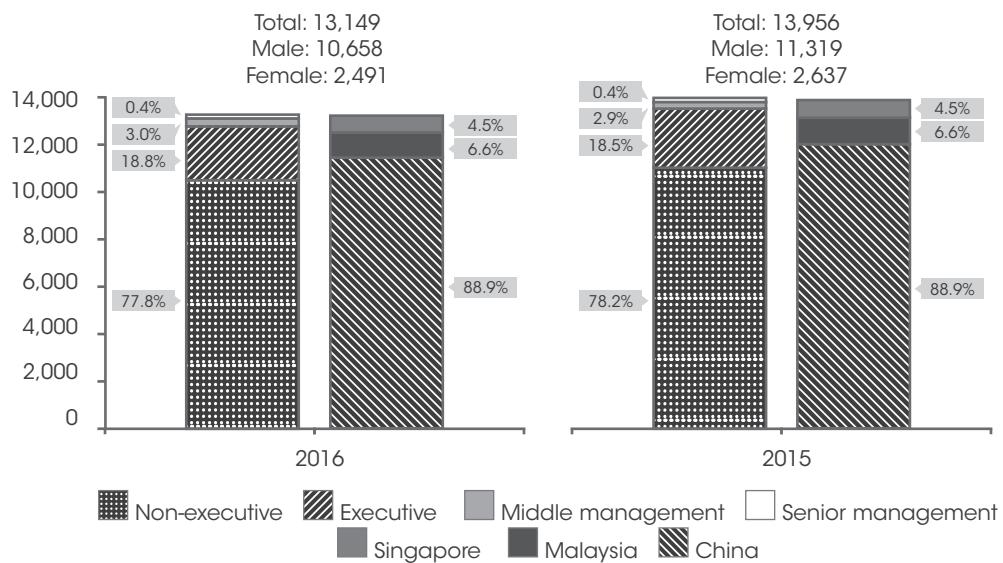
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Looking After Our People

Profile of Our Workforce

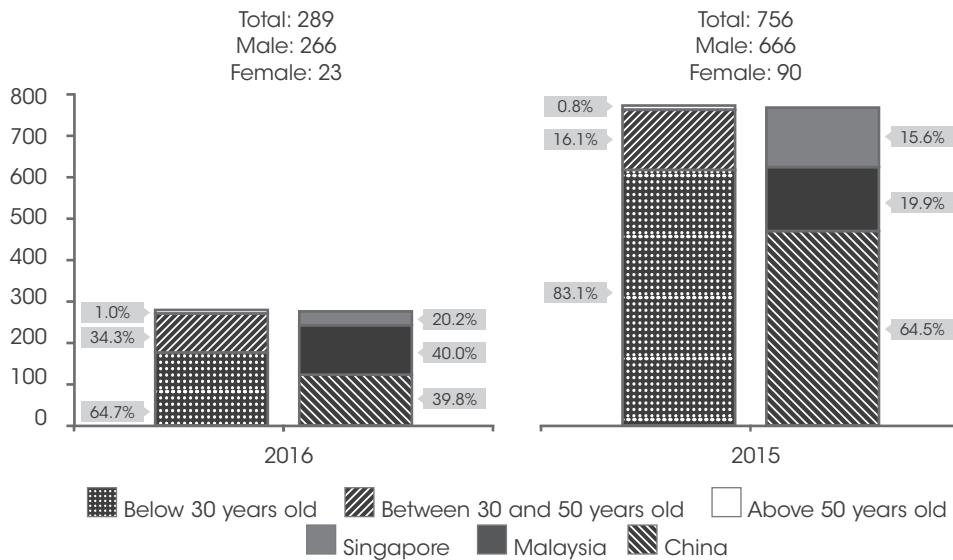
Our employees are the most valuable assets of our organisation. In 2016, our workforce was made up of 13,149 full-time employees (Figure 10). Females made up approximately 19.0% of our workforce over the past two years as some of our business units are in traditionally male-dominated sectors. Approximately 88.9% of our employees were situated in China where the bulk of our operations are located and about 91.2% of all our employees were covered by collective bargaining agreements which we have agreed as part of the remuneration packages.

Figure 10: Employee Demographics by Employment Category, Gender and Region



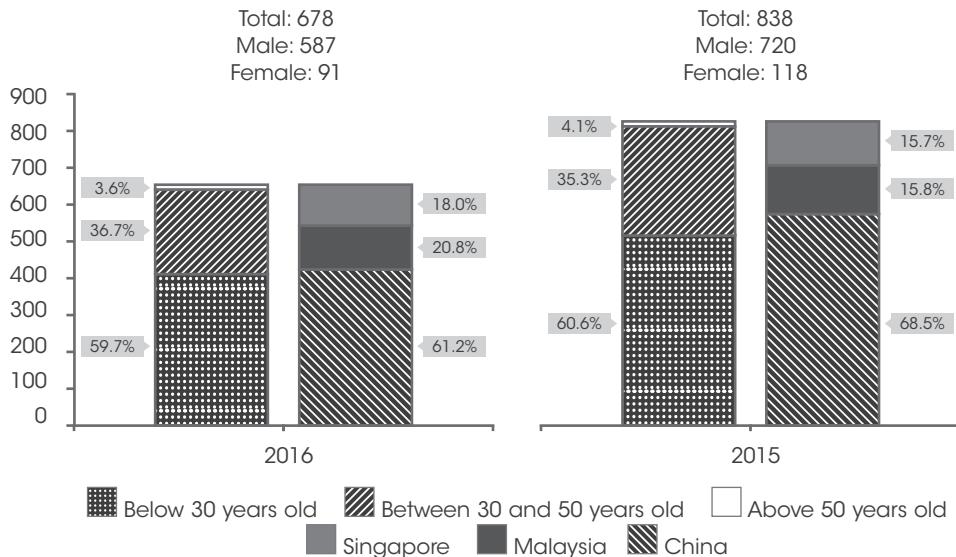
In 2016, the Group hired a total of 289 new employees (Figure 11) while our turnover rate stood at 5.2% in 2016 (Figure 12).

Figure 11: Employee Hires by Age Group, Gender and Region



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Figure 12: Employee Turnover by Age Group, Gender and Region



Employment Practices

We are committed to providing fair and equitable treatment to all our employees and in line with local employment laws across the different jurisdictions we operate in. At the same time, we continuously review our Human Resources (HR) policies and practices to stay abreast of latest industry developments and labour laws.

Due to the labour-intensive nature of our business, we engage many foreign workers and contractors in our operations. In 2016, our business was supported by more than 400 employees of our contractors. We ensure that all our foreign workers are legally sourced and employed by checking their immigration documents before enlisting their service and periodically to ensure their validity. Any illegal employment cases will be reported to the relevant authority immediately. Likewise, we have put in place a system to potentially terminate business contracts with contractors who are found to violate applicable rules and regulations.

At HLA, we encourage and provide an open environment for all employees to communicate their grievances to their superiors. Any unresolved grievances may be escalated to the HR manager or their supervisors within their chain of reporting. We had resolved all six grievance cases in 2016 internally. Also, in 2017, we seek to engage our employees and remind them of our feedback channels as well as review other platforms for employees to provide the Group with feedback.

Employee Well-Being and Engagement

Human capital is invaluable to the sustainability of HLA's business. To that end, we place great emphasis on employee well-being and engagement, both of which are necessary to develop a productive workforce with high employee morale.

We have established a dedicated wellness team within each business unit, comprising employees from various departments. The wellness team implements and manages activities which foster employee well-being and engagement at each business unit. These activities are our gesture of appreciation to our employees, as well as serve as a platform for our employees to interact with each other outside their course of work. These activities include annual dinner, employee appreciation night, health talks, and sports competitions, among others.

Besides these activities, we hold monthly management meetings in which our employees' concerns will be raised and communicated directly with the management. We will be reviewing our current activities throughout 2017 and engage our employees in this due process.

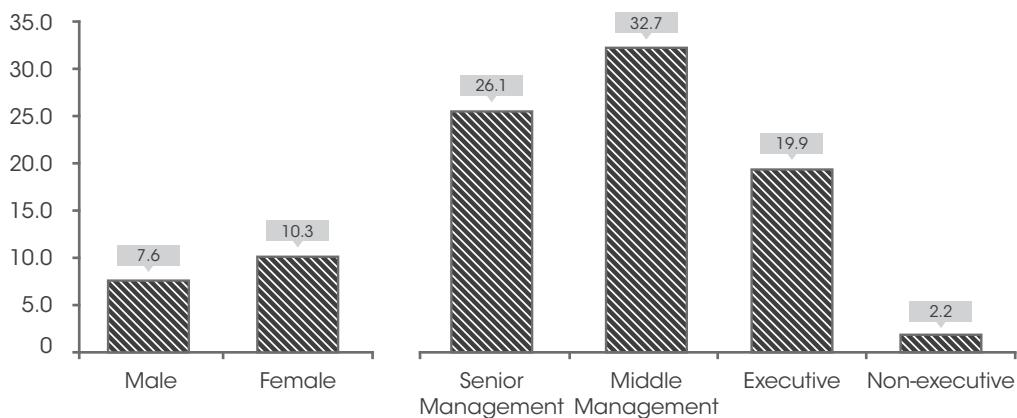
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Career Advancement and Succession Planning

We are committed to develop our people, build on their competency, improve work productivity and cultivate innovation. This is achieved through mandatory trainings covering various topics on health, safety and product quality, as well as on-the-job trainings (OJT). Although OJT is often the most critical and useful training, it is difficult to track on an ad hoc basis and hence only official trainings are reported.

The average training hours (ATH) of our BMU employees in 2016 by gender and by employment category are shown in Figure 13. The reason for the higher ATH for females is that due to the nature of the manufacturing industry, majority of our BMU female employees are in middle management and executive levels with higher ATH as compared to almost 80% of our BMU male workforce who are in the non-executive level. The official training hours for non-executive level may seem low, however, OJT, which is not tracked, is the most important as experience and knowledge are shared on-the-go in the building materials industry. We are working towards tracking official training hours for CYI and Xinfei from 2017 onwards.

Figure 13: Average Training Hours by Gender and Employee Category for BMU



To ensure HLA's leadership sustainability, we have in place various programmes to ensure key personnel continuity within the organisation. These programmes are designed to identify and groom high potential employees to key positions in the future. Figure 14 are examples of succession programmes within the Group.

Figure 14: Showcase of HLA's Programmes for Succession Planning

Accelerated Training Programme (TCB)	Industrial Trainee Programme (TCB)	Sales Management Department Talent Pool Training (Xinfei)
<ul style="list-style-type: none">A six-month programme for fresh graduates and engineers with less than one year of working experience.This programme provides a comprehensive overview of TCB's operations through general induction, department familiarization, classroom training and on-the-job training.	<ul style="list-style-type: none">This apprenticeship programme is open to polytechnics and university students, exposing them to concrete technology and plant management.	<ul style="list-style-type: none">This leadership training is extended to high potential employees at branches.

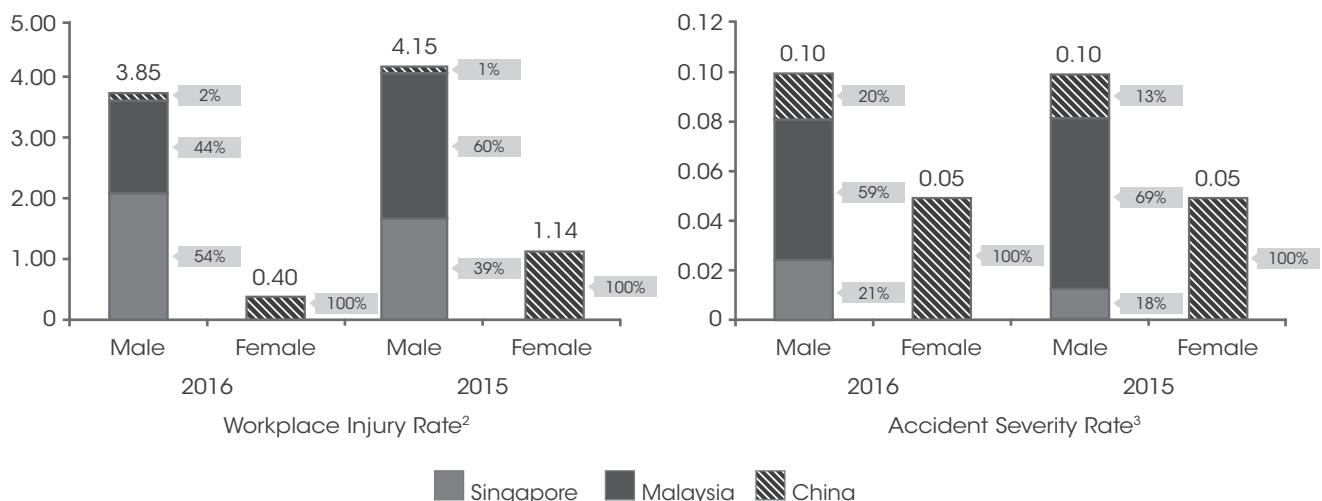
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Employee Health and Safety

Our business operations are highly labour-intensive, which involves working with fairly complicated machinery and working at heights. This naturally poses a higher safety risk to our operations and we take added precautionary measures to safeguard our employees' occupational health and safety. For instance, at CYI, we have adopted China's GB/T28001-2001, a standard equivalent to the internationally recognised Occupational Health and Safety Management System (OHSAS) 18001:1999. In addition, we have invested in the latest technology to enhance our safety protection in fire protection system, equipment and facilities, industrial gas cylinders and road transport facilities.

Owing to our effective workplace safety management, there was an overall improvement in our workplace injury rate² while our accident severity rate³ maintained at the same level as in 2015 (Figure 15). Our business units also took action to mitigate causes of occupational disease and the occupational disease rate⁴ decreased from 0.36 in 2015 to 0 in 2016. We hope to better our safety rates going forward by conducting more specific safety trainings in areas where our workers are prone to injure themselves.

Figure 15: HLA Health & Safety Statistics by Year, Gender and Region



2 Workplace injury rate is defined as no. of fatal and non-fatal workplace injuries / no. of employed persons x 1,000

3 Accident severity rate is defined as no. of man days lost to workplace accidents / no. of man-hours worked x 1,000

4 Occupational disease rate is defined as no. of occupational disease cases / no. of employed persons x 1,000

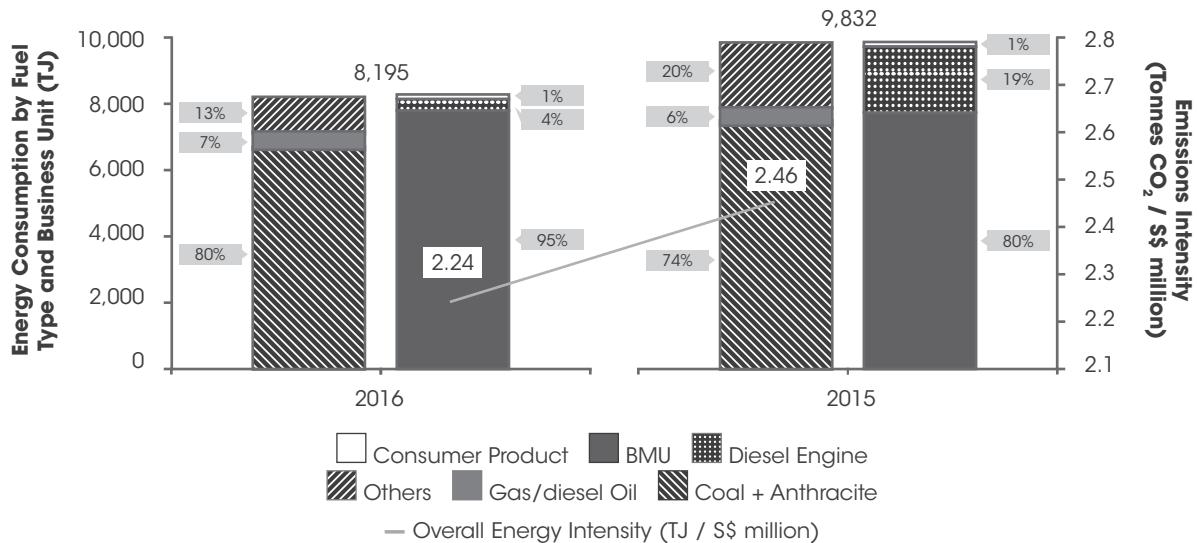
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Caring for the Physical Environment

Energy and Carbon Footprint^{5,6,7}

Being in the manufacturing industry, we have an obligation to monitor our energy and carbon footprint closely as our business operations demand a high level of energy to operate and result in a proportional level of carbon emissions. Due to production and operations of the BMU segment, coal remains the main source of energy for the Group (Figure 16). However, in order to reduce our carbon footprint, in 2014, our Consumer Products segment converted its main fuel source from coal to natural gas, and the Group is exploring other alternative fuel sources for our other segments.

Figure 16: Direct Energy Consumption from Fuels by Fuel Types and Segment



There was an overall decrease of approximately 20% in energy consumption from fuels in 2016 as compared to 2015, along with a decrease in direct energy intensity, mostly attributed to the decrease in production volume across our segments (Figure 16). Electricity consumption and electrical energy intensity as a Group increased mainly due to increased consumption from our diesel engine segment as construction for a new foundry and 2 spray-paint lines were completed and started operations in 2016 which is powered by electricity (Figure 17). There were corresponding trends in our greenhouse gas emissions for Scope 1 and Scope 2 emissions respectively (Figure 18).

5 The default net calorific values for fuels used were referenced from 2006 IPCC Guidelines for National Greenhouse Gas Inventories

6 Scope 1 emissions factors were referenced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, GHG Protocol and Cement Sustainability Initiative database

7 Scope 2 emissions factors were referenced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Singapore Energy Statistics, and International Energy Agency's CO₂ Emissions from Fuel Combustion Highlights

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Figure 17: Electricity Consumption by Segment and Overall Energy Intensity

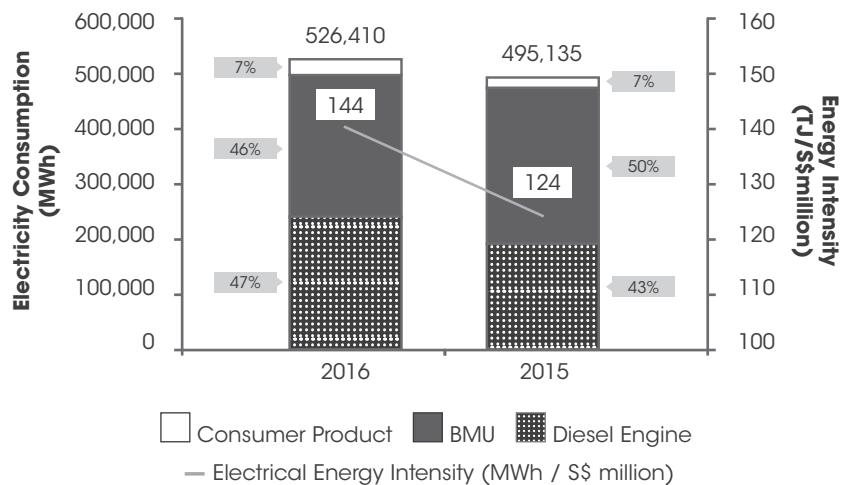
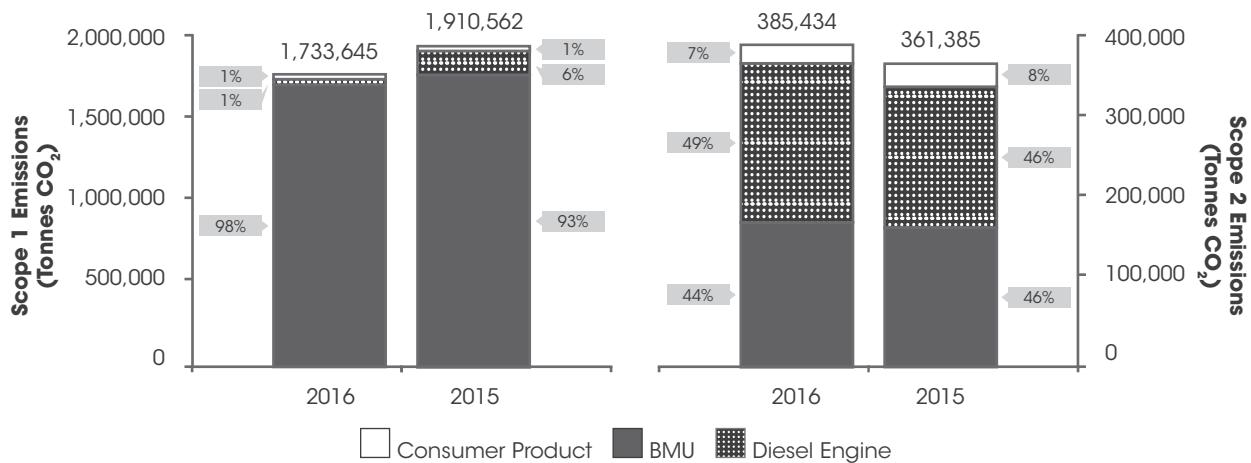


Figure 18: HLA's Greenhouse Gas Emissions by Segment



Dust Emissions

With TCB as a major cement manufacturing business unit within our Group, dust emissions is a significant concern for the Department of Environment as well as the neighbouring communities. Beyond meeting regulatory requirements, reducing dust emissions is crucial to ensure a safe and healthy environment for our employees and the surrounding communities. In 2016, our dust emissions level stood at a range of 41 to 60 mg/m³, which is below the 100 mg/m³ emissions limits stipulated by Malaysia's Clean Air Regulations (CAR). By June 2019, the revised CAR requires dust emissions to be below 50 mg/m³. While we manage to operate below this benchmark most of the time, from 2017 onwards, we will be upgrading our existing electrostatic precipitator (ESP) to baghouse in stages for our main cement kiln stacks. Through this investment, TCB aims to be well below the national requirements before 2019.

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Sustainable Use of Materials and Waste Management

As part of our commitment towards responsible supply chain, we have made it a preference to source for raw materials with recycled content, low-carbon sources or certified by recognised environmental organisations. We have established the Alternative Raw Materials and Fuels department in our BMU to facilitate this process, as well as to increase the use of renewable materials and fuels within our manufacturing process, so as to better optimise the resources at hand.

To reduce our environmental impact, we strive to engage in the 3Rs – Reduce, Reuse and Recycle, throughout our operations. We periodically evaluate the effectiveness of our waste management through monitoring and benchmarking against our peers. We strive to use our raw materials in the most effective way by reusing, recycling and recovering them, where permissible.

Out of approximately 14.6 million tonnes of raw materials⁸ used in 2016, an estimated 6.6% were recycled input materials. In 2016, a total of approximately 460.8 kilotonnes of waste⁸ was produced and over 67.9% of it was reused, recycled or recovered by our waste contractors. All hazardous waste are collected and labelled clearly on our site, then removed by licensed-waste disposers.

We have put in considerable efforts toward promoting a circular economy by remanufacturing damaged or scrapped parts into new diesel engines through performance failure analysis, life-cycle assessment and design re-engineering. Our diesel engine segment has estimated that remanufacturing process has the potential to achieve 80% reduction in air pollution, 70% reduction of raw materials usage, 60% reduction in energy consumption and 50% reduction in cost savings as compared to manufacturing new products.

Water Management

Being one of the most water-stressed countries in the world, water is a very precious resource for Singapore. It is treated with utmost respect and all parties have a role to ensure that water is being consumed efficiently and effectively. At BMU – Singapore, we mirror Singapore's approach to optimise water usage and to conserve where possible. In 2016, the water consumption at BMU – Singapore was 604,534 m³, approximately 11.2% lower as compared to the water consumption level in 2015 mainly due to the decrease in production volume. We will continue to monitor our water consumption closely and mitigate any significant increase in water consumption intensity.

Moving Forward

At HLA, we recognise that our sustainability journey is an on-going one, and will continually seek to improve ourselves through feedback received from internal and external parties. Targets have been set for our material items and we look forward to reporting on them in the following year.

All sustainability related queries and feedback can be sent to: sustainability@hla-grp.com.

⁸ Only the most significant raw materials and waste for each segment in the sustainability reporting scope have been included.

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GRI Content Index for 'In Accordance' – Core

General standard disclosures		
Profile Disclosure	Description	Page
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	43
Organizational profile		
G4-3	Name of the organization.	Cover page
G4-4	Primary brands, products, and services.	11-13
G4-5	Location of organization's headquarters.	Back page
G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	2, 44
G4-7	Nature of ownership and legal form.	Cover page
G4-8	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	2
G4-9	Scale of the organisation	3, 53-54
G4-10	Total workforce by employment type, gender, employment contract and region	53-54
G4-11	Percentage of total employees covered by collective bargaining agreements.	53-54
G4-12	Describe the organization's supply chain.	50
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Not applicable
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	45-48, 57-59
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or endorses.	NIL
G4-16	Memberships in associations (such as industry associations)	The Cement & Concrete Association of Malaysia
Identified material aspects and boundaries		
G4-17	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures (List all entities in the consolidated financial statements)	128-145
G4-18	Process for defining report content and the Aspect Boundaries and explain how the Reporting Principles has been implemented	45-48
G4-19	List all the material Aspects identified	45-48
G4-20	The Aspect Boundary within the organization: Whether the Aspect is material within the organization; The list of entities included in G4-17 for which the Aspect is or is not material; Specific limitation regarding the Aspect Boundary within the organization	45-48
G4-21	The Aspect Boundary outside the organization: Whether the Aspect is material outside the organization; The list of entities for which the Aspect is material, relate to geographical location; Specific limitation regarding the Aspect Boundary outside the organization	45-48
G4-22	Explanation of the effect of any restatements	Not applicable, as this is our inaugural sustainability report
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Not applicable, as this is our inaugural sustainability report
Stakeholder engagement		
G4-24	List of stakeholder groups engaged by the organization.	44
G4-25	Basis for identification and selection of stakeholders with whom to engage.	44
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	44
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting; Report the stakeholder groups that raised each of the key topics and concerns	44

SUSTAINABILITY REPORT

Report profile		
G4-28	Reporting period	44
G4-29	Date of most recent previous report	Not applicable, as this is our inaugural sustainability report
G4-30	Reporting cycle	44
G4-31	Contact point for questions regarding the report or its contents.	59
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option	44
G4-33	Policy and current practice with regard to seeking external assurance for the report	We have not sought external assurance for our inaugural sustainability report
Governance		
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	49
Ethics and integrity		
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	49

Specific Standard Disclosures		
Profile Disclosure	Description	Page
Business operations		
EC1	Direct economic value generated and distributed	45, 82
Environmental		
EN1	Materials used by weight or volume	59
EN2	Percentage of materials used that are recycled input materials	59
EN3	Energy consumption within the organization	57-58
EN5	Energy intensity	57-58
EN8	Total water withdrawal by source	59
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	57-58
EN16	Indirect greenhouse gas (GHG) emissions (Scope 2)	57-58
EN18	Greenhouse Gas (GHG) emissions intensity	57-58
EN23	Total weight of waste by type and disposal method	59
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	49
Social		
Sub-category: Labour practices and decent work		
LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	53-54
LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities, by region and by gender	56
LA9	Average hours of training per year per employee by gender, and by employee category	55
LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	54
Sub-category: Society		
SO5	Confirmed incidents of corruption and actions taken	49
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	49
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	49
Sub-category: Product responsibility		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	52
PR5	Results of surveys measuring customer satisfaction	51-52