

M&A STRATEGY  
ANALYTICS

# 2014 COMMUNICATION ON PROGRESS UN GLOBAL COMPACT



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Since its initial commitment to the United Nations Global Compact ('UNGC') in 2009, Lincoln Crowne & Company® ('LCC®') is pleased to confirm its continued support of the Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption and remains committed to advocate, integrate, respect and support the importance of these Principles.

In this our fifth annual Communication on Progress, we describe actions to further the integration of the Global Compact and its principles into our business strategy, culture, social responsibility and daily operations. We are also committed to share this information with our existing and prospective clients by adding this report to our business website.

#### **Relecting on 2014 ...**

Our approach has been concentrated on philanthropic attention locally by raising awareness for Alopecia Areata. I personally contracted Alopecia Universalis; a serious and incurable medical condition where sufferers traumatically and without explanation suddenly lose their scalp and body hair, as an adult. I established partnerships with various organisations including Variety, the Children's Charity, Alopecia Areata Australia Foundation (AAAF) and the 12ft Skiff Association aiming to build awareness and raise money for Alopecia Areata.

My latest area of attention is cyberbullying and cyberslander and its associated self-harm impact, resulting from extreme depression, on both youth and adults alike. An alarming issue that faces all global citizens in today's digitally connected world.

In 2014 the "LCC Flying Pigs" made it's annual pledge for the MS Gong Ride and was proud to have been one of the top 15 fundraisers out of 10,000.

We have continued our support of various charitable organisations, some of which include;

- Sydney Children's Hospital (Gold & Silver)
- Cancer Council of NSW
- Cure For Life Foundation
- Multiple Sclerosis Society of Australia
- Variety Children's Charity
- Blue Dragon Children's Charity (Vietnam)
- Treasure House Children's Home (Fiji)
- Australian Alopecia Foundation
- Cambodian Children's Charity

Looking forward I have recently become a member of Philanthropy Australia. My aim is for further collaboration between the philanthropic sector, government, corporates and community groups, in order to develop leverage & impact in a highly fragmented area where considerable financial and intellectual resource is invested sub optimally.



**Nicholas Assef**



## Practical actions and measurable outcomes

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### Human Rights

**Principle 1:** *Businesses should support and respect the protection of internationally proclaimed human rights; and*

**Principle 2:** *Business should make sure that they are not complicit in human rights abuses.*

Principle's 1 and 2 of the UNGC continue to provide LCC with a clear guide on the importance of supporting and respecting the protection of internationally proclaimed human rights and in ensuring that the firm is not complicit in human rights abuses.

LCC engages its employees and business partners to respect the Universal Declaration of Human rights and environmental protection.

LCC's business continues to develop progressively on a cross border basis and we engage with companies and individuals that have cross-border interests. As such these first two Principles remain of the utmost importance. In our preliminary due diligence, LCC ensures that the company, its subsidiaries and the individuals within it engage in ethical business practices and enforce human rights protections in their policies and procedures from the top down. LCC works heavily in the resources sector and with mid-cap companies in this space. Given certain sector participants issues with human rights lawsuits, LCC is careful to analyse both the management's business practices, as well as (where possible with client) operations at ground level such as at mine sites. In a region where human rights abuses have traditionally been associated with corrupt governments and businesses, LCC continues to evolve business practices, involving great care with whom it conducts business with.

The UNGC's principles are upheld by LCC in our ongoing work with children's charities in both developed and developing nations. Through our interactions with these organisations we continue to learn of unacceptable circumstances where children are forced into human trafficking, in direct conflict with Principle 1 – "Businesses should support and respect the protection of internationally proclaimed human rights."

For many years LCC has been working with the Blue Dragon Children's Foundation in Vietnam. Our support helps funding the ongoing educations of victims of issues such as human trafficking and children who have been exploited in work practices.

The UNGC's human rights realted principles are further upheld in our committment to raising awareness of Alopecia Areata; a serious and incurable medical condition where sufferers traumatically and without explanation suddenly lose their scalp and body hair.

Over the 2014-15 period, LCC continued initiatives with various organisations including Variety, the Children's Charity, Alopecia Areata Australia Foundation (AAAF) and the 12ft Skiff Association. Sufferers of Alopecia Areata are prone to high levels of anxiety and depression from the psychological impacts of their condition. For children in particular losing their hair not only leads to self-esteem issues but bullying by other children.



## Practical actions and measurable outcomes

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### Labour

**Principle 3:** *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

**Principle 4:** *the elimination of all forms of forced and compulsory labour;*

**Principle 5:** *the effective abolition of child labour; and*

**Principle 6:** *the elimination of discrimination in respect of employment and occupation.*

LCC continues to evolve its business practices to ensure that it only deals with organisations that have a demonstrated positive action in relation to Principles 3, 4, 5 and 6 of the UNGC or alternatively whose corporate leaders philosophically embrace those Principles where immediate evidence of positive action is not readily available.

Additionally LCC has during 2014 / 2015 reviewed its Employment Contracts for all staff in order to ensure that the firm's hiring policy also furthers our commitment to ensuring fair practice and the elimination of discrimination in respect of employment and occupation in line with the Anti-Discrimination Act 1977.

Additionally, LCC has continued a 'no securities trading policy' to ensure the highest ethical standards are maintained by all staff who handle and are enlisted with sensitive client information.

LCC is also vigilant of its client work practices to ensure, as far as possible, that no client LCC deals with breaches these principles.



## Practical actions and measurable outcomes

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### Environment

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** encourage the development and diffusion of environmentally friendly technologies.

LCC understands the importance of promoting greater environmental responsibility, and the development and diffusion of environmentally friendly technologies. Principles 8 and 9 of the UNGC provide LCC a good reference to these matters of global sustainability. Internally we continue to operate cloud base file management software which measurably reduces the amount of paper generation. The firm's Staff Orientation Guide communicates the importance of "paperless policies", encouraging staff to utilise the recyclable bin in-house whereby documents are destroyed of by a third party. Documents are also scanned onto our cloud document management system for future reference and filing, as opposed to hard copy filing. We also, wherever possible, request from third party providers online invoices. The growing trend of communicating through digital channels and of organisation's opting to charge customers for hard-copy invoices, has made this decision both an effective environmental and economic one. We also use the same approach for our invoicing methods via email.

Making sure that our workplace employs current technologies allows a high level of energy efficiency. All computers are set to run with "sleep" and nightly "shut down" timers in place. This effectively cuts down on energy consumption.

LCC maintains strict in-house policies on the recycling of e-waste. The firm uses a high grade printer from Konica, the agreement of which includes the re-cycling of used printer cartridges and printer

hardware. We also recycle computer hardware that have reached their end of life wherever possible. LCC has implemented new printing measures where all staff are to print non-client facing documents in "Greyscale/Toner SAVE Mode" as opposed to "Full Print Quality Mode". These printing measures have seen an 80% decrease in printing costs while also lengthening the life of ink cartridges and toners.

Our office location is in a building that is driven by it's commitment to sustainability. Primarily building management focuses on improving sustainability performance through management of resource consumption. Their environmental strategy aims to minimise the overall environmental impact of operations, both in the development of new properties and in the management and operation of existing properties.

LCC's office building has achieved a 4.5 star NABERS Energy rating and a 3.5 star average NABERS Water rating following the completion of the three year DEXUS NABERS Energy and NABERS Water Rating Improvement Program in 2012.



## Practical actions and measurable outcomes

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### Anti-Corruption

**Principle 10:** *Businesses should work against corruption in all its forms, including extortion and bribery.*

During 2014 LCC has continued to evolve a simple but mandatory risk assessment process for each potential client engagement where threshold questions must be answered in order to satisfy LCC that the client both engages in good corporate practice and has a business model that is consistent with UNGC standards.

We have also strengthened our client engagement contracts to reinforce the requirements of high standards of corporate governance combined with requirements of transparency and anti-corruption practices in each and every client. In the Firm's engagement letters we go further to referring to our UNGC involvement and suggesting to clients that they should consider joining the initiative as well.

LCC is a licensed financial services provider, holding a Financial Services Licence and is therefore ASIC compliant. The Firm's Employment Contracts communicates a very strict no share trading policy that all Employees must adhere to. Given the sensitive nature of our work, this is a fundamental requirement. Our core business involves dealing directly with Boards and Senior executives. The UNGC directly addresses the role of corporate Boards in moving their companies towards sustainable practice policies. LCC is then challenged to ensure its ongoing commitment to the UNGC by choosing to work with CEO's, Boards of Directors and Shareholders that promote a demonstrated respect for environmental, anti-corruption, labour and human rights policies that are in line with the UNGC.



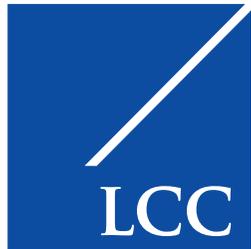
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## Summation

In this annual Communication on Progress, LCC has described, explained and discussed the importance of the initiatives, practical actions and steps we have taken to enhance our commitment to the United Nations Global Compact during 2014.

This has involved analysis, due diligence, introduction of policies and procedures and philanthropic initiatives within the areas of Human Rights, Labour, Environment and Anti-Corruption. We have incorporated the Ten Principles further into our corporate culture and firm identity through the continuation of support for various charitable organisations and initiatives supporting and working for children in our region suffering from incurable medical conditions, the plight of poverty, human rights abuses and lack of education. We continue to uphold ethical business practices and seek to work with individuals and organisations that also maintain and uphold these values. Our work across 2014 / 2015 has certainly been guided around the fundamental human right to equality and respect. This has been clearly demonstrated in LCC's Charitable Initiatives.





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ANALYTICS

### **About Lincoln Crowne & Company®**

*LCC is a trusted, independent securities dealer specialising in the delivery of strategic Mergers & Acquisitions advice. As a boutique corporate finance firm, LCC has expertise in guiding Boards of Directors and Shareholders through complex Mergers & Acquisitions and Corporate Strategy Engagements. LCC's approach to all engagements is based on both technical and economic fundamentals, and how these fundamentals translate into shareholder value.*

*LCC's core principles are based on the understanding that its purpose as a Firm is to deliver deal making expertise, innovative thinking, deep commercial and financial judgment, and clear independent advice.*



## LCC Community Focus

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LCC'S corporate social responsibility strategy has four focus areas;



LINCOLN CROWNE  
FOUNDATION

### PHILANTHROPY

[lincolncrownefoundation.org](http://lincolncrownefoundation.org)

The Lincoln Crowne Foundation is an extension of the Firm's corporate social responsibility arm that director, Nicholas Assef initiated. The Foundation's main purpose is to support and extend partnership development to grass roots charities.



### GOVERNANCE

[unglobalcompact.org](http://unglobalcompact.org)

We are governed by our commitment as a signatory to the UN Global Compact. The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies to ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



### ACADEMIA

[bond.edu.au](http://bond.edu.au)

LCC and Bond University has established a relationship around the importance of success, academic integrity and outstanding performance. To this end, LCC has sponsored various faculty awards in both the Business and Law Schools.



### SPORT

[lincolncrownesailing.com.au](http://lincolncrownesailing.com.au)

LCC has sponsored 12 and 16ft skiffs in Sydney, over numerous sailing seasons and championships. In partnership with Variety the Children's Charity, Nicholas Assef proudly supported the Variety Port Jackson 12ft Skiff Championships. This event marked the launch of a series of projects committed to raising support for Alopecia Areata, which is a medical condition of which there is no known cure.





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