

Board Statement

GCCP Resources Limited (“GCCP” or the “Company”) and together with its subsidiaries (the “Group”) has embraced the values of sustainability management since the early days of its operations. Sustainability has always been a part and parcel of GCCP’s culture as we strive to achieve continual financial performance and uninterrupted growth. Recognising the ever-increasing relevance of sustainability in our business values, our statement on sustainability aims to illustrate our strategic approach to address sustainability challenges and opportunities in contributing towards the betterment of the business, environment and society.

With support from the Board, the management establishes a framework for its sustainability efforts in identifying, managing and addressing environmental, social and governance (“ESG”) factors that are material to the Group’s business. The Board considers sustainability issues as part of its strategic formulation, determines the material ESG factors and oversees the management and monitors the material ESG factors. Owing to its extensive global acceptance, we have adopted the globally recognised Global Reporting Initiative (“GRI”) Sustainability Reporting Guidelines, which allows for comparability of our performance.

This report, produced in accordance with the GRI guidelines, includes the primary components as set out in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”) for sustainability reporting. It summarises the Group’s effort towards sustainability with addresses made to GCCP’s material ESG matters for the year ended 31 December 2017 (“FY2017”).

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

Sustainability Governance

GCCP’s sustainability efforts are led by the Chief Executive Officer (“CEO”) and supported by the operations working group in assessing and reviewing the Group’s sustainability efforts. The working group comprise of representatives from operation, sales and marketing and finance departments. The working group meets yearly to plan and review the progress and updating of the sustainability efforts. Where necessary, frequency of discussions is increased.

Materiality Assessment

At GCCP, assessing materiality of ESG factors to our business operations is an on-going process. We have taken steps to incorporate standard disclosures from the GRI reporting framework on sustainability reporting. The process employs a prioritisation approach, taking into consideration important sustainability issues from both the perspectives of GCCP as well as its key stakeholders.

In FY2017, based on a review of our business, strategy, business model and key stakeholders, the following material ESG factors were considered most relevant to GCCP. In our inaugural report, the materiality assessment was guided by inputs from our management and key representatives from business units as well as some external stakeholders. Going forward, materiality review will be

conducted every year, incorporating broader inputs gathered from wider range of identified stakeholders' engagement.

Stakeholder Engagement

The Group believes in keeping a close knit relationship with our stakeholders for its relevance to sustainability across the value chain. The views of stakeholders contribute to the identification of material ESG factors. On a continuing basis, regular and sustained engagement with stakeholders provides us with an up-to-date picture of the sustainability within both our business and physical environments.

The following table represents the stakeholder engagement methods and concerns which the Group adopt in our sustainability practices to meet the ESG requirements.

Stakeholders	Area of Concern	Means of Engagement	Section Reference
Employees	<ul style="list-style-type: none"> • Remuneration and benefits • Training and development • Ethics and conduct • Diversity and fair employment • Health and Safety 	<ul style="list-style-type: none"> • Performance appraisal • Career development and communication • Training and education • Regular meetings • Employee hand book 	<ul style="list-style-type: none"> • Our People • Business Integrity • Corporate Governance
Customers	<ul style="list-style-type: none"> • Quality of supplies • Competitive pricing • Timely deliveries • Customer satisfaction 	<ul style="list-style-type: none"> • Sample testing • Regular customers' feedbacks and customer satisfactory survey • Customers' site visits 	<ul style="list-style-type: none"> • Information on Customers • Business Integrity
Suppliers	<ul style="list-style-type: none"> • Timely payment practices 	<ul style="list-style-type: none"> • Supplier evaluation meetings 	<ul style="list-style-type: none"> • Information on Suppliers • Business Integrity
Regulators	<ul style="list-style-type: none"> • Compliance with stock exchange requirements • Compliance with local government laws and regulations 	<ul style="list-style-type: none"> • Compliance reports • Announcements and mandatory disclosures • Annual submission of environmental report 	<ul style="list-style-type: none"> • Environmental Management • Business Integrity
Shareholders	<ul style="list-style-type: none"> • Economic performance 	<ul style="list-style-type: none"> • Disclosures of financial results, announcements and relevant disclosures via SGXNet and press releases • Annual General Meeting • Company website and communication channels 	<ul style="list-style-type: none"> • Corporate Governance • Business Integrity

1. Our People

1.1. Information on Employees

The Group values the contribution from every employee and is determined to provide an enticing and safe environment that allows employees to feel motivated and have the sense of belonging working with the Company. We are committed to support and assist our employees regardless of work or personal matters. The assistance provided to the employees are in the forms of training, counselling and financial assistance to enable them to achieve their goals and gaining broader exposure in work. Although we do not set stringent policies in these areas but we adopt the approach of a family-like practice and always maintain an open door to the employees who seek for guidance and support.

We are satisfied with the turnover rate of employees in FY2017 which is merely at 2% due to the effort mentioned above to retain our treasured employees. The Group aims to maintain the low turnover rate of employees in the years to come.

1.2. Occupational Health and Safety

GCCP is committed to providing all employees with a safe and healthy workplace. The Group's Safety, Health and Environment Committee endeavour to achieve the highest standards of occupational safety and health at all times to ensure a safe and healthy working environment for all our workers, contractors and visitors. We conduct trainings and campaigns related to safety and health on a regular basis for the benefit of all. Weekly briefings on safety and health matters are also conducted to maintain awareness and create an environment in which staff can share information on improving workplace safety.

Our workers are encouraged to attend Occupational First Aid courses to equip themselves with important skills of administering first aid treatment in the event of an emergency or accident. All staff must strictly adhere to the relevant operating procedures under the Group's policies and procedures as well as the safety regulations. Our safety policies clearly state all the terms and guidelines to follow in our working environment and also the awareness on safety and environment issues especially related the working site. The guidelines ranges from the safety attire, safety procedures, operating hours and all the rules during the stay and visit to our work locations. Site workers are trained and educated about health and safety rules and are provided with a copy of our own "Safety, Health and Environmental Manual" which were written specifically to meet our safety requirements. To reduce the risks of workplace injuries, we also conduct regular trainings for our workers on how to safely operate our machinery to ensure they are familiar with its potential dangers.

In FY2017, there were no occasions of work-related injuries or fatality at our quarries. We are committed to maintaining zero incidents of work-related hazards and a zero-fatality record at all times.

1.3. Training and Development

Employees are a vital component of a company's business. We believe in continuous training and development of our employees, who are undoubtedly our most valued assets. In FY2017, employees were provided with an average of 24 hours of training in a year. The Group hopes to continue to provide employees with training as and when the opportunities arise.

We invest in our employees, so that they could grow professionally and achieve their full potential. We have sponsored an employee to be trained as a certified Safety Officer and who is now in-charge of the occupational, health and safety of our Group. New recruits will be given a formal and comprehensive orientation to familiarise themselves with the businesses, governance and operations of the Group. The newly appointed staff will also be given an opportunity for a site visit to the quarries.

For staff involved in site operations, the Group deploys a range of machinery in the course of blasting, extraction, transportation and crushing of calcium carbonate rocks. Our workers thus attend training programmes that certify their expertise in the operations of certain machinery.

2. Information on Customers

GCCP is selling Precipitated Calcium Carbonate ("PCC") grade and Ground Calcium Carbonate ("GCC") limestone chips and lumps to both domestic and overseas clients. The Group focus on innovative measures to maximise productivity in order to always meet the demand from our customers. Quality is also one of our main focus and to achieve this we are committed to check the quality of our deposits and reserves by carrying out regular testing on site and off site.

We never stop communicating with our valued customers to exchange information on their needs and requirements and continuously review and improve our working standards.

3. Information on Suppliers

We see our suppliers as our business partners and keep a very close working relationship. Their quick support and to provide new ideas and solutions are vital to the efficiency and effectiveness of our business operations. Regular reviews and discussions are conducted between us to ensure a smooth and robust procurement system is in place as part of our sustainability practices.

4. Environmental Management

GCCP has always committed to comply with the legal and regulatory requirements of the Malaysian Department of Environment ("DOE") and other regulators and authorities. To this end, environmental protection measures and considerations have long been embedded in our processes and day-to-day operations.

The Group has successfully renewed the respective Quarry Approval Letters, known as Surat Kelulusan Pengkuarian ("SKP") in Malaysia, for GLD Mine and Hyper Act Quarry 1. Hyper Act Quarry 2 has also obtained its SKP. An SKP is required for all quarry operations and is subject to annual renewal.

As part of the SKP application and renewal process, the Group is required to submit its latest Environment Impact Assessment (“EIA”) for the quarries, including an Environmental Management Plan (“EMP”) and Erosion and Sediment Control Plan (“ESCP”), to the Director-General of the DOE for review and approval. The DOE has highlighted three major environmental risks associated with the quarrying business: water quality, noise and vibration levels and air quality.

The primary environmental legislation in Malaysia is the Environmental Quality Act (1974) which shall apply to the whole Malaysia. In Section 34(A), it states that “any person intending to carry out any of the prescribed activities shall, before any approval for the carrying out of such activity is granted by the relevant approving authority, submit a report to the Director General. The report shall be in accordance with the guidelines prescribed by the Director General and shall contain an assessment of the impact such activity will have or is likely to have on the environment and the proposed measures that shall be undertaken to prevent, reduce or control the adverse impact on the environment”. The Environmental Quality Act (1974) regulated a list of possible environmental emission during different industrial activities, including:

- Atmospheric pollution;
- Noise pollution;
- Soil pollution;
- Inland water pollution; and
- Discharge of oil and wastes into Malaysian water.

GCCP has implemented a number of measures to mitigate the environmental impact associated with the quarrying activities of which information can be found below.

4.1. Mitigation measures implemented related to quarrying activities

Blasting is a major quarry activity. Impact from blast vibration is limited because the nearest off lease structure is more than 300m away and the charge masses per delay in the blast designs are such as to predict minimal vibration levels at the lease boundaries. For airblast and noise, since the quarries are in a non-sensitive area in that the nearest residential houses are more than 500m from the mine gate. Hence noise and airblast are unlikely to be significant if properly controlled during each blast.

For blasting operation, GCCP adopted the following measures to reduce the impact from airblast and noise:

- Detonating cord will not be used as the trunk-line
- Initiation will be from bottom of blast hole;
- Stemming column to be sufficient, at least 30 times the diameter of the blast hole; and
- Quarry fines to be used as stemming material.

For flying rock from blasting, GCCP adopted the following procedures to avoid occurrence of fly rock:

- Use adequate ring burden according to the rock face profile. Avoid top priming of blast hole;
- Quarry fines to be used as stemming material. The stemming column will not be less than the burden or 30 times the blast hole diameter;
- Overcharging of holes is to be checked; and
- Avoid secondary blasting. If it needs to be carried out, the blast hole shall be drilled at the centre of the boulder and the correct charge to be used.

For dust emission control, GCCP has adopted the following measures to mitigate the impact:

- Rock mass at the blast will be fragmented under extremely high pressure at the time of detonation creating considerable dust over a short duration;
- To wet the anticipated area before the blast;
- Water are sprayed at all rock transfer points and roadways are watered down on a regular basis to reduce dust from crushing and screening;
- Quarry operator employs water truck to continuously wetting the haulage roads; and
- Trucks loaded with materials will have their wheels cleaned in a drive-through wash-bay when they are leaving the quarry.

4.2. Dumping, water and waste management

Rock extracted from the quarry faces will be transported to a 25-acre site at the base of the haulage ramp. There will not be much overburden dumping as most of it will be reused as fill, either in the access ramp itself, or in expanding the working area at the base of the ramp. For overburden materials and waste rock, if any, will be used for access road maintenance and rehabilitation purposes during the development stage of the quarry. Any remaining waste will be dumped onto a predetermined dumping site for future use.

Surface run off resulting from precipitation within the benching operation will be guided to flow into sediment settling ponds before entering the local drainage system which ultimately feeds into Sg. Sengat. The lease area includes extensive ponds which can serve as silt traps and the need to accommodate higher volumes of water run off during the rainy season will be manageable. Water management practices of the GLD Mine and both the HAM Mines have been approved by the relevant authorities upon obtaining the SKPs. The water runoff is collected in two water storage areas located immediately to the north of the GLD mine. Both the HAM Mines operate on a similar water drainage system where the water filled pits from previous alluvial tin mines provide water storage and silt traps.

There are proper and safe handling procedures for used diesel and lubricants in the quarry to prevent spillage which will pollute both the surface and underground water. Used oils and lubricants are stored in special containers and are kept in a store prior to disposal sold to outside buyers.

Factoring in these risks, the DOE makes recommendations on the appropriate mitigation and monitoring measures to be incorporated in our EMP and ESCP at every review. The Group is required to submit a monitoring report to DOE on a yearly basis. The implementation is then audited by a third party environmental auditor registered with DOE. DOE has assessed and approved our EIA, confirming our compliance with environmental regulations.

There were no incidence of non-compliance with laws and regulations resulting in significant fines or sanctions in FY2017, and we target to maintain this track record.

5. Business Integrity

We are committed to conduct our affairs in an ethical, responsible and transparent manner. GCCP requires Directors, officers and employees to observe highest standards of business and personal ethics in the conduct of their duties and responsibilities. GCCP advocates ethical business conduct in the Group's dealings and operations, and has zero tolerance for bribery and corruption. All employees shall

abide by the rules of the code and discipline under the Group's policies and procedures. Each of the employees is given an "Employee Hand Book" at the start of employment and they will go through an orientation session with the Human Resource Officer to understand the Group's policies, rules and especially the working culture so that they are well prepared to embark on their career with GCCP.

To this effect, we encourage our stakeholders to disclose suspected wrongdoings which may involve or concern our Group's Directors, management, employees, performance, relations with other stakeholders, assets and reputation.

The Company has in place the Whistleblower Protection Policy, which is available on the Company's website, enables employees and others to raise serious concerns internally so that GCCP can address and correct inappropriate conduct and actions. Arrangements are also in place for the independent investigation of such incidents and for appropriate follow up action. The Company is pleased to inform that there were no whistleblowing reports received in FY2017. The Company will continue to ensure that it maintains the highest standards of business integrity in the upcoming years.

6. Corporate Governance

At GCCP, we are committed to maintaining a high standard of corporate governance. More details about GCCP's corporate governance practices can be found in the Annual Report for FY2017 under the section of the 'Report on Corporate Governance'.

Overview of the Phased Approach

Primary Components	Year 2017 Performance	Year 2018	Year 2019
Material ESG Factors	<p>Addressed most critical factors:-</p> <ul style="list-style-type: none"> • Economic Performance • Customer satisfaction • Quality assurance • Occupational, safety and health • Training and education • Legal compliance • Environmental compliance 	To review factors assessment and add factors which have become material and remove existing factors which are no longer material.	
Policies, practices and performance	<ul style="list-style-type: none"> • Group Financial Policies - Reviewed and updated the financial policies to meet the changing requirements of the Group. • Occupational Health & Safety Policy - Continuous improvement to the Group's safety needs. • Group Whistleblower Protection Policy – Zero reports received. • Compliant with relevant laws and regulations, i.e. timely reporting to regulators, and created awareness of environmental preservation within the community with tree planting activities. • Achieved zero work related injuries and fatalities 	To review the current policies, practices and performance and make necessary improvements.	
Targets	<ul style="list-style-type: none"> • Maximise returns for long-term profitability via increasing productivity and minimising of costs • Minimise the complaint from customers of quality related issues. • Continue to improve quality of limestone supplies through improvement in mining processes. • Increase the budget allocation for training and development of employees • Continue to maintain zero incident of work-related hazards • Encourage innovation in all aspects of business to improve competitiveness 	To meet targets set in the previous year and set new targets.	
Sustainability Reporting Framework	GRI		
Board Statement	Complied	To comply	

GRI G4 Content Index

GRI Standard	Disclosure	Notes / Page number(s)
General Disclosure		
Organization Profile		
102-1	Name of organisation	GCCP Resources Limited
102-2	Activities, brands, products and services	<ul style="list-style-type: none"> • Annual Report – Corporate Profile, Inside front cover • Annual Report – Operations Review, page 9-11
102-3	Location of headquarter	<ul style="list-style-type: none"> • Annual Report – Corporate information, page 8
102-4	Location of operations	<ul style="list-style-type: none"> • Annual Report – Corporate Profile, Inside front cover • Annual Report – Operations Review, page 9-11
102-5	Ownership and legal form	<ul style="list-style-type: none"> • Annual Report – Statistics of shareholdings, page 75-76
102-6	Market served	<ul style="list-style-type: none"> • Annual Report – Chairman’s statement, page 2-3 • Annual Report - Operations Review, page 9-11
102-7	Scale of the organisation	<ul style="list-style-type: none"> • Annual Report – Chairman’s statement, page 2-3 • Annual Report - Operations Review, page 9-11
102-8	Information on employees and other workers	<ul style="list-style-type: none"> • Annual Report – Chairman’s statement, page 2-3 • Annual Report - Operations Review, page 9-11 • Sustainability report page 3
102-9	Supply chain	<ul style="list-style-type: none"> • Annual Report - Operations Review, page 9-11
102-10	Significant changes to organisation and its supply chain	There is no changes to the organisation and supply chain
102-11	Precautionary principle or approach	Not applicable
102-12	External initiatives	Not applicable
102-13	Membership of associations	Not applicable
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> • Annual Report – Chairman’s statement, page 2-3 • Sustainability report page 3
Ethics and integrity		
102-16	Values, principles, standards and norms of behaviour	<ul style="list-style-type: none"> • Annual Report – Report on Corporate Governance, page 12-30
Governance		
102-18	Governance structure	<ul style="list-style-type: none"> • Sustainability report, page 1
Stakeholder Engagement		
102-40	List of stakeholder groups	<ul style="list-style-type: none"> • Sustainability report page 2
102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> • Sustainability report page 2
102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> • Sustainability report page 1

102-44	Key topics and concerns raised	• Sustainability report page 2
Reporting Practice		
102-45	Entities included in the consolidated financial statements	• Annual Report – Operations Review, page 9-11
102-46	Defining report content and topic Boundaries	• Sustainability report page 1,9,10
102-47	List of material topics	• Sustainability report page 1
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	• Sustainability report page 1
102-51	Date of most recent report	This is the inaugural report
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	• Sustainability report page 1
102-54	Claims of reporting in accordance with GRI Standards	• Sustainability report page 1
102-55	GRI content index	• Sustainability report page 9,10
102-56	External assurance	Not applicable
Management Approach		
103-1	Explanation of the material topic and its Boundary	• Sustainability report page 3,4,5,6,7
103-2	The management approach and its components	• Sustainability report page 1,2
103-3	Evaluation of the management approach	• Sustainability report page 8
Environmental		
307-1	Non-compliance with environmental laws and regulations	No non-compliance in the year of reporting