

# Sustainability Report 2020



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# I. OUR BUSINESS

LHN Limited (“LHN” or the “Company”, together with its subsidiaries, the “Group”) is a real estate management services group with a longstanding history dating back to 1991, distinguished by our ability to generate value through our space optimisation expertise. We also provide a suite of services in the facilities management and logistics services businesses which complements the space optimisation business.

The Group while incorporated and headquartered in Singapore, is dual listed on the Catalist of the Singapore Exchange Limited (“SGX”), as well as on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEX”). The Group, together with its three core business segments, namely, Space Optimisation Business, Facilities Management Business and Logistics

Services Business, currently has operations spread strategically across Singapore, Hong Kong, Indonesia, Thailand, Myanmar, Cambodia and Malaysia.

As at the end of September 2020, our integrated supply chain includes more than 900 suppliers; comprising both government agencies as well as private companies. To that end, we are committed to establishing mutually beneficial relationships with credible suppliers, whilst exercising care in managing the environmental and social risks within our supply chain, so as to ensure reliable, high quality and cost-effective services and products that is sustainable for our business in the long-term.



## II. ABOUT THIS REPORT

### REPORTING SCOPE

This is the Group's fourth sustainability report covering non-financial performance and related management approach disclosures for the financial period 1 October 2019 to 30 September 2020 ("FY2020"), with prior financial year data disclosed from 1 October 2018 to 30 September 2019 ("FY2019"), where available. The report is prepared in compliance with the Environmental, Social and Governance ("ESG") Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by HKEX, and the Singapore Exchange Securities Trading Limited ("SGX-ST") Section B: Rules of the Catalist ("Catalist Rules") Listing Rule 711A and 711B which draws on the guidance set out by the SGX-ST Practice Note 7F Sustainability Reporting Guide.

The report focuses on ESG matters prioritised by the Group in relation to the subsidiaries as listed in Appendix A, which represent 88% of the Group's revenue for FY2020. Entities included in the Group's Sustainability Report, covering our three major business segments in Singapore.

### REPORTING STANDARDS

The report is prepared in accordance to Global Reporting Initiatives ("GRI") Standards: Core option. The GRI standards is an internationally recognised framework and has been selected by the Group for its universal application for reporting on a range of economic, environmental and social performance. GRI reporting principles have been adopted for defining LHN's sustainability reporting content and quality.

### ADOPTED GRI REPORTING PRINCIPLES FOR DEFINING LHN'S SUSTAINABILITY REPORTING CONTENT AND QUALITY

#### STAKEHOLDER INCLUSIVENESS

#### Stakeholder Engagement

The report addresses not only the significant ESG impacts of our businesses' operations, but also takes into consideration key interests of our stakeholders.

#### SUSTAINABILITY CONTEXT

#### LHN's Sustainability Approach – Sustainability context

In developing our sustainability approach, LHN takes into consideration:

- (1) International commitment on climate change (The Paris Agreement) and unique local environmental concerns
- (2) Sustainability concerns relevant to the industries that the Group operates in
- (3) Changes in tenants' perception on value of space and the increasing demand for healthier and greener working environment

## II. ABOUT THIS REPORT

### ADOPTED GRI REPORTING PRINCIPLES FOR DEFINING LHN'S SUSTAINABILITY REPORTING CONTENT AND QUALITY

#### MATERIALITY

#### LHN's Sustainability Approach – Material matters

Our material ESG matters are determined based on the significance of impacts of the business and expectations of both external and internal stakeholders, through a formal materiality assessment workshop conducted by an external consultant in November 2017. The material ESG matters were reviewed during the year and deemed relevant to the business for this Sustainability Report.

#### COMPLETENESS, BALANCE, QUANTITATIVE, ACCURACY, CONSISTENCY. COMPARABILITY, RELIABILITY AND CLARITY

#### Performance and Highlights

This report aims to present accurate, unbiased, reliable and consistent data and metrics that can be easily understood by all and serves as a way for us to monitor our performance on a year-to-year basis.

#### TIMELINESS

#### Five months from the financial year end

Our standalone Sustainability Report is published within five months from the financial year end, in compliance with both SGX and HKEX Listing Rules.

Please refer to Appendix B. Methodological Review and Data Boundaries on page 37 which includes the description on data boundaries and units used in this report, Appendix C. GRI Content Index and Appendix D. HKEX ESG Reporting Guide Index on page 39 and page 41 respectively for the summary of data and information disclosed as per GRI Standards and HKEX ESG reporting requirements.

For any enquiry related to this report, please contact [enquiry@lhngroup.com.sg](mailto:enquiry@lhngroup.com.sg).

### III. CHAIRMAN'S MESSAGE



***"...the health and safety of our employees has become one of the top priorities at LHN. We have made efforts to ensure adequate measures are put in place to protect the well-being and provide a safe workplace for all our employees..."***

Dear Stakeholders,

At LHN, we are committed to the long-term sustainability development of the business, with focus placed on four main pillars; namely, Protecting our Environment, Safeguard Health and Safety, Create A Fair Workplace and Cultivate Strong Business Values.

We seek to embed sustainability practices in the Group's everyday operation and align sustainability goals with the overall Group's strategic direction which is to create productive and innovative spaces, as well as, sustainable value for our stakeholders. A monitoring system is in place to ensure our business is on track to achieve these goals and to continuously improve our performance in key material ESG matters.

#### **ENSURING THE HEALTH AND SAFETY OF OUR EMPLOYEES**

Human capital remains the most valued resource to our company. We strive to ensure a fair, diverse and collaborative work environment for all our employees. With the outbreak of

### III. CHAIRMAN'S MESSAGE

Coronavirus Disease (“**COVID-19**”) in FY2020, the health and safety of our employees has become one of the top priorities at LHN. We have made efforts to ensure adequate measures are in place to protect the well-being and provide a safe workplace for all our employees. To adapt to this ever-changing market, we continuously invest in the training of our people with the aim to deliver quality products and exceptional services to our customer base. We are encouraged to see that our efforts have been recognised with customer satisfaction survey scores exceeding more than 70% for our core business segments over the past few years.

#### **MAINTAINING STRONG CORPORATE GOVERNANCE & INFORMATION SECURITY**

LHN believes that a strong corporate governance is the foundation to promote a sustainable business, including right business ethics, values, corporate governance and risk management. Over the past four years, the Group has successfully retained its clean record of zero incidents involving corruption. Also, with the COVID-19 backdrop which gave rise to work-from-home arrangements, the Group has invested more in protecting information security this year, including the upgrade of our anti-virus system and implementation of a multifactor authentication process for Virtual Private Network (“**VPN**”) access.

#### **TRANSITIONING TO A LOW CARBON FUTURE**

We are gradually expanding our renewable energy generation capacity through solar panels installation on suitable rooftop spaces atop our buildings. The installations at 38 Ang Mo Kio, 72 Eunos and 100 Eunos have commenced operation since December 2019. To further advance our transition to a lower carbon future, we target to complete the solar panel installation at 202 Kallang Bahru and 1557 Keppel Road by the end of our financial year ending 30 September 2021 (“**FY2021**”).

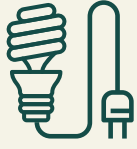
#### **FIGHTING AGAINST THE COVID-19 CRISIS**

COVID-19 has largely impacted both lives and businesses globally. As a Group, we recognise the importance to engage with our stakeholders to go through this tough time together. We would like to thank all our stakeholders for their support and we will continue to closely monitor our operations to adapt to the changing situation with time. Please find our detailed COVID-19 measures under section VI. Performance and Highlights from page 14 onwards.

As a Group, we will continue to monitor our non-financial performance and strengthen our efforts in areas that have further room for improvements.

**Mr. Kelvin Lim**  
**Executive Chairman, Executive Director & Group Managing Director**

## IV. SUSTAINABILITY PROGRESS IN FY2020



### Energy-saving LED lights

**90%** of the properties we manage use energy-saving LED lighting in FY2020, a 38 percentage points increase compared to FY2019.



### Energy consumption and emissions

**0.09** MWh/m<sup>2</sup> electricity intensity in FY2020, a **31% decrease** compared to FY2019.

**0.04** TCO<sub>2</sub>e/m<sup>2</sup> emission intensity in FY2020, a **20% decrease** compared to FY2019.

**0.0011** TCO<sub>2</sub>e/km fuel consumption intensity **maintained** for both FY2020 and FY2019.



### Water saving features

**75%** of the properties are installed with water saving taps in FY2020, a **2 percentage points increase** from FY2019.



### Water consumption intensity

**1.54** m<sup>3</sup>/m<sup>2</sup> water consumption intensity in FY2020, a **1% increase** from FY2019 due to higher occupancy rate and additional repair works done this year.



### Work-related fatalities

**Zero** work-related fatalities over the past 4 years, from FY2017 to FY2020.



Attained **ISO 45001:2018** for LHN's Logistics Services Business



### Compliance with applicable laws and regulations

**Zero** confirmed incidents of corruption and non-compliance in FY2020.



### Customer satisfaction scoring

Scored more than **75%** on average in customer satisfaction surveys across our core business segments in FY2020.



### Gender diversity

**65%** male to **35%** female employees on average in FY2020, with 59% male and 41% female, respectively in FY2019.



### Training hours

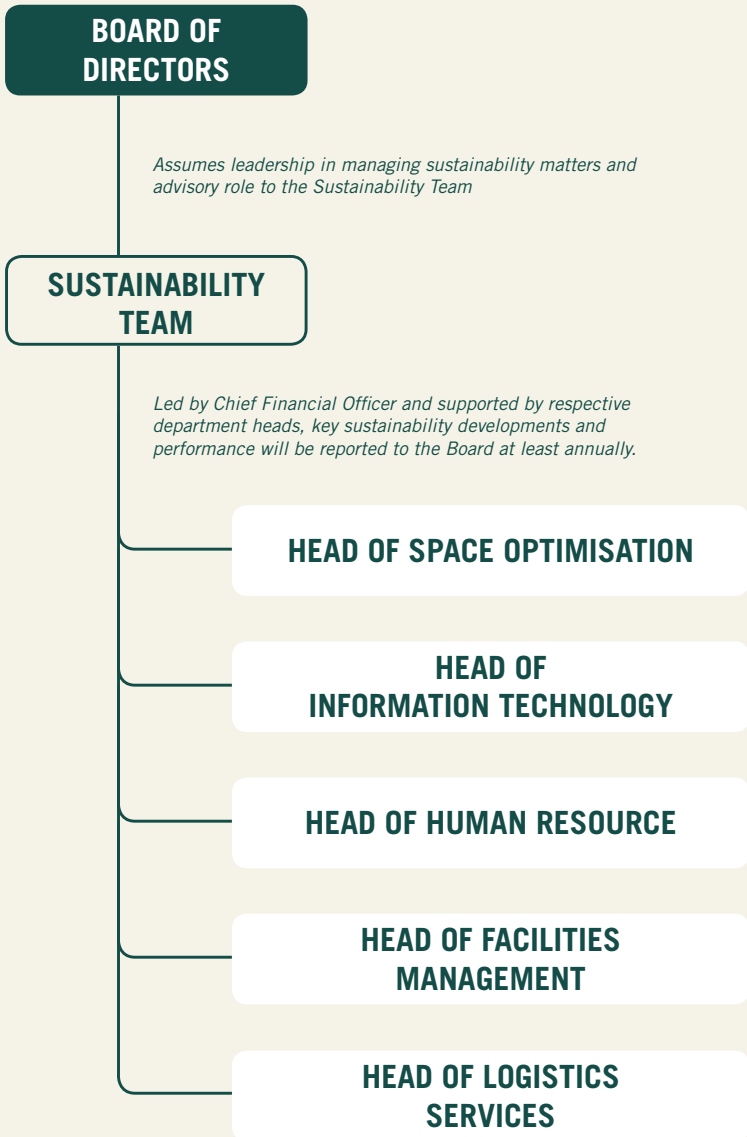
**5.1** training hours received by each employee on average in FY2020, a 47% decrease as compared to FY2019 mainly due to COVID-19 limitations.



# V. SUSTAINABILITY AT LHN

## (A) SUSTAINABILITY GOVERNANCE

Our sustainability team is instrumental in building a culture of sustainability within LHN and overseeing the implementation of various sustainability initiatives throughout the Group’s operation. They also track and report the performance at least annually to the board of directors of the Company (the “**Board**”).



### BOARD STATEMENT

The Board is committed to adhering to high quality standards, building of an inclusive and safe working environment for all, and conducting business in a way that is responsible, in the preservation of the environment. These sustainability issues have been considered as part of the company’s strategic formulation and incorporated into our operations through policy-making and procedures.

The Board continues to provide direction and maintain oversight over the material ESG matters with the help of respective Head of Departments. Sustainability performance is reported to the Board at least annually, or, as and when significant development arises.

The ESG matters reported on in this Sustainability Report has been reviewed and determined to be relevant by the Board together with the management team, having taken into consideration the COVID-19 backdrop and associated impacts to our business.

## V. SUSTAINABILITY AT LHN

### (B) STAKEHOLDER ENGAGEMENT

At LHN, we strive to address ESG matters which are material to our business and stakeholders, taking into account any key developments within the industry. Through various channels, key stakeholders' concerns are identified and responded to appropriately.

Table 1: Our approach on stakeholder engagement

STAKEHOLDERS	MAIN INTERESTS/CONCERNS	ENGAGEMENT METHODS <sup>1</sup> AND FREQUENCY	OUR RESPONSE
<b>OUR EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Fair employment practices</li> <li>Career development</li> <li>Job security</li> <li>Reskilling opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Online feedback channel system accessible throughout the year</li> <li>Annual performance appraisal conducted</li> <li>Employee handbook accessible throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>LHN established a robust health and safety management system to ensure a safe working environment and various policies, as well as, practices to promote a fair workplace respectively for our employees.</li> <li>Please refer to page 10 and page 19 for more information on our policies and initiatives on the topic.</li> <li>LHN has put in place a robust COVID-19 safety measures for our employees both at the workplace and working from home, as disclosed in the respective material matters in this report.</li> <li>LHN has offered online trainings covering a myriad of topics including, courses to build digital skillsets.</li> <li>LHN has replaced physical programmes with online fitness and well-being programmes to reduce in-person contact whilst ensuring the wellbeing of our employees during the pandemic.</li> </ul>
<b>GOVERNMENT AND REGULATORY BODIES</b>	<ul style="list-style-type: none"> <li>Compliance with regulatory requirements, including those relating to COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Business model awareness sessions when required</li> <li>Calls and meetings when required</li> </ul>	<ul style="list-style-type: none"> <li>Non-compliance negatively impacts our business, both reputationally and financially. We are committed to adhere to all regulatory requirements, including COVID-19 related laws and regulation.</li> <li>Where necessary, LHN will seek feedback or clarifications from regulatory bodies in guiding the business forward.</li> </ul>
<b>INVESTORS</b>	<ul style="list-style-type: none"> <li>Timely updates on financial performance and business strategies and opportunities</li> <li>Board oversight on COVID-19 impacts and response to them</li> </ul>	<ul style="list-style-type: none"> <li>Annual and interim financial and sustainability reports</li> <li>Networking sessions with shareholders when required</li> <li>Annual General Meeting (“AGM”)</li> </ul>	<ul style="list-style-type: none"> <li>We aim to provide timely updates on key developments and action plans via our various engagement methods. For FY2020, due to COVID-19, the Group has addressed the relevant questions posed by shareholders prior to AGM, which was also held via webcast online, and uploaded our responses accordingly on the Group's website, HKEX and SGXNet.</li> <li>Discussions on COVID-19 impacts and corresponding measures taken are disclosed in both our Annual Report and Sustainability Report.</li> </ul>

<sup>1</sup> Face-to-face meetings were replaced with virtual meetings, where possible, to limit physical contact and spread of COVID-19

## V. SUSTAINABILITY AT LHN

STAKEHOLDERS	MAIN INTERESTS/CONCERNS	ENGAGEMENT METHODS <sup>1</sup> AND FREQUENCY	OUR RESPONSE
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>Fair and transparent business conduct</li> <li>Continued engagement</li> <li>Disruption of supply chain due to COVID-19 and lockdowns imposed by the Government</li> </ul>	<ul style="list-style-type: none"> <li>Annual supplier performance review</li> <li>Day-to-day communications</li> </ul>	<ul style="list-style-type: none"> <li>At LHN, we work with reliable and credible suppliers and aim to form a long-standing and trusting relationship with such suppliers.</li> <li>In cases of disruption caused due to COVID-19, alternative actions will be taken upon further discussions within each business segment team.</li> </ul>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Innovative products and services</li> <li>Health and safety given the COVID-19 backdrop</li> </ul>	<ul style="list-style-type: none"> <li>Social media platform updated when required</li> <li>Networking sessions</li> <li>Company announcements accessible throughout the year</li> <li>Feedback channel accessible throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Safety, cleaning and disinfection measures are implemented at LHN to protect our tenants and customers' health.</li> <li>Advanced technologies have been applied to enhance protection over our customers' health.</li> <li>Please refer to page 24 for our customer satisfaction survey results and page 27 for other COVID-19 related initiatives.</li> </ul>

<sup>1</sup> Face-to-face meetings were replaced with virtual meetings, where possible, to limit physical contact and spread of COVID-19

## V. SUSTAINABILITY AT LHN

### (C) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	PROTECTING OUR ENVIRONMENT		SAFEGUARDING HEALTH AND SAFETY
MATERIAL ESG MATTERS	ENERGY	WATER CONSUMPTION	HEALTH & SAFETY
<b>IMPACT BOUNDARY</b>	Space Optimisation and Logistics Services Businesses	Space Optimisation and Logistics Services Businesses	All our employees under three business segments and tenants of our properties
<b>SUSTAINABILITY CONTEXT</b>	Contributing to the collective effort to reduce Singapore's overall Greenhouse Gas ("GHG") emissions	Headquartered in Singapore, a country which lacks natural resources, we are aware of the country's endeavour in water security. Likewise, we aim to play our part in reducing water wastage	Strive towards creating a culture where all our staff value individual commitment towards safe work practices and further, to create spaces that are safe and conducive for our tenants to work in
<b>MANAGEMENT APPROACH</b>	<p><b>GROUP-WIDE</b></p> <ul style="list-style-type: none"> <li>Climate Change Adaptation Policy</li> <li>Energy Consumption/Management Policy</li> </ul> <p><b>SPACE OPTIMISATION</b></p> <ul style="list-style-type: none"> <li>Installation of energy-saving LED light fittings in the properties we manage</li> <li>Installation of motion sensors and timers in common areas where energy consumption is discontinuous</li> <li>Daily monitoring of the lights and aircon in rooms and switching off the lights and aircon while they are not in use</li> </ul> <p><b>LOGISTICS SERVICES</b></p> <ul style="list-style-type: none"> <li>Vehicle selection in accordance to Euro 4,5 and 6 Standards</li> <li>Regular servicing of our fleet for optimum fuel efficiency</li> <li>Route analysis prior to each trip to find the most efficient route</li> <li>Monitoring of fuel consumption to encourage fuel-efficient driving and drivers are required to turn off engine when idle</li> </ul>	<p><b>GROUP-WIDE</b></p> <ul style="list-style-type: none"> <li>Water Consumption/Management Policy</li> </ul> <p><b>SPACE OPTIMISATION</b></p> <ul style="list-style-type: none"> <li>Our water is currently supplied from a municipal source, managed by Public Utilities Board. We have no issue in sourcing water that is fit for purpose</li> <li>Installation of water-saving taps in the properties we manage</li> <li>Installation of sensors for toilet flushing</li> </ul>	<p><b>GROUP-WIDE</b></p> <ul style="list-style-type: none"> <li>Health Safety &amp; Environment Policy</li> <li>Certified BizSAFE Level 3</li> <li>Work from Home policy resulting from COVID-19</li> </ul> <p><b>SPACE OPTIMISATION</b></p> <ul style="list-style-type: none"> <li>Fire Safety Committee control and respond to fire incidents.</li> <li>Adherence to Standard Operating Procedures for maintenance of lift licences and fire equipment</li> <li>Maintain compliance with relevant fire safety regulations required of all buildings</li> <li>Risk assessments carried out to identify hazards and implementation of control methods</li> <li>Established platform for tenants' feedback. We aim to rectify any negative feedback received and propose corrective action to prevent reoccurrence.</li> </ul> <p><b>LOGISTICS SERVICES</b></p> <ul style="list-style-type: none"> <li>Mandatory Safety Induction Program for all drivers</li> <li>All vehicles are installed with safety kits, which includes fire extinguishers and first aid box</li> <li>Conducting of breathalyzer tests based on a random selection process</li> <li>Company emergency response vehicle on standby in the events of accidents or breakdowns</li> <li>Driver training on road safety</li> <li>Monitoring of speed limits with GPS system installed in all our trucks</li> <li>Mobileye technology installed to prompt drivers of pre-collision warnings</li> <li>All drivers comply with Singapore Traffic Policy Regulations and other traffic regulations in Singapore</li> <li>Drivers aged 65 and above are required to attend the mandatory medical check-up and proficiency driving test before performing work.</li> </ul>

## V. SUSTAINABILITY AT LHN

### (C) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	PROTECTING OUR ENVIRONMENT		SAFEGUARDING HEALTH AND SAFETY	
			<b>FACILITIES MANAGEMENT</b> <ul style="list-style-type: none"> <li>• Well-ventilated rest and eating area for our cleaning professionals</li> <li>• Inculcate a 'safety-first' culture in all our employees working off-site</li> <li>• Smart technologies, such as smart toilet and an integrated platform for workers</li> <li>• Eco-friendly cleaning products, such as enzymes cleaners instead of harmful materials</li> </ul>	
<b>PERFORMANCE INDICATORS</b>	<ol style="list-style-type: none"> <li>1. Energy consumption across business units</li> <li>2. Emissions and fuel consumption intensity</li> </ol>	<ol style="list-style-type: none"> <li>1. Volume of water consumption</li> <li>2. Water consumption intensity</li> </ol>	<ol style="list-style-type: none"> <li>1. Working hours, Work-related fatality rate, work-related high-consequence injury rate, Work-related injury rate and work-related ill health rate</li> <li>2. Number of regulatory fines or warnings related to customer health and safety</li> <li>3. External audits to review internal processes</li> </ol>	

## V. SUSTAINABILITY AT LHN

### (C) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	CREATING A FAIR WORKPLACE	CULTIVATING STRONG BUSINESS VALUES		
MATERIAL ESG MATTERS	FAIR EMPLOYMENT PRACTICES	CORPORATE GOVERNANCE	SECURITY OF INFORMATION	CUSTOMER SATISFACTION
<b>IMPACT BOUNDARY</b>	All our employees under Space Optimisation, Logistics Services and Facilities Management Businesses	Space Optimisation, Logistics Services and Facilities Management Businesses	Business partners, employees, suppliers and customers of Space Optimisation, Logistics Services and Facilities Management Businesses	Customers of Space Optimisation, Logistics Services and Facilities Management Businesses
<b>SUSTAINABILITY CONTEXT</b>	We have pledged our commitment to adopt the five key principles defined by the Tripartite Guidelines on Fair Employment Practices (“ <b>TGFEP</b> ”) and we believe in developing in-house talents for the continued growth and success of the Group.	High ethical standards in accordance with Code of Corporate Governance 2018 is integral to LHN’s corporate identity and how we conduct our business.	Security of information is critical in maintaining our stakeholders’ trust in the business.	Our businesses thrive on mutually beneficial and strong relationships formed with our customers
<b>MANAGEMENT APPROACH</b>	<p><b>GROUP-WIDE</b></p> <ul style="list-style-type: none"> <li>• Human Resource Policy</li> <li>• Commitment to no child labor and no forced labor</li> <li>• Employee Grievance Policy</li> <li>• Training Policy</li> <li>• Performance Appraisal Policy</li> </ul> <p><b>EMPLOYMENT</b></p> <ul style="list-style-type: none"> <li>• The Group has complied with all Ministry of Manpower guidelines</li> <li>• All eligible job applications, internal transfers and promotions are merit-based regardless of race, ethnicity, religion, age and gender.</li> <li>• Annual long service award</li> </ul> <p><b>PERFORMANCE &amp; CAREER DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Provide sponsorships to employees to encourage lifelong learning</li> <li>• Feedback is garnered after every training programme to measure relevance and usefulness of subjects covered to employees</li> <li>• Performance appraisals are conducted for all employees and evaluated with the individual through open discussions</li> <li>• Benchmarking exercise are conducted against market’s best practices in ensuring that adequate and quality trainings are provided to our employees</li> </ul>	<p><b>GROUP-WIDE</b></p> <ul style="list-style-type: none"> <li>• Code of corporate governance</li> <li>• Whistle-blowing Policy</li> <li>• Conflict of Interest Policy</li> <li>• Business Continuity Plan</li> <li>• Ensure compliance with all relevant laws and regulations in countries we operate in</li> <li>• Stringent adherence to policies set in maintaining good corporate governance</li> <li>• Maintain transparency and accountability for all matters within our organization</li> </ul>	<p><b>GROUP-WIDE</b></p> <ul style="list-style-type: none"> <li>• Personal Data Protection Policy</li> <li>• Website Privacy Policies</li> <li>• Established a Data Protection Committee to monitor compliance to Personal Data Protection Act and matters related to customers’ data protection and privacy</li> <li>• All confidential data is securely stored in a robust Information Systems which undergoes an annual audit carried out by an accredited party</li> <li>• Penetration Test to prevent hacking of data</li> <li>• Network monitoring tools utilizing machine learning system</li> </ul>	<p><b>GROUP-WIDE</b></p> <ul style="list-style-type: none"> <li>• Annual customer satisfaction surveys* to gather feedback on our products and services.</li> <li>• All complaints received will be logged in our system and responded to in a timely manner. Three days for general customer’s queries and feedback and half day for urgent queries for Space Optimization. Whereas for Logistics Services, all matters will be addressed by the next working day.</li> </ul>

\* Excludes carpark management under Facilities Management Business. Customer satisfaction levels are based largely on day-to-day interactions with property managers and feedback received from users of carpark.

## V. SUSTAINABILITY AT LHN

### (C) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	CREATING A FAIR WORKPLACE	CULTIVATING STRONG BUSINESS VALUES	
<b>PERFORMANCE INDICATORS</b>	<b>EMPLOYMENT</b> 1. Employee breakdown by gender and employee type 2. Recruitment and turnover rates	1. Number of non-compliance cases 2. Number of incidents of corruption	1. Number of substantiated complaints, identified leaks, theft or losses of customer data privacy 1. Customer satisfaction survey results
	<b>PERFORMANCE &amp; CAREER DEVELOPMENT</b> 3. Average training hours by gender and employment category		

# VI. PERFORMANCE AND HIGHLIGHTS

## Protecting Our Environment

With the increasing call for action to address matters of climate change which may impact our operations on a global scale, we recognise our role as a responsible corporate and have made strides to reduce the Group’s overall GHG footprint and improve water conservation efforts.

### FY2020 Targets - Achieved

- Reduce electrical consumption intensity by 5% by 2020 with FY2017 as base year  
● **10% decrease from FY2017, met**
- Maintain fuel consumption intensity with FY2017 as base year  
● **Met**

### FY2021 Targets

- Complete the solar panel installation at 202 Kallang Bahru and 1557 Keppel Road by FY2021
- Maintain fuel consumption intensity with FY2017 as base year

LHN is committed to setting a quantitative target for Energy material matter which will be disclosed in our next report.

### Highlights

**90%**

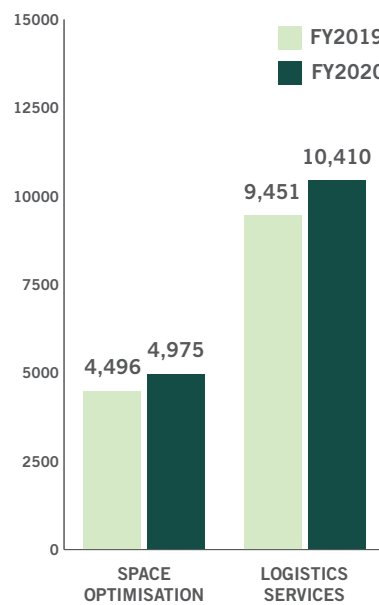
of the properties we manage<sup>2</sup> use energy-saving LED lighting

**100%**

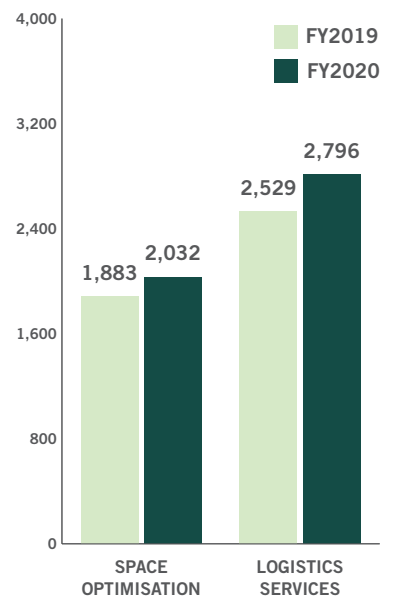
of our prime movers are Euro 4 standards and above

### Our Year’s Progress: Energy

ENERGY CONSUMPTION (MWh)



EMISSION AMOUNT (TCO<sub>2</sub>e)



### Energy Consumption • Space Optimisation Business

In FY2020, the total electrical consumption in the Space Optimisation Business operations amounted to 4,975 MWh, an increase of 10.7% from FY2019. The increase is attributed to the increase in total common floor area by 38.1% managed by the Space Optimisation team with new master leases secured in FY2020. Of the energy consumed in FY2020, 152 MWh is generated by solar.

<sup>2</sup> Pertains to electricity consumption and water consumption in the common areas that is within the Group’s control.



## VI. PERFORMANCE AND HIGHLIGHTS

### Protecting Our Environment

#### **Energy Consumption • Logistics Services Business**

During the year, the Logistics Services Business acquired a new site at 7 Gul Avenue to house our fleet of vehicles. The total energy consumption of 10,410 MWh in FY2020 was mainly due to the increase in fuel consumption by approximately 9.4% from FY2019, which corresponds with the increase in distance travelled by the fleet (FY2020: 2.6 million km; FY2019: 2.4 million km) as a result of a rise in logistics services provided. Electricity consumption at the newly acquired site was relatively minimal, amounting to 71 MWh in FY2020.

#### **Energy and Emissions Intensity • Space Optimisation Business and Logistics Services Business**

The electrical intensity for our properties and fuel consumption intensity for Logistics Services Business were 0.09 MWh/m<sup>2</sup> and 0.0011 TCO<sub>2</sub>e/km respectively for FY2020. The electrical intensity decreased by about 30.8% from FY2019 (FY2019: 0.13 MWh/m<sup>2</sup>) and fuel consumption intensity remained the same across both years.

In reviewing against our FY2020 target, we are pleased to share that we have achieved a 10% reduction in electrical intensity from 0.10 MWh/m<sup>2</sup> in FY2017. This was possible due to upgrades to energy efficient equipment, consistent energy saving practices, as well as, our shift towards renewable energy.

Our fuel consumption intensity remains consistent at 0.0011 TCO<sub>2</sub>e/km since FY2017.

GHG emissions intensity for our properties were 0.04 TCO<sub>2</sub>e/m<sup>2</sup> in FY2020, which decreased by about 20.0% (FY2019: 0.05 TCO<sub>2</sub>e/m<sup>2</sup>) from FY2019.

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## INITIATIVES LAUNCHED IN 2020 AND FUTURE ACTION PLAN

### **Green Mark Certification**

Building and Construction Authority (“**BCA**”) Green Mark is a green building rating system to evaluate buildings for its environmental impact and performance. As such, in Space Optimisation Business, to promote sustainable design and operation, we target to achieve Green Mark certificated for our joint venture building at 202 Kallang Bahru by the first half of 2021.

### **Installation of solar panels**

Back in FY2019, we have initiated the installation of solar panels on the rooftops of our buildings at 38 Ang Mo Kio, 72 Eunos and 100 Eunos. The solar panels at these three buildings has since commenced operation from December 2019.

To further our commitment to reduce energy consumption levels, we target to complete the solar panel installation at 202 Kallang Bahru and 1557 Keppel Road by the end of FY2021.

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# VI. PERFORMANCE AND HIGHLIGHTS

## Protecting Our Environment

### FY2020 Targets – Improvement required

- Reduce water consumption intensity 5% by 2020 with FY2017 as base year

● *2% decrease from FY2017, improvement required*

### FY2021 Target

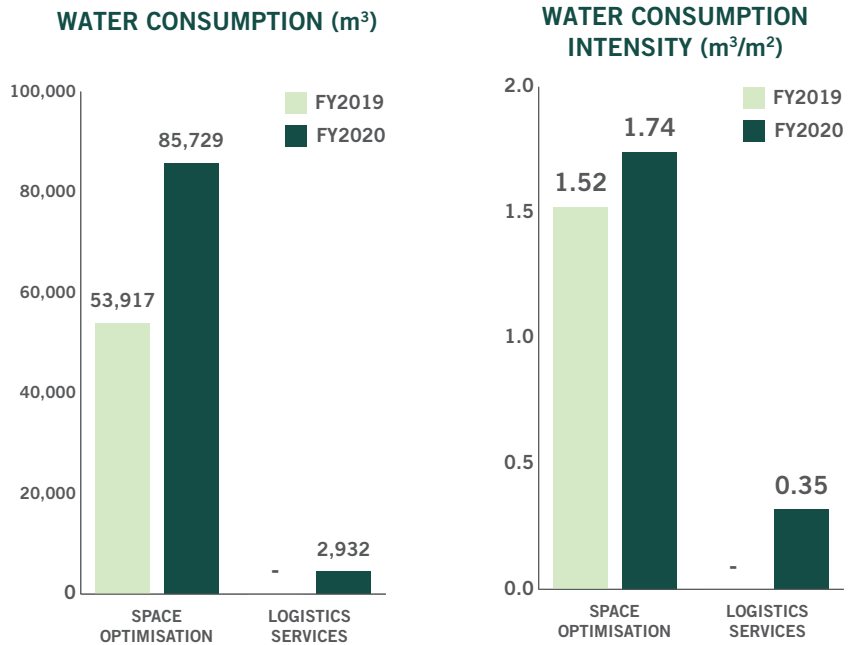
- Reduce water consumption intensity 5% by 2023 with FY2017 as base year

### Highlights

**75%**  
of the properties in Space Optimisation Business are installed with water saving taps

### Our Year’s Progress: Water Consumption

The water across our operations in Singapore is sourced from the municipal water supplier. Being in a country where water is a precious resource, we are cognizant of the impacts that water wastage has on the business. Therefore, at LHN, we regularly assess water consumption performance at our properties and take necessary measures, where required to minimise wastage.



### Water • Space Optimisation Business

In FY2020, the water consumption for common toilet facilities and landscaping purposes amounted to 85,729 m³, an increase of 59% from 53,917 m³ in FY2019. This was largely due to an increase in occupancy rate, in addition to scheduled modifications and repair works of water tanks conducted in compliance with Public Utilities Board standards. The modifications led to a higher amount of water used for testing purposes which involved drainage of water tanks and subsequent refilling.

## VI. PERFORMANCE AND HIGHLIGHTS

### Protecting Our Environment

As at end September 2020, 75% of the properties we manage under Space Optimisation Business were installed with water saving taps. We endeavour to continue this initiative for 100% of our newly acquired properties.

Further to that, to reduce water consumption and wastage at our properties, we are currently sourcing for vendors for the installation of sensor nodes to monitor real time water consumption data and detection of water leaks.

#### **Water • Logistics Services Business**

In FY2020, with the commencement of operations of our new site at 7 Gul Avenue, the total water withdrawn by Logistics Services Business amounted 2,932 m<sup>3</sup> in FY2020. Water consumed were mainly for cleaning purposes to upkeep our fleet of vehicles.

#### **Water Consumption Intensity • Space Optimisation Business and Logistics Services Business**

The water consumption intensity in Space Optimisation Business showed an increase from 1.52 m<sup>3</sup>/m<sup>2</sup> in FY2019 to 1.74 m<sup>3</sup>/m<sup>2</sup> in FY2020 due to the higher occupancy rate and modification and repair works conducted as mentioned above.

Overall, water consumption intensity including both Space Optimisation Business and Logistics Services Business amounted to 1.54 m<sup>3</sup>/m<sup>2</sup> in FY2020, resulting in a 2% decrease from FY2017 intensity of 1.58 m<sup>3</sup>/m<sup>2</sup>.

## VI. PERFORMANCE AND HIGHLIGHTS

### Safeguarding Health and Safety

The safety and well-being of our employees and tenants are of utmost importance to us. As such, we constantly strive to provide a safe and conducive working environment and to inculcate a culture where individuals commit to practicing 'safety-first' habits.

#### Yearly Targets – Achieved in FY2020

- Zero work-related fatalities  
● *Met*
- Less than 5 work-related injuries a year within LHN's premises  
● *Met*
- Less than 5 work-related injuries a year offsite  
● *Met*
- Zero fines<sup>3</sup> or penalties relating to customer health and safety for Space Optimisation Business  
● *Met*

#### Achieved ISO45001:2018

certification for LHN's Logistics Services Business<sup>4</sup>

#### Our Year's Progress: Health and Safety

WORKERS	FY2019	FY2020
<b>Work-related fatalities</b>	<b>0</b>	<b>0</b>
<b>High-consequence work related injury</b>	<b>0</b>	<b>0</b>
<b>Number of work-related injury</b>		
<b>Employees</b>	<b>1</b>	<b>4</b>
<b>Work-related injury rate (per million hours worked)</b>		
<b>Employees</b>	<b>2</b>	<b>4</b>
<b>Number of work-related ill health</b>		
<b>Employees</b>	<b>0</b>	<b>0</b>
<b>Work-related ill health rate (per million hours worked)</b>		
<b>Employees</b>	<b>0</b>	<b>0</b>
<b>Working hours</b>		
<b>Employees</b>	<b>578,996</b>	<b>1,131,799</b>
<b>Lost Days due to work-related injuries</b>		
<b>Employees</b>	<b>5</b>	<b>88</b>

The total working hours increased by 95.5% in FY2020 mainly due to the increase in employees hired for our new dormitory business which began operations from April 2020.

During the year, there were 4 work-related injury incidents resulting in 88 lost days, of which, 3 were slip, trip and fall incidents and one was caused by a knock against moving object. Protecting the employees' health, safety and well-being are imperative to the business and an integral part of our human capital management, which has become increasingly critical given the COVID-19 backdrop. We have

<sup>3</sup> Fines less than S\$500 are considered immaterial.

<sup>4</sup> ISO45001:2018 Occupational Health and Safety Management System certification (OHSMS) has been attained by Hean Nereng Logistics Pte. Ltd..

## VI. PERFORMANCE AND HIGHLIGHTS

### Safeguarding Health and Safety

#### Achieved BizSAFE STAR<sup>5</sup>

for LHN's Logistics  
Services Business

taken the necessary measures, such as, replaced uneven floorings, provided training on proper handling of equipment and communicated to our employees the importance of maintaining vigilance of surroundings at the workplace, in our efforts to avoid re-occurrence of the injuries.

Further to that, we have introduced precautionary protocols in our fight against COVID-19 on our premises, where we continue to maintain strict oversight over the adherence of them by our employees and tenants. The case study section below details more information on the protocols.

#### MANAGEMENT APPROACH WITH REFERENCE TO OHS GRI 2018

#### HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

- We conduct risk assessments and identification of hazards, as relevant to the scope of our core business activities. Accordingly, controls are put in place to minimise safety risks for our employees where hazards are identified.
- We also require our contractors to submit a copy of the contractors' internal risk assessment prior to commencement of work under the Space Optimisation Business. Facility managers will review hazard identification assessment and perform checks to ensure appropriate controls are implemented by contractors where necessary.

#### WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY ("OHS")

- To better facilitate engagement and discussions on occupational health and safety processes or incidents, regular safety-related inspections are conducted and open communication channels are maintained for each business units. They include monthly fire safety inspections at the properties under Space Optimisation Business, yearly ISO OHSMS audits and group chat including both management and staff maintained to promptly relay incident occurrences for Logistics Services Business and lastly, guidance provided to staff in regards to health and safety for the Facilities Management Business.

<sup>5</sup> Attaining BizSAFE STAR means that company's Workplace Safety and Health Management System (WSHMS) is in compliance with the Workplace Safety and Health (WSH) Act and international standards such as ISO 45001.

## VI. PERFORMANCE AND HIGHLIGHTS

### Safeguarding Health and Safety

- Apart from the regular meetings, safety data sheet<sup>6</sup> provided by suppliers, OHS related policies and Standard of Procedures (“**SOP**”) will be used as guidance for our employees to stay abreast of the potential hazards associated with their jobs and to practise precautionary behaviour for a safe work environment.

#### **WORKERS’ HEALTH AND OCCUPATIONAL HEALTH AND SAFETY TRAININGS**

- LHN conducts mandatory safety courses every year which include Hazmat, Work at Height and Workplace Safety and Health In Process Plant trainings.
- Aside from having a safe work environment at LHN, ensuring the wellness of our employees is paramount against the COVID-19 pandemic backdrop. We aim to promote health and wellness at LHN by providing a series of talks and online workouts. Please refer to Monthly Employee Engagement Programme case study on page 36 for more details.

#### **WORK FROM HOME POLICY IN FY2020**

- In line with the laws and regulations from Ministry of Manpower (“**MOM**”) to protect our employees’ health and safety during COVID-19, LHN has introduced the Work From Home Policy in FY2020 to support remote work on a rotational basis and to reduce physical interactions with public. The policy detailed requirements on the working hours, communications, physical meetings with external parties, technology requirements and supports and security and confidentiality for our employees to follow.

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<sup>6</sup> A safety data sheet is a term used for detailed informational document prepared by a manufacturer, as applicable, for their products as part of the hazard communication protocol set out by applicable standards.

## VI. PERFORMANCE AND HIGHLIGHTS

### Safeguarding Health and Safety

#### CASE STUDY

#### PROMOTE WORKERS HEALTH AND SAFETY DURING COVID-19 PERIOD

##### COVID-19 RESPONSE

At LHN, examples of safety protocols established in accordance with the relevant guidelines set out by Ministry of Health are as follows:

- Travel declaration form to be completed by visitors and employees
- Provision of travel advisory updates for employees
- Checking of our employees' and visitors' temperature before access to premises
- Application of safe distancing measures at our premises
- Safe entry QR code prior to access to premises
- Provision of hand sanitisers and sanitising spray at common areas i.e. reception and pantry area
- Regular disinfection of premises and high touchpoints



*Communication on safety measures*



*Temperature screening*



*Safe Distancing*

##### COVID-19 RESPONSE @ SPECO PROTECTIVE TECHNOLOGY

COVID-19 can be easily transmitted via contact with the virus through touchpoints (e.g. lift buttons, door handles, etc.) when these unprotected surfaces are left exposed in between scheduled cleaning intervals.

As such, LHN has adopted the application of Speco disinfectant at our buildings at 31 Boon Lay Drive and 1A Lutheran in the pilot phase beginning September 2020 for all high touch points. Speco is a long-lasting

disinfectant that is effective against coronavirus and fomite transmission, with efficacy of up to 6 months. This disinfectant has undergone rigorous lab-tests and furthermore is colourless and non-toxic (food-grade, i.e. the material is fit for human consumption or permitted to come in contact with food) which will give our employees and tenants a peace of mind amidst this pandemic. We will implement similar antimicrobial coating technology at the remaining of our properties.



## VI. PERFORMANCE AND HIGHLIGHTS

### Safeguarding Health and Safety

#### COVID-19 RESPONSE @ PROTECT WELL-BEING AT LHN

LHN cares for the well-being of every staff. Especially with remote work arrangements which have prompted concerns on mental well-being and stress-coping mechanisms, LHN has introduced and encouraged our employees to practice the following for each of the five aspects:

#### 1. Physical

- Daily outdoor exercise for fresh air and sunlight
- Adopt healthy food practice including snacks and fruit
- Stand up during the day, such as standing when taking calls and walking around home
- Maintain a regular sleep schedule

#### 2. Emotional

- Practise deep breathing, meditation or mindfulness using free applications such as Insight Timer, Calm and Headspace, etc.
- Lend a listening ear to fellow colleagues and staff if you observe that stress is affecting them

#### 3. Social

- Engage colleagues for daily discussions and communications even on non-work topics to avoid isolation
- Proactive check-ins with colleagues

#### 4. Work

- Create a dedicated space for work only with some extent of privacy during the work from home period, where possible
- Ensure the workspace is properly set-up to suit your needs
- To replace time previously used for commuting to work with morning walks, preparation of meals and more
- Maintain a regular work schedule and meal times so as to keep work-life balance and to prevent burnout

#### 5. Family and roommates

- Maintain or create a schedule for family and loved ones
- To communicate to family members or roommates to respect your designated workspace as a place of business

# VI. PERFORMANCE AND HIGHLIGHTS

## Cultivating Strong Business Values

We pride ourselves on strong, mutually beneficial relationships formed with our customers. We seek to maintain a track record of service quality excellence and in being a trusted business partner for all suppliers, customers and tenants working with us.

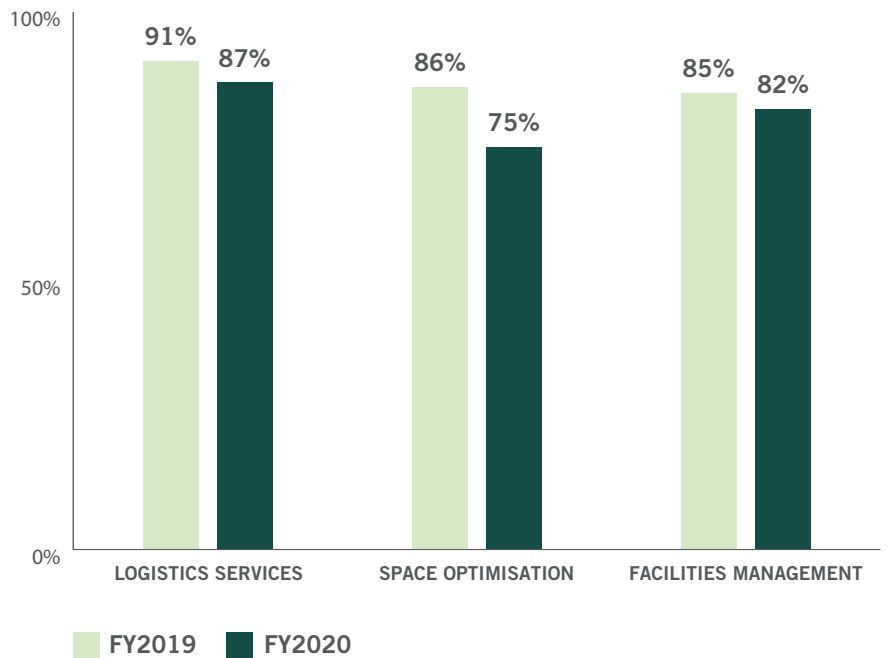
### Yearly Targets – Achieved in FY2020

Satisfaction result score of:

- Space Optimisation Business: 70%  *Met*
- Facilities Management Business: 70%  *Met*
- Logistics Services Business: 70%  *Met*

### Our Year’s Progress: Customer Satisfaction

#### CUSTOMER SATISFACTION SURVEY SCORES



Our various business segments continue to conduct yearly customer satisfaction surveys, which are imperative for identifying areas of improvement to better serve the needs of our customers.

Over the past three years, our customer satisfaction scores for Facilities Management and Logistics Services Businesses remained relatively consistent while Space Optimisation Business has shown a decrease from 86% in FY2019 to 75% in FY2020. This was mainly due to the increased client expectations on cleanliness standards and frequency amidst COVID-19 pandemic which LHN is also committed to for the safety of our tenants.

## VI. PERFORMANCE AND HIGHLIGHTS

### Cultivating Strong Business Values

All customers' feedbacks and complaints received are reviewed by each business segment's management team in ensuring that appropriate corrective measures are implemented to resolve matters raised in a timely manner. In FY2020, while there were no major substantiated complaints received, LHN will continue to monitor the effectiveness of existing business practices in ensuring the needs of our customers are satisfactorily met.

#### INITIATIVES LAUNCHED IN FY2020 AND FUTURE ACTION PLAN

#### LHN 2020 CUSTOMER EXPERIENCE TRANSFORMATION INITIATIVE

LHN views excellent customer service as the competitive advantage and differentiator for the Group. We recognise the importance of creating a positive and good service experience for our customers.

In FY2020, we rolled out a Company-wide customised 'Go the Extra Mile Service' (GEMS) training programme to elevate our customers' experience with LHN. We have engaged close to 40 service ambassadors on this learning journey which took place in November 2019 over 4 days. Through this training, our employees gained an in-depth understanding of service excellence, was better able to relate to the service language and learnt to go the extra mile service for customers, where possible.

LHN will continue with this customer service training programme in FY2021.



# VI. PERFORMANCE AND HIGHLIGHTS

## Cultivating Strong Business Values

### CASE STUDY

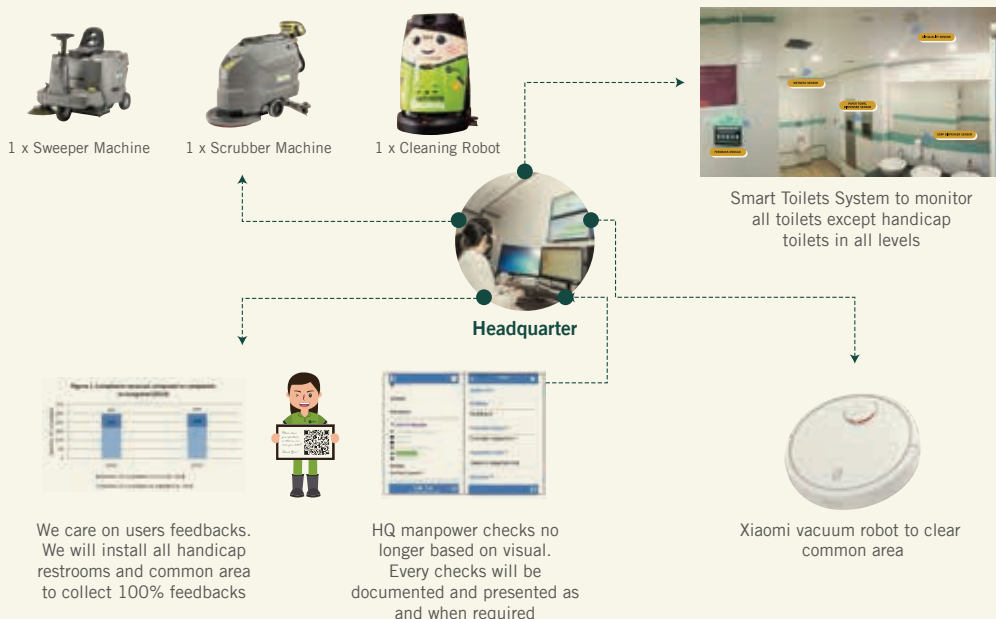
### INVESTING IN INTEGRATED CLEANING SOLUTIONS IN FACILITIES MANAGEMENT BUSINESS

#### INTEGRATED CLEANING TECHNOLOGIES TO IMPROVE CLEANING STANDARDS

To improve the productivity and quality of cleaning services for our clients and end-users, LHN's facilities management business have introduced an integrated cleaning technology for our clients to better monitor and track cleaning activities in their buildings.

Further, to enhance LHN's smart toilet solution capabilities, advanced technology (e.g. cleaning robots and machines), software (e.g. mobile application) and platforms (e.g. centralised data management systems), are used to oversee and manage activities with real-time updates. This reduces the need for frequent physical checks on-site, thereby increasing efficiency and labour cost savings for our clients. For example, the Xiaomi branded automatic vacuum robot is able to support history logs retrieval and operate during silent hours which may not be able to be achieved as easily with manpower.

In addition, we have launched our mobile service application, i.e. I Clean, which records attendance of our cleaning staff through face recognition and location detection technology. This feature has become more essential than ever during the COVID-19 period as it helps to minimise contact which would otherwise be necessary. The application also supports work rosters to be released in four different languages - namely, English, Chinese, Malay and Tamil for our staff hailing from diverse racial backgrounds. Alerts triggered by built-in toilet sensors are also integrated into the application to help initiate services, such as the replenishment of resources, required in a timely fashion.



*Integrated cleaning solutions*

## VI. PERFORMANCE AND HIGHLIGHTS

### Cultivating Strong Business Values

#### CASE STUDY

#### SUPPORTING TENANTS DURING COVID-19

##### COVID-19 RESPONSE @ PROPERTIES

###### SAFETY MEASURES

LHN has taken proactive actions to ensure our employees' and customers' health and safety within our premises. We have placed hand sanitisers at every lift lobby and applied an antimicrobial film on all lift buttons, as well as, increased the frequency of the cleaning of high touchpoints throughout the property.

Further to that, we are progressively incorporating the use of technology (e.g. cleaning robots) into our cleaning regime due to the benefit of being able to pre-set functions to perform cleaning and disinfection activities during less foot-traffic hours. We have recently also introduced a pilot initiative at one of our properties, installing of the Ultra-low volume ("ULV") mister which is designed to automatically disperse disinfectant through fine micron particles for a wider reach in designated rooms or areas during low footfall periods.

Within the premises, our property managing agent are also tasked to ensure safe distancing measures are implemented and adhered to at both common and leased areas. We work with the authorities to carry out random checks on our tenants to ensure the stipulated measures are complied with.

We have also increased communications with our tenants on safety awareness and steps in the event of any suspected COVID-19 cases found on our premises. All tenants in the properties will be duly notified and are encouraged to monitor for any symptoms. We will then activate our cleaning vendor to carry out disinfecting at the common area using an automatic ULV mister which is designed to disperse the disinfectant in fine micron particles to all the walls, ceilings, aircon vents, work desks, chairs.

###### SUPPORT OF OUR TENANTS

The Space Optimisation Business has relayed rental rebates awarded by the government to businesses that qualify. Tenants are key stakeholders of our business and at LHN, we strive to do what we can to sustain a mutually supportive relationship especially during these difficult times.

## VI. PERFORMANCE AND HIGHLIGHTS

### Cultivating Strong Business Values

#### Yearly Targets – Achieved in FY2020

- Zero substantiated complaints or identified leaks, thefts or losses of customer data  
● *Met*
- Zero confirmed incidents of corruption  
● *Met*
- Zero non-compliance cases with applicable laws and regulations  
● *Met*

#### Highlights

### Patch Management

implemented in 2020

#### Our Year's Progress: Security of Information & Corporate Governance

##### SECURITY OF INFORMATION

At LHN, we continue to adhere to our Personal Data Protection policy which is aligned with Singapore Personal Data Protection Act 2012.

With an increased number of work-from-home arrangements during the year as precaution against COVID-19, the importance of ensuring data and information security and confidentiality continues to be echoed across the organisation, as well as, channels open for employees to promptly report on such related incidents as soon as they become aware. We are pleased to share that we have not faced any substantiated complaints or identified leaks, thefts or losses of customer data over the past 4 years.

##### ANTI-CORRUPTION AND COMPLIANCE

The Group maintains its stance in upholding high ethical standards, which we believe is integral to our corporate identity, business and success.

Our corporate policies and guidelines have been updated based on the latest Code of Corporate Governance 2018 and are aligned with SGX's Rules of the Catalist, HKEX Main Board Listing Rules and the applicable laws and regulations where we operate in.

The Group further holds zero tolerance towards improprieties in relation to bribery, extortion, fraud, financial reporting and money laundering. Our stakeholders are encouraged to report and raise in good faith their concerns about possible improprieties to our audit committee chairman at this email: [gary.chan@lhngroup.com.sg](mailto:gary.chan@lhngroup.com.sg). All reports will be addressed in accordance with our whistle-blowing policy and be kept in confidence.

In FY2020, there were zero confirmed incidents of corruption brought against the Group or any of its employees and zero non-compliance cases with applicable laws and regulations.

## VI. PERFORMANCE AND HIGHLIGHTS

### Cultivating Strong Business Values

#### INITIATIVES LAUNCHED IN 2020 AND FUTURE ACTION PLAN

#### CYBER SECURITY AWARENESS TRAINING

In FY2020, the Information Technology (“IT”) Department provided cyber security awareness trainings to all our employees in view of higher risk of cyber-attack with the increased number of remote working arrangements. The training shared good practices for setting passwords and when sending emails, know-hows to identify phishing emails, steps to take when using public Wi-Fi and more. This training will be held as a refresher and also to inform employees of any new cyber security risks in the ensuing years, including FY2021.

#### UPGRADED ANTI-VIRUS SYSTEM TO A TOTAL ENDPOINT PROTECTION SUITE

This year, we have upgraded our anti-virus system to a more extensive suite that integrates security across multiple layers. It encompasses the following layers of security to ensure the broadest protection coverage against ransomware and advanced attacks:

- Endpoint security: Secure user activity on desktops, laptops or mobile devices with threat and data protection, application control, vulnerability protection and encryption
- Email and collaboration security: Superior protection against spam, phishing, malware and targeted attacks on mail server
- Web security: Enhanced visibility and control over employees’ web usage
- Centralised security management: Visibility across the entire threat life cycle for better analysis and management of threat

## VI. PERFORMANCE AND HIGHLIGHTS

### Cultivating Strong Business Values

#### **PATCH MANAGEMENT SYSTEM**

Patch management is the process that helps acquire, test and install multiple patches (code changes) on existing applications and software tools on a computer, enabling systems to stay updated on existing patches and determining which patches are the appropriate ones.

In the following years, the Group has plans to update its patch management system to boost automation in updating of software patches which will reduce vulnerabilities to cyber-attacks induced by unpatched systems.

The upgrades to patch management will also optimise functionality of the systems leading up to better employee productivity.

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#### **CASE STUDY**

#### ENHANCING LHN DATA SECURITY IN FY2020

##### **UPGRADING OF VPN GATEWAY AND MULTIFACTOR VERIFICATION FOR LHN'S VPN ACCESS**

During the year, we have upgraded our VPN Gateway to increase the bandwidth in catering to a higher number of users and usage and further, incorporated a multifactor authentication process before employees can access the company's VPN gateway from a remote location. This added security function

is paramount to ensure secure information and data access given the rise in number of employees working remotely from home due to imposed restrictions by the Government as a result of COVID-19.



# VI. PERFORMANCE AND HIGHLIGHTS

## Creating A Fair Workplace

As an employer, we believe that a diverse work environment will fuel innovation and ideas which is core to our business. Further pledging our commitment to TAFEP, we pride ourselves in being an employer who practices fair employment and provides equal opportunities to all.

### Yearly Target – Achieved in FY2020

- No confirmed cases of discriminations



### FY2021 Target

- Average of 15 training hours per employee

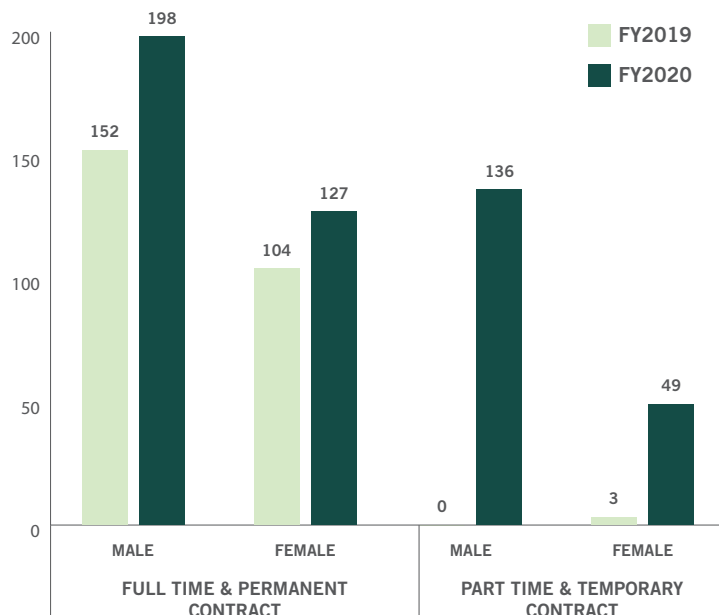
### Our Year's Progress: Fair Employment Practices

As a group with expertise across various core business segments and a diverse customer base involving both corporates and individuals, we place great importance on establishing a workplace that is built on diversity and equal opportunities. As at end of FY2020, we have approximately 65% male to 35% female employees on average. This is an improvement in comparison to prior year's of 59% male to 41% female on average.

The overall workforce numbers have a significant increase from 259 as at the end of FY2019 to 510 employees as at the end of current year. This is mainly due to the increase in employees from residential division of the Space Optimisation Business and Facilities Management Business. The Group has newly launched the new dormitory business beginning April 2020, which has resulted in a substantial increase in part-time and temporary employees hired to oversee operational requirements.

For more information on our employee profile by gender, employment type and employment contract at the end of FY2019 and FY2020, kindly refer to the below:

### Employee Profile



## VI. PERFORMANCE AND HIGHLIGHTS

### Creating A Fair Workplace

#### FAIR EMPLOYMENT PRACTICES • NEW HIRES AND EMPLOYEE TURNOVER RATES

In FY2020, there were a total of 413 new hires (FY2019: 163 new hires) and 162 turnovers (FY2019: 103 turnovers). Refer to the below charts for a breakdown of our employees' new hire and turnover rate by age group and gender.

A high turnover rate was recorded due to nature of part-time temporary workers engaged for our new dormitory business.

		<30 years old	30-50 years old	>50 years old
Number of Employees by age group	FY2019	49	133	77
	FY2020	133	272	105
Percentage of new hire employees by age group	FY2019	75.5%	57.1%	64.9%
	FY2020	87.2%	86.8%	58.1%
Percentage of turnover rate by age group	FY2019	42.8%	29.3%	55.8%
	FY2020	65.3%	72.9%	42.9%

		FY2019	FY2020
Percentage of new hire employees by gender	Male	77.0%	93.1%
	Female	43.0%	58.0%
Percentage of turnover rate by gender	Male	57.2%	36.2%
	Female	15.0%	23.3%

## VI. PERFORMANCE AND HIGHLIGHTS

### Creating A Fair Workplace

#### **FAIR EMPLOYMENT PRACTICES • AVERAGE TRAINING HOURS BY GENDER AND EMPLOYEE CATEGORY**

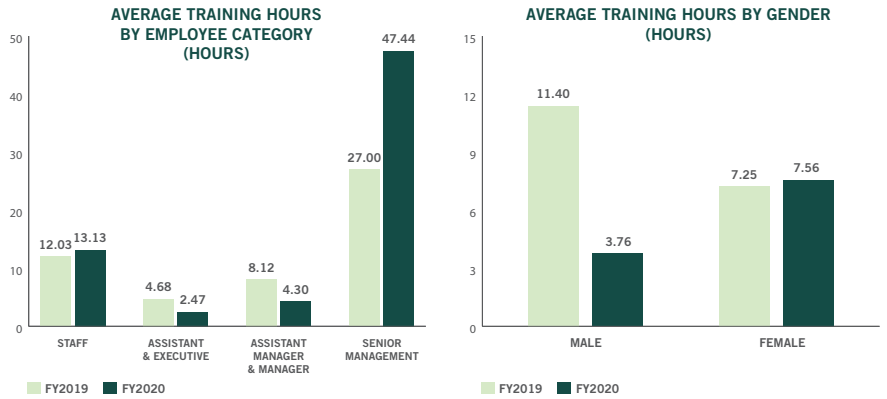
LHN believes that the investment in the learning and development of our employees can help the Group retain its competitive edge within our industry. Our HR department considers the various business segments' development needs and skillsets required by employees when arranging for training programmes tailored to our employees. At LHN, sponsorships are also granted to employees for taking up relevant courses not arranged by the Group.

On a yearly basis, our employees are evaluated on their performance through an appraisal conducted. Similar to our Group's practice in FY2019, our supervisors and employees will also have opened feedback discussions on ways to improve an employee's performance and their development.

In FY2020, we achieved in total 2,588 training hours (FY2019: 2,509 hours) for our employees, resulting in an average of 5.1 hours per employee (FY2019: 9.7 hours per employee). These training courses are designed to fulfil various knowledge and skillsets required of our employees ranging from financial-related courses to safety trainings. The decrease in average training hours per employee by 47% in FY2020 was due to an increase in workforce numbers, particularly male employees, and limitations to carry out in-person trainings due to COVID-19 restrictions.

# VI. PERFORMANCE AND HIGHLIGHTS

## Creating A Fair Workplace



However, we have organised monthly engagement programmes which are open for all employees to attend subject to their preference. Some of these programmes are shared in the case study below.

### INITIATIVES LAUNCHED IN 2020 AND FUTURE ACTION PLAN

#### E-LEARNING PROGRAMME

In FY2020, to continuously provide our employees with adequate skills and knowledge on their jobs and with the consideration of safety issues during the COVID-19 period, we have embarked on an e-learning partnership with SkillsHub and other training providers in providing a myriad of Workforce Skills Qualification (“**WSQ**”) courses on Microsoft Excel, Word and PowerPoint, virtual marketing, cyber awareness, and more.

In FY2021, we target for all employees to receive an average of 15 training hours for that year.

# VI. PERFORMANCE AND HIGHLIGHTS

## Creating A Fair Workplace

### CASE STUDY

#### EMPLOYEE ENGAGEMENT PROGRAMME AND LONG SERVICE AWARD

##### EMPLOYEE ENGAGEMENT PROGRAMMES

Due to work from home arrangements over an extended period and the consideration of employees’ well-being during the COVID-19 period, we have launched a series of online mental wellness talks and workout sessions for our employees in FY2020. During this tough time, we are striving to create a health and well-being-centric work environment for our employees not only at our office premises but also for those who are working from home during this pandemic.

For example, we have participated in the Workplace Outreach Wellness Programme initiated by the Health Promotion Board and have scheduled a series of programmes such as ‘Handling Life’s Difficulties’ and Ergonomics Workshop online talks, as well as, yoga classes as shown in the right poster. Other programmes include online financial literacy talks which provide insights to the management one’s financial health.



##### LHN 2020 LONG SERVICE AWARD

LHN appreciates our employees for their continued loyalty, dedication and contributions. In recognition of that, we proudly presented the Long Service Award of 5, 10 and 15 years respectively to 30 employees.

## APPENDIX A.

### Entities included in the Group's Sustainability Report

LHN LIMITED		
LHN GROUP PTE. LTD.		
SPACE OPTIMISATION BUSINESS	FACILITIES MANAGEMENT BUSINESS	Logistics Services Business
<ul style="list-style-type: none"> <li>• Chua Eng Chong Holdings Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Coliwoo Dormitory Management Pte. Ltd. (formerly known as Industrial and Commercial Security Pte. Ltd.)</li> </ul>	<ul style="list-style-type: none"> <li>• Hean Nerng Logistics Pte. Ltd. ("HNL")</li> </ul>
<ul style="list-style-type: none"> <li>• GreenHub Suited Offices Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• New Shiso Catering Pte. Ltd. (formerly known as PickJunction Pte. Ltd.)</li> </ul>	
<ul style="list-style-type: none"> <li>• Hean Nerng Facilities Management Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial &amp; Commercial Facilities Management Pte. Ltd.</li> </ul>	
<ul style="list-style-type: none"> <li>• LHN Energy Resources Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• LHN Parking Pte. Ltd.</li> </ul>	
<ul style="list-style-type: none"> <li>• LHN Facilities Management Pte. Ltd.</li> </ul>		
<ul style="list-style-type: none"> <li>• LHN Properties Investments Pte. Ltd.</li> </ul>		
<ul style="list-style-type: none"> <li>• LHN Space Resources Pte. Ltd.</li> </ul>		
<ul style="list-style-type: none"> <li>• Singapore Handicrafts Pte Ltd</li> </ul>		
<ul style="list-style-type: none"> <li>• Soon Wing Investments Pte. Ltd.</li> </ul>		
<ul style="list-style-type: none"> <li>• Work Plus Store (Joo Seng) Pte. Ltd.</li> </ul>		
<ul style="list-style-type: none"> <li>• Work Plus Store Pte. Ltd.</li> </ul>		

## APPENDIX B.

### Methodological Review & Data Boundaries

This section details key definitions, methodologies and data boundaries applied to LHN Limited's Sustainability Report, as we endeavour to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards Glossary 2016, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

#### SOCIAL

##### Employee

*Employees* are defined as individuals who are in an employment relationship with the Group.

##### New hires and turnover (rates)

*New hires* are defined as new employees who have joined the Group during the financial year.

*Turnover* is defined as all employees who have left the Group voluntarily, or due to dismissal, retirement or death in service during the financial year.

*New hires/turnover rate* is the total number of new hires/employee turnovers in the financial year, relative to the total number of employees recorded as at financial year-end.

*New hires/turnover rate by age group* is the total number of new hires/employee turnovers for each age group in the financial year, relative to the total number of employees in the respective age groups recorded as at financial year-end.

*New hires/turnover rate by gender* is the total number of female/(male) new hires/employee turnovers for each gender in the financial year, relative to the total number of female/(male) employees recorded as at financial year-end.

##### Training hours

*Average training hours per employee* is the total number of training hours incurred during the financial year provided to employees, relative to the total number of employees recorded as at financial year-end.

*Average training hours per female/(male) employee* is the total number of training hours provided to female/(male) employees, relative to the total number of female/(male) employees recorded as at financial year-end.

*Average training hours per employee category* is the total number of training hours provided to each category of employees, relative to the total number of employees in the category recorded as at financial year-end.

##### Non-employee Workers

*Non-employee workers* are defined as workers who are not employees but whose work and/or workplace is controlled by the organization; Or workers who are not employees and whose work and workplace are not controlled by the organization, but the organization's operations, products or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships.

#### ENVIRONMENT<sup>7</sup>

##### Energy consumption within the Group

Space Optimisation Business: Energy consumed results from self-generated energy from solar and purchased electricity consumed by LHN's properties for its common areas (includes both indoors and outdoors, such as decorative light fixtures and lamp posts outside of building) but excludes GreenHub properties and LHN's Headquarters due to immaterial energy consumption. Solar energy data covers 72 Eunos and 100 Eunos buildings only. 38 Ang Mo Kio is excluded as it is part of a joint venture and not covered within scope of the report.

Logistics Services Business: Energy consumed results mainly from fuel consumed by LHN's fleet of prime movers, trailers, oil tankers, ISO tankers and trucks. The remaining energy is contributed by electricity purchased for its newly acquired property at 7 Gul Avenue in 2020 to house our vehicle fleet, covering data from January to September 2020 only.

Energy consumed is expressed in Megawatt hours (MWh).

##### Energy intensity

Space Optimisation Business: This is the ratio of energy consumed relative to total common floor areas (excludes outdoors as lighting outside of building is not attributable to any floor area) in square metres.

Energy intensity is expressed in Megawatt hours per square metre (MWh/m<sup>2</sup>).

##### GHG emissions

This report discloses indirect Scope 2 GHG emissions for Space Optimisation Business and Scope 1 GHG emissions for Logistics Services Business.

Scope 1 GHG emissions are derived from sources that are owned or controlled by LHN, which in this case are emissions released from fuel combustion within LHN-owned vehicle fleet. Carbon emissions are calculated with reference to 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

Scope 2 GHG emissions are emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation. In the scope of reporting, this only relates to purchased electricity and is expressed in tonnes of CO<sub>2</sub>. A location-based method is adopted, which reflects the GHG emissions of the grids on which energy consumption occurs. In Singapore, the Grid Emission Factor ("GEF") used for calculating GHG emissions is obtained from the Energy Market Authority of Singapore.

GHG emissions is expressed in tonnes of carbon dioxide equivalent (TCO<sub>2</sub>e).

<sup>7</sup> Facilities Management Business is not covered in the scope for environmental-related material matters due to nature of the operations which involve a large number of resources being stationed at clients' properties. Their energy and water consumption data are not available. Whereas for office staff, energy and water consumption data is covered under the environment data of LHN's headquarters.

## APPENDIX B.

### Methodological Review & Data Boundaries

#### Work-related incident

*Injury incidents* are non-fatal or fatal injury or ill health arising out of, or in the course of, work.

*Ill health* indicates damage to health and includes diseases, illnesses and disorders.

#### Recordable work-related injury and rate

*Rate of recordable work-related injuries for employees/non-employee workers* is the total number of employees'/non-employee workers' recordable work-related injuries per million hours worked, relative to the total scheduled hours worked by all employees/non-employee workers recorded as at financial year-end.

#### Recordable work-related ill health and rate

*Rate of recordable work-related ill health for employees/non-employee workers* is the total number of employees'/non-employee workers' recordable work-related ill health per million hours worked, relative to the total scheduled hours worked by all employees/non-employee workers recorded as at financial year-end.

#### Fatalities and rate

*Rate of fatalities as a result of work-related injury by employees and non-employee workers* is the number of employees'/non-employee workers' fatalities as a result of work-related injury per million hours worked, relative to the total scheduled hours worked by all employees/non-employee workers recorded as at financial year-end.

*Rate of fatalities as a result of work-related ill health by employees and non-employee workers* is the number of employees'/non-employee workers' fatalities as a result of work-related ill health per million hours worked, relative to the total scheduled hours worked by all employees'/non-employee workers recorded as at financial year-end.

#### High-consequence work-related injury and rate

*High-consequence work-related injury* is the work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months

*Rate of high-consequence work-related injuries (excluding fatalities) by employees or non-employee workers* is number of high-consequence work-related injuries (excluding fatalities) from employees/non-employee workers per million hours worked, relative to the total scheduled hours worked by all employees/non-employee workers recorded as at financial year-end.

#### Substantiated complaints

*Substantiated complaints* are written statements by regulatory or similar official body addressed to the organisation that identifies breaches of customer privacy, or a complaint lodged with the organisation that has been recognised as legitimate by the organisation.

*Major substantiated complaints* are defined as those that result in long-term significant impact on the health and safety of our customers, breaches to health and safety regulations, or a failure to deliver agreed-upon service requirements.

#### GHG emissions intensity

Space Optimisation Business: This is the ratio of GHG emissions relative to total occupied area (including common floor area) in square metres.

GHG emissions intensity for Space Optimisation Business is expressed in tonnes of carbon dioxide equivalent per square metre (TCO<sub>2</sub>e/m<sup>2</sup>).

Logistics Services Business: This is the ratio of GHG emissions to distance travelled. This is estimated at 2.5 kilometres travelled per litre for GHG emission intensity calculation purposes.

GHG emissions intensity for Logistics Services Business is expressed in tonnes of carbon dioxide equivalent per kilometre (TCO<sub>2</sub>e/km).

#### Water consumption

Space optimisation Business: This is the volume of water consumed by LHN's properties but excludes GreenHub properties and LHN's Headquarter due to immaterial water consumption.

Logistics Services Business: Volume of water consumption includes mainly water used for washing of our vehicle fleet. Water consumption data covers January to September 2020 only.

Given the nature of LHN's business and in Singapore's context, where water comes from a single third-party source supplied by Public Utilities Board (PUB) and discharge is not required to be monitored, the total amount of water withdrawn is assumed to be amount consumed as is reflected in utility bills received by the Group.

Volume of water consumed is expressed in cubic metres (m<sup>3</sup>).

#### Water intensity

Space optimisation Business: This is the ratio of water consumed relative to total common floor areas in square metres.

Water intensity is expressed in cubic metres per square metre (m<sup>3</sup>/m<sup>2</sup>).



## APPENDIX C.

### GRI Content Index

GRI STANDARD	DISCLOSURE	SECTION	PAGE NUMBER ("NO.")
102-1	Name of the organization	Our business	1
102-2	Activities, brands, products and services	Our business	1
102-3	Location of headquarters	Our business	1
102-4	Location of operations	Our business	1
102-5	Ownership and legal form	Our business	1
102-6	Markets served	Our business	1
102-7	Scale of the organization	Our business	1
102-8	Information on employees and other workers	Create a fair workplace	31-35
102-9	Supply chain	Our business	1
102-10	Significant changes to the organization and its supply chain	Chairman's message	4-5
102-11	Precautionary Principle or approach	Chairman's message	4-5
102-12	External initiatives	Safeguard health and safety	19-23
102-13	Membership of associations	Singapore Business Federation HNL: Singapore Logistics Association	–
102-14	Statement from senior decision-maker	Chairman's message Board Statement	4-5 7
102-16	Values, principles, standards, and norms of behaviour	Our business Chairman's message Create a fair workplace	1 4-5 31-35
102-18	Governance structure	Sustainability at LHN: Sustainability Governance Cultivate strong business values: Anti-corruption and compliance	7 28
102-40	List of stakeholder groups	Our approach to sustainability: Stakeholder engagement	8-9
102-41	Collective bargaining agreements	Not applicable	–
102-42	Identifying and selecting stakeholders	Sustainability at LHN: Stakeholder engagement	8-9
102-43	Approach to stakeholder engagement	Sustainability at LHN: Stakeholder engagement	8-9
102-44	Key topics and concerns raised	Sustainability at LHN: Stakeholder engagement	8-9
102-45	Entities included in the consolidated financial statements	Appendix A	36
102-46	Defining report content and topic boundaries	Sustainability at LHN: overview of LHN's sustainability approach	10-13
102-47	List of material topics	Sustainability at LHN: overview of LHN's sustainability approach	10-13
102-48	Restatements of information	Not applicable to this report.	–
102-49	Changes in reporting	About this report	2-3
102-50	Reporting period	About this report	2-3
102-51	Date of most recent report	–	FY2019 Sustainability Report was published on 28 February 2020.
102-52	Reporting cycle	–	Annual

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### GRI Content Index

GRI STANDARD	DISCLOSURE	SECTION	PAGE NUMBER ("NO.")
102-53	Contact point for questions regarding the report	–	enquiry@lhngroup.com.sg
102-54	Claims of reporting in accordance with the GRI Standards	About this report	2-3
102-55	GRI content index	GRI content index	40-41
102-56	External assurance	Sustainability at LHN: Overview of LHN's sustainability approach	10-13
205-3	Confirmed incidents of corruption and actions taken	Cultivate strong business values: Anti-corruption and compliance	28
302-1	Energy consumption within the organization	Protecting our environment: Energy	14-16
302-3	Energy intensity	Protecting our environment: Energy	14-16
303-1	Interactions with water as a shared resource	Sustainability at LHN: Overview of LHN's sustainability approach Protecting our environment: Water consumption Appendix B	10-13 17-18 37-38
303-2	Management of water discharge-related impacts	Sustainability at LHN: Overview of LHN's sustainability approach Appendix B	10-13 37-38
303-5	Water consumption	Protecting our environment: Water consumption There is no issue in sourcing water that is fit for purpose. We source our water 100% from municipal source.	17-18
307-1	Non-compliance with environmental laws and regulation	Cultivate strong business values: Anti-corruption and compliance	28
401-1	New employee hires and employee turnover	Create a fair workplace	31-35
403-1	Occupational health and safety management system	Safeguard health and safety	19-23
403-2	Hazard identification, risk assessment, and incident investigation	Safeguard health and safety	19-23
403-3	Occupational health services	Safeguard health and safety	19-23
403-4	Worker participation, consultation, and communication on occupational health and safety	Safeguard health and safety	19-23
403-5	Worker training on occupational health and safety	Safeguard health and safety	19-23
403-6	Promotion of worker health	Safeguard health and safety	19-23
403-7	Prevention and mitigation of occupational health and safety impacts	Safeguard health and safety	19-23
403-9	Work-related injuries	Safeguard health and safety	19-23
403-10	Work-related ill health	Safeguard health and safety	19-23
404-1	Average hours of training per year per employee	Create a fair workplace	31-35
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Safeguard health and safety	19-23
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cultivate strong business values: Security of information	28-30
419-1	Non-compliance with laws and regulations in the social and economic area	Cultivate strong business values: Anti-corruption and compliance	28
-	Results of surveys measuring customer satisfaction	Cultivate strong business values: Customer satisfaction	24-26

## APPENDIX D.

### HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
<b>ENVIRONMENTAL</b>				
<b>ASPECT A1: EMISSIONS</b>				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	10-13	–
		Cultivate strong business values: Compliance with applicable laws and regulations	28	–
KPI A1.1	The types of emissions and respective emissions data	Protecting our environment: Energy	14-16	Our logistics business uses ultra-low sulphur diesel 10 ppm which significantly reduces the sulphur dioxide, nitrogen oxides and particulate emissions. The usage of AdBlue substances further reduces harmful nitrogen oxides.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity	Protecting our environment: Energy	14-16	Our GHG emission is principally from the electricity and fuel consumed and is measured in total carbon dioxide (TCO <sub>2</sub> e).
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	–	–	LHN produced no hazardous waste in FY2020.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	–	–	Disposal bins placed at various locations at our properties are cleared by vendors daily. LHN does not monitor the operation of the vendors, and therefore has no data on the total disposed waste for the reporting period.
KPI A1.5	Description of measures to mitigate emissions and results achieved	Protecting our environment: Energy	16	–
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	–	–	All wastes are collected and disposed by authorised vendors. Our waste includes mainly general waste from tenants' activities. Recycling bins are available at all our commercial properties and are placed at common areas for tenants to segregate waste and recycle.
<b>ASPECT A2: USE OF RESOURCES</b>				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	10-13	–
		Cultivate strong business values: Compliance with applicable laws and regulations	28	–
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas, or oil) in total (kWh in '000s) and intensity	Protecting our environment: Energy	14-16	–

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### HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
KPI A2.2	Water consumption in total and intensity	Protecting our environment: Water consumption	17-18	–
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Protecting our environment: Energy	14-16	–
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Protecting our environment: Water consumption	17-18	–
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	–		This is not applicable to LHN. We do not have any packaging material.
<b>ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES</b>				
General Disclosure			–	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Protecting our environment: Energy	14-16	–
		Protecting our environment: Water consumption	17-18	–
<b>SOCIAL</b>				
<b>EMPLOYMENT AND LABOUR PRACTICES</b>				
<b>ASPECT B1: EMPLOYMENT</b>				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	10-13	–
		Create a fair workplace; Cultivate strong business values: Anti-corruption and compliance	28	–
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Create a fair workplace	31-35	–
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Create a fair workplace	31-35	–
<b>ASPECT B2: HEALTH AND SAFETY</b>				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	10-13	–
		Create a fair workplace; Cultivate strong business values: Anti-corruption and compliance	28	–
KPI B2.1	Number and rate of work-related facilities	Safeguard health and safety	19-23	–
KPI B2.2	Lost days due to work injury	Safeguard health and safety	19-23	–

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GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Safeguard health and safety	19-23	–
<b>ASPECT B3: DEVELOPMENT AND TRAINING</b>				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	10-13	–
		Create a fair workplace Cultivate strong business values: Anti-corruption and compliance	28	–
KPI B3.1	The percentage of employees trained by gender and employee category	Create a fair workplace	31-35	–
KPI B3.2	The average training hours completed per employee by gender and employee category	Create a fair workplace	31-35	–
<b>ASPECT B4: LABOUR STANDARDS</b>				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	10-13	–
		Create a fair workplace Cultivate strong business values: Anti-corruption and compliance	28	–
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	–	–	The risk of non-compliance for LHN is extremely low. LHN continues to work with our recruitment agency to ensure our full compliance with any applicable labour law and regulations. There were no non-compliances in FY2020.
KPI B4.2	Description of steps taken to eliminate such practices when discovered	–	–	This is not applicable to LHN. There is no such practice identified within the Group.
<b>OPERATING PRACTICES</b>				
<b>ASPECT B5: SUPPLY CHAIN MANAGEMENT</b>				
General Disclosure		Our business	1	
KPI B5.1	Number of suppliers by geographical region	Our business	1	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Our business	1	–

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### HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
<b>ASPECT B6: PRODUCT RESPONSIBILITY</b>				
General Disclosure		Cultivate strong business values: Anti-corruption and compliance	28	–
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	–		This is not applicable to LHN.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Cultivate strong business values: Customer satisfaction	24-26	–
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	–		This is not applicable to LHN.
KPI B6.4	Description of quality assurance process and recall procedures	–		This is not applicable to LHN.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Cultivate strong business values: Security of information	28-30	–
<b>ASPECT B7: ANTI-CORRUPTION</b>				
General Disclosure		Cultivate strong business values: Anti-corruption and compliance	28	–
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Cultivate strong business values: Anti-corruption and compliance	28	–
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Cultivate strong business values: Anti-corruption and compliance	28	–
<b>COMMUNITY</b>				
<b>ASPECT B8: COMMUNITY INVESTMENT</b>				
General Disclosure		–	–	Please refer to our annual report FY2020 published on the website of HKEX ( <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> ), SGX-ST ( <a href="http://www.sgx.com">www.sgx.com</a> ) and the website of the Company ( <a href="http://www.lhngroup.com">www.lhngroup.com</a> ).
KPI B8.1	Focus areas of contribution	–	–	Please refer to our annual report FY2020 published on the website of HKEX ( <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> ), SGX-ST ( <a href="http://www.sgx.com">www.sgx.com</a> ) and the website of the Company ( <a href="http://www.lhngroup.com">www.lhngroup.com</a> ).
KPI B8.2	Resources contributed to the focus area	–	–	Please refer to our annual report FY2020 published on the website of HKEX ( <a href="http://www.hkexnews.hk">www.hkexnews.hk</a> ), SGX-ST ( <a href="http://www.sgx.com">www.sgx.com</a> ) and the website of the Company ( <a href="http://www.lhngroup.com">www.lhngroup.com</a> ).



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