

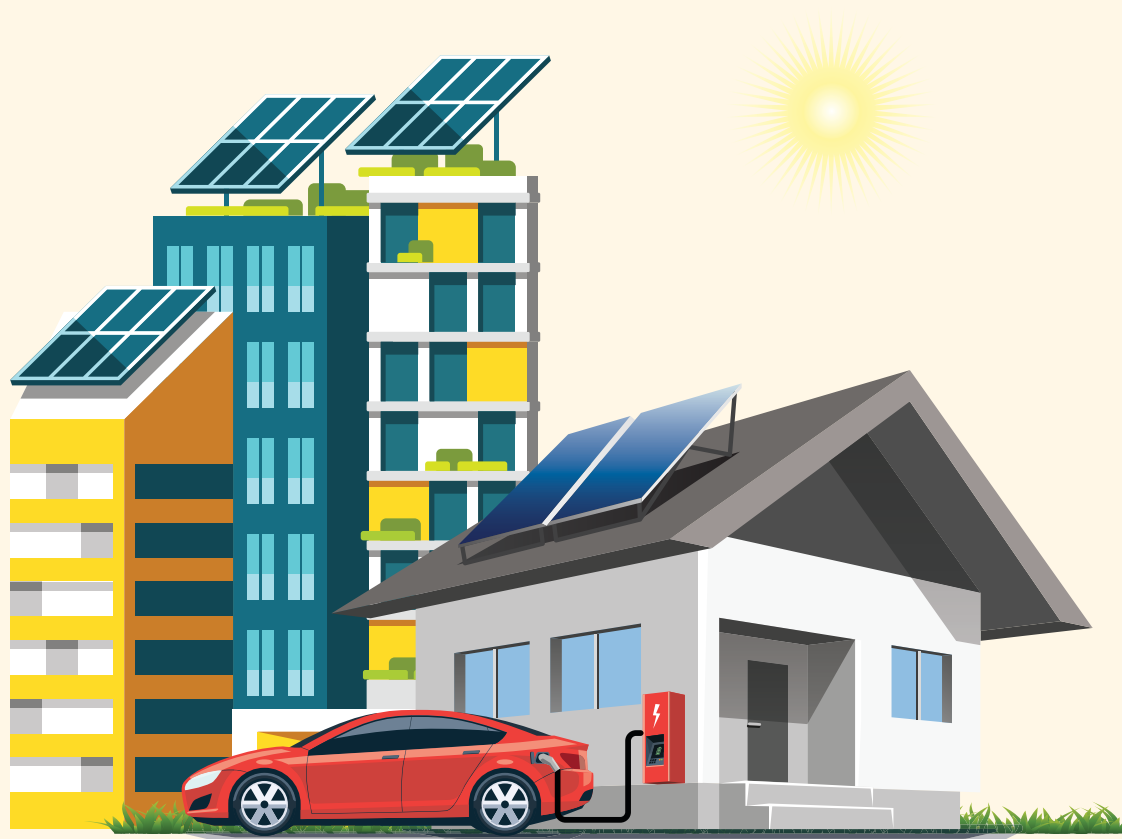
Sustainability Report 2021



LHN LIMITED 賢能集團有限公司*
Stock Codes: Singapore - 410 Hong Kong - 1730
(incorporated in the Republic of Singapore with limited liability)

**For identification purpose only*

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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 2021, our integrated supply chain includes more than 1,100 suppliers; comprising both government agencies as well as private companies. 75% of our suppliers are based in Singapore, while 25% are based in other countries. 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 are sustainable for our business in the long-term.

In response to the growing focus on sustainable supply chain management, we are in the midst of reviewing our procurement process. Specifically, we intend to add specific criteria such as favouring more environmentally preferable products and services in the procurement process. We will also review how we can better manage our supply chain in terms of identifying, implementing, and monitoring environmental and social risks.



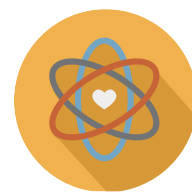
VISION

We Create Productive Environments



MISSION

A Space Resource Optimisation Company that Generates Value and is Driven by Technology



CORE VALUES

Prudence
Efficiency
Accountability



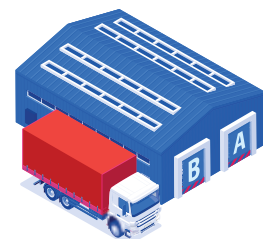
Space Optimisation

Creating productive environments and highly usable space through refurbishments and space planning, and leasing of such optimised units to tenants.



Facilities Management

Comprehensive suite of facilities management services which includes, cleaning and carpark management.



Logistics Services

Transportation of base oil, bitumen, and chemicals, and container depot management services.

II. ABOUT THIS REPORT

REPORTING SCOPE

This is the Group's fifth sustainability report covering non-financial performance and related management approach disclosures for the financial period 1 October 2020 to 30 September 2021 ("FY2021"), with prior financial year data disclosed from 1 October 2019 to 30 September 2020 ("FY2020"), 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 86% of the Group's revenue for FY2021. Entities included in the Group's Sustainability Report covers 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 of the financial year end. This is in compliance with both SGX and HKEX Listing Rules.

Please refer to Appendix B. Methodological Review and Data Boundaries on pages 47 to 49 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 pages 50 to 51 and pages 52 to 56 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.

III. CHAIRMAN'S MESSAGE



Dear Stakeholders,

Battling COVID-19 for two years has demonstrated humanity's susceptibility to transboundary risks, not just those posed by global pandemics, but also by the effects of climate change. As we start to feel both the physical and transitional impacts associated with climate change within our business, addressing changing climate conditions has also been moving up LHN's agenda. For years, we have been committed to developing our business while creating long-term value creation. Our focus is placed on four main pillars; namely, Protecting our Environment, Safeguarding Health and Safety, Creating A Fair Workplace and Cultivating Strong Business Values.

III. CHAIRMAN'S MESSAGE

We seek to embed sustainability practices in the Group's everyday operations and align sustainability goals with our strategic direction 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.

Fighting against the COVID-19 crisis

COVID-19 has continued to impact our lives and businesses all over the world. We are grateful for our stakeholder's continuous support during this tough time. Together as a group, we will continue to engage with our stakeholders and to closely monitor our operations to adapt to the ever-changing situation. Please find our detailed COVID-19 measures under *Section V(D)*.

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. The health and safety of our employees has remained as one of our top priorities at LHN. We continuously ensure adequate health and safety measures are in place to protect the well-being of all our employees. 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, with this year's score averaging out to be 85% across all three business segments.

Maintaining strong corporate governance & information security

LHN remains steadfast in prioritising corporate governance as a foundation in the promotion of sustainable business. Our focus encompasses veracious business ethics, values, corporate governance and risk management across our operations. LHN has successfully retained its clean record of zero corruption incidents since we commenced reporting this material topic five years ago. The continued presence of COVID-19 in our society has caused work-from-home arrangements to be maintained in FY2021, emphasising the need for information security across all levels of LHN Group. Along with the annual cyber awareness and security training for our staff, the Group has continued to invest in protecting and developing our information security by implementing a two factor authentication process for Virtual Private Network ("VPN") access.

III. CHAIRMAN'S MESSAGE

Transitioning to a low carbon future

A low carbon future is imminent. Our adaption strategies include continually expanding our renewable energy generation capacity through solar panels installation on suitable rooftop spaces atop our buildings. To date, we have solar panels at four of our sites – 38 Ang Mo Kio, 72 Eunos, 100 Eunos and 202 Kallang Bahru. We are expecting the completion of six more solar panel installation projects to further advance our transition to a lower carbon future, allowing our total renewable energy system capacity to achieve 1,853 kWp.

As a Group, we are committed to monitor our non-financial performance and strengthen our efforts in areas that require further improvements. We look forward to an exciting year ahead.

Mr. Kelvin Lim

Executive Chairman, Executive Director & Group Managing Director

IV. 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.

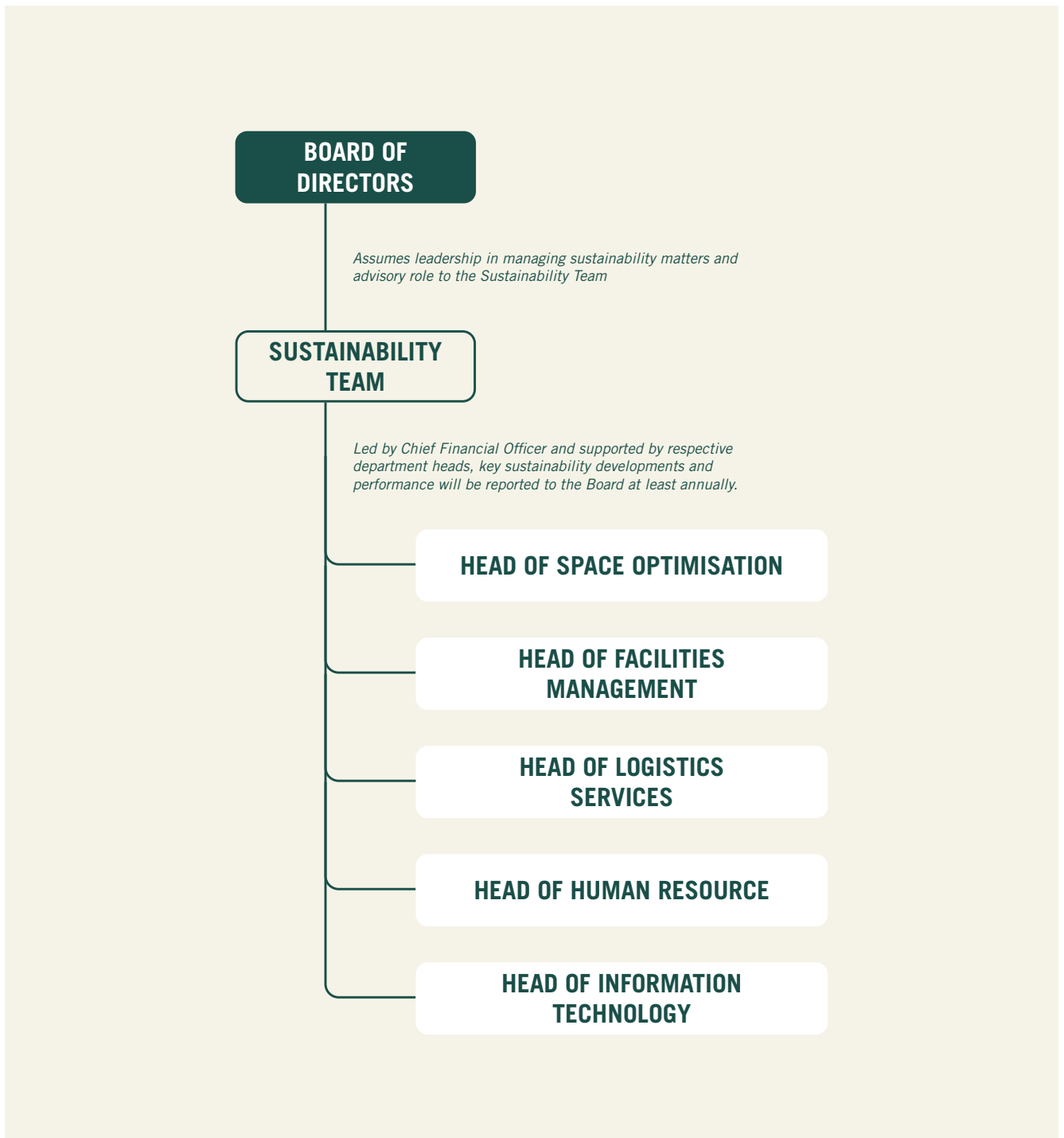
The Board continues to provide direction and maintain oversight over the material ESG matters with the help of respective Head of Departments. The ESG matters reported on in this Sustainability Report has been reviewed and determined to be relevant by the Board together with the management team, having taken into consideration the COVID-19 backdrop and associated impacts to our business.

Sustainability performance, as well as ESG-related targets are reported to the Board at least annually, or, as and when significant development arises. Any updates to the targets set against the material ESG matters will be discussed with each business segment.

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**”).



V. SUSTAINABILITY AT LHN

(B) SUSTAINABILITY PROGRESS IN FY2021

	<p>Green Building Elements 202 Kallang Bahru was certified Green Mark Platinum in FY2021</p>		<p>Green Building Elements Remote monitoring of energy consumption was deployed in Ang Mo Kio in FY2021</p>
	<p>Green Transportation 80% of our prime movers are Euro 5 standards and above</p>		<p>Water Saving Features 74% of all properties managed under Space Optimisation business are installed with water saving taps in FY2021</p>
	<p>Health and Safety Features Antimicrobial coating technology has been implemented at high touch points at 87% of our properties.</p>		<p>Safeguarding Health and Safety Zero work-related fatalities over the past 5 years, from FY2017 to FY2021</p>
	<p>Gender Diversity 64% male to 36% female employees on average in FY2021, with 65% male and 35% female respectively in FY2020</p>		<p>Training Hours 6.1 training hours received by each employee on average in FY2021, a 19.6% increase as compared to FY2020</p>
	<p>Customer Satisfaction Scoring Scored more than 79% in customer satisfaction surveys across our core business segments in FY2021</p>		<p>Corporate Governance Zero substantiated complaints or negligence in customer data; Zero confirmed incidents of corruption in FY2021</p>

V. SUSTAINABILITY AT LHN

(C) STAKEHOLDER ENGAGEMENT

At LHN, we strive to address ESG matters which are material to our business and stakeholders, whilst considering any key developments within the industry. Through various channels, key stakeholders' concerns are identified and responded to appropriately. Given that our utmost priority is to ensure the safety and well-being of our stakeholders, we also detail our efforts to respond to the pandemic within this segment. Please find concrete examples of initiatives we have carried out on pages 12 to 13.

Table 1: Our approach on stakeholder engagement

STAKEHOLDERS	MAIN INTERESTS/CONCERNS	ENGAGEMENT METHODS ¹ AND FREQUENCY	OUR RESPONSE
OUR EMPLOYEES	<ul style="list-style-type: none"> Occupational health and safety Fair employment practices Career development Job security Reskilling opportunities 	<ul style="list-style-type: none"> Online feedback channel system accessible throughout the year Annual performance appraisal conducted Employee handbook accessible throughout the year 	<ul style="list-style-type: none"> LHN established a robust health and safety management system to ensure a safe working environment including various policies and practices to promote a fair workplace for our employees. (Refer to page 14 and pages 30 to 31 for our policies and initiatives) 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. LHN has offered online trainings covering a myriad of topics including, courses to build digital skillsets. 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.
GOVERNMENT AND REGULATORY BODIES	<ul style="list-style-type: none"> Compliance with regulatory requirements, including those relating to COVID-19 	<ul style="list-style-type: none"> Business model awareness sessions when required Calls and meetings when required 	<ul style="list-style-type: none"> 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. Where necessary, LHN will seek feedback or clarifications from regulatory bodies in guiding the business forward.
INVESTORS	<ul style="list-style-type: none"> Timely updates on financial performance and business strategies and opportunities Board oversight on COVID-19 impacts and response to them 	<ul style="list-style-type: none"> Annual and interim financial and sustainability reports Networking sessions with shareholders when required Annual General Meeting (“AGM”) 	<ul style="list-style-type: none"> We aim to provide timely updates on key developments and action plans via our various engagement methods. For the past two years, due to COVID-19, the Group addresses relevant questions posed by shareholders prior to AGM held via webcast online, and uploads our responses accordingly on the Group’s website, HKEX and SGXNet. Discussions on COVID-19 impacts and corresponding measures taken are disclosed in both our Annual Report and Sustainability Report.

¹ 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 ¹ AND FREQUENCY	OUR RESPONSE
SUPPLIERS	<ul style="list-style-type: none"> Fair and transparent business conduct Continued engagement Disruption of supply chain due to COVID-19 and lockdowns imposed by the Government 	<ul style="list-style-type: none"> Annual supplier performance review Day-to-day communications 	<ul style="list-style-type: none"> At LHN, we work with reliable and credible suppliers and aim to form a long-standing and trusting relationship with such suppliers. In cases of disruption caused due to COVID-19, alternative actions will be taken upon further discussions within each business segment team.
TENANTS AND CUSTOMERS	<ul style="list-style-type: none"> Quality of products and services Innovative products and services Health and safety given the COVID-19 backdrop 	<ul style="list-style-type: none"> Social media platform updated when required Networking sessions Company announcements accessible throughout the year Feedback channel accessible throughout the year 	<ul style="list-style-type: none"> Safety, cleaning and disinfection measures are implemented at LHN to protect our tenants and customers' health. Advanced technologies have been applied to enhance protection over our customers' health. Please refer to page 32 for our customer satisfaction survey results and pages 12 to 13 for other COVID-19 related initiatives.

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

V. SUSTAINABILITY AT LHN

(D) OUR COVID-19 RESPONSE

COVID-19 RELATED INITIATIVES TO ENSURE THE SAFETY AND WELL-BEING OF OUR STAKEHOLDERS

Employees

Work From Home Policy

In line with the laws and regulations from Ministry of Manpower (“**MOM**”) to protect our employees’ health and safety during the COVID-19 pandemic, LHN introduced the **Work from Home Policy** in FY2020 and continues to support remote work on a rotational basis and to reduce physical interactions with public in FY2021. The policy details requirements on the working hours, communications, physical meetings with external parties, technology requirements and supports and security and confidentiality for our employees to follow.



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 reminds its employees of certain practices that they could engage in to maintain their well-being. Examples include adopting healthy food practices, practicing deep breathing techniques, actively checking with their colleagues, creating a dedicated workspace at home, and maintaining a schedule for family and loved ones.



Employees, Tenants and Customers

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 continued with the application of Speco disinfectant at all our industrial and commercial buildings on all lift buttons. Speco is a long-lasting disinfectant that is effective against coronavirus and fomite transmission, with efficacy of up to six months. This disinfectant has undergone rigorous lab-tests and 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. Antimicrobial coating technology has thus far been implemented at 87% of our properties.



V. SUSTAINABILITY AT LHN

Customers



Ensuring Safety in Our Properties through Better Cleaning Regimes

Apart from increasing the cleaning frequency of high touchpoints throughout properties, 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 also recently 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.

Tenants



Supporting Tenants during Covid-19

We have 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 disinfection at the common area using an automatic ULV mister which will disperse the disinfectant to all surfaces.

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

Employees & Customers



Safety Protocols in our properties

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. lift lobbies, reception and pantry area
- Regular disinfection of premises and high touchpoints

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.

V. SUSTAINABILITY AT LHN

(E) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	PROTECTING OUR ENVIRONMENT		SAFEGUARDING HEALTH AND SAFETY
MATERIAL ESG MATTERS	ENERGY	WATER	HEALTH & SAFETY
IMPACT BOUNDARY	<ul style="list-style-type: none"> Space Optimisation Logistics Services 	<ul style="list-style-type: none"> Space Optimisation Logistics Services 	<ul style="list-style-type: none"> All employees and All tenants
SUSTAINABILITY CONTEXT	Contributing to the collective effort to reduce Singapore's overall Greenhouse Gas ("GHG") emissions	Playing our part to reduce water usage in Singapore, where the lack of natural resources has made water security a priority	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
MANAGEMENT APPROACH	<p>GROUP-WIDE</p> <ul style="list-style-type: none"> Climate Change Adaptation Policy Energy Consumption /Management Policy <p>SPACE OPTIMISATION</p> <ul style="list-style-type: none"> Installation of solar panels on rooftops of properties we manage Installation of electrical vehicle charging points, as well as the purchase of an electric vehicle Installation of energy-saving LED light fittings in our managed properties Installation of motion sensors and timers in common areas where energy consumption is discontinuous Daily monitoring of the lights and aircon in rooms and switching them off while not in use <p>LOGISTICS SERVICES</p> <ul style="list-style-type: none"> Vehicle selection in accordance to Euro 4,5 and 6 Standards Regular servicing of our fleet for optimum fuel efficiency Route analysis prior to each trip to find the most efficient route Monitoring of fuel consumption to encourage fuel-efficient driving and turning off idle engines 	<p>GROUP-WIDE</p> <ul style="list-style-type: none"> Water Consumption/Management Policy <p>SPACE OPTIMISATION</p> <ul style="list-style-type: none"> 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. Installation of water-saving taps in the properties we manage Installation of sensors for toilet flushing 	<p>GROUP-WIDE</p> <ul style="list-style-type: none"> Health Safety and Environment Policy Certified BizSAFE Level 3 Work from Home Policy arising from COVID-19 <p>SPACE OPTIMISATION</p> <ul style="list-style-type: none"> Fire Safety Committee to control and respond to fire incidents. Adherence to Standard Operating Procedures for maintenance of lift licences and fire equipment Maintain compliance with relevant fire safety regulations required of all buildings Risk assessments carried out to identify hazards and implementation of control methods <p>LOGISTICS SERVICES</p> <ul style="list-style-type: none"> Mandatory Safety Induction Program for all drivers All vehicles are installed with safety kits, including fire extinguishers and first aid box Conducting of breathalyzer tests based on a random selection process Company emergency response vehicle on standby in the events of accidents or breakdowns Driver training on road safety Monitoring of speed limits with GPS system installed in all our trucks Mobileye technology installed to prompt drivers of pre-collision warnings All drivers comply with Singapore Traffic Police Regulations and other traffic regulations in Singapore Drivers aged 65 and above are required to attend a mandatory medical check-up and proficiency driving test before performing work

V. SUSTAINABILITY AT LHN

(E) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

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

V. SUSTAINABILITY AT LHN

(E) 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
IMPACT BOUNDARY	All employees	All Business Segments	Business partners, employees, suppliers and customers	All customers
SUSTAINABILITY CONTEXT	We have pledged our commitment to adopt the five key principles defined by the Tripartite Guidelines on Fair Employment Practices (“ TGFEP ”) 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
MANAGEMENT APPROACH	<p>GROUP-WIDE</p> <ul style="list-style-type: none"> • Human Resource Policy • Commitment to no child labor and no forced labor • Employee Grievance Policy • Training Policy • Performance Appraisal Policy <p>EMPLOYMENT</p> <ul style="list-style-type: none"> • The Group has complied with all Ministry of Manpower guidelines • All eligible job applications, internal transfers and promotions are merit-based regardless of race, ethnicity, religion, age and gender • Annual long service award <p>PERFORMANCE & CAREER DEVELOPMENT</p> <ul style="list-style-type: none"> • Provide sponsorships to employees to encourage lifelong learning • Feedback is garnered after every training programme to measure relevance and usefulness of subjects covered to employees • Performance appraisals are conducted for all employees and evaluated with the individual through open discussions • Benchmarking exercise are conducted against market’s best practices in ensuring that adequate and quality trainings are provided to our employees 	<p>GROUP-WIDE</p> <ul style="list-style-type: none"> • Code of corporate governance • Whistle-blowing Policy • Conflict of Interest Policy • Business Continuity Plan • Ensure compliance with all relevant laws and regulations in countries we operate in • Stringent adherence to policies set in maintaining good corporate governance • Maintain transparency and accountability for all matters within our organization 	<p>GROUP-WIDE</p> <ul style="list-style-type: none"> • Personal Data Protection Policy • Website Privacy Policies • Data Protection Committee to monitor compliance to Personal Data Protection Act and matters related to customers’ data protection and privacy • All confidential data is securely stored in a robust Information Systems which undergoes an annual audit carried out by an accredited party • Penetration Test to prevent hacking of data • Network monitoring tools utilizing machine learning system • Anti-virus System; Total Endpoint Protection Suite: Endpoint security, Email and collaboration security and Centralised security management 	<p>GROUP-WIDE</p> <ul style="list-style-type: none"> • Annual customer satisfaction surveys² to gather feedback on our products and services • 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.

² Excludes car park management under Facilities Management Business. Customer satisfaction levels are based largely on day-to-day interactions with property managers and feedback received from carpark users.

V. SUSTAINABILITY AT LHN

(E) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	CREATING A FAIR WORKPLACE	CULTIVATING STRONG BUSINESS VALUES	
PERFORMANCE INDICATORS	EMPLOYMENT 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
	PERFORMANCE & CAREER DEVELOPMENT 3. Average training hours by gender and employment category		

V. SUSTAINABILITY AT LHN

(F) CLIMATE-RELATED DISCLOSURES

Aligned with the recommendations of SGX, HKEX and TCFD, LHN has identified the relevant climate-related risks and opportunities applicable to our operations across various countries. However, as most of our operations are conducted in Singapore, actions taken to tackle these risks and opportunities beyond Singapore are limited. In the near future, LHN intends to look into further disclosing management plans to tackle climate-related risks and opportunities beyond Singapore. This section covers both risks and opportunities that are of physical and transitional in nature.

PHYSICAL RISKS/OPPORTUNITIES

Types of Physical Risks/Opportunities	Business Segment		
	Space Optimisation	Facilities Management	Logistics Services
Change in precipitation – Increased intensity, frequency, and/or duration	√	√	√
Change in average temperature	√		√
Extreme temperature spells	√		
Extreme weather events	√		√
Sea level rise	√	√	√

V. SUSTAINABILITY AT LHN

TRANSITIONAL RISKS/OPPORTUNITIES

Types of Transitional Risks/Opportunities	Business Segment		
	Space Optimisation	Facilities Management	Logistics Services
<p>Changing Customer Preferences Customer preferences are expected to shift towards more environmentally preferable products and services. For example, clients could demand for buildings with more green features; Properties more exposed to physical climate risks could face devaluation.</p>	√	√	
<p>Enhanced Reporting Obligations Increased standards for sustainability reports require the need for additional processes to monitor and manage ESG factors.</p>	√	√	√
<p>Mandates on and regulation of existing products and services More regulations and mandates are imposed on transportation vehicles as well as building standards, which will require LHN to keep up on.</p>	√		√
<p>Presence of subsidies, grants, and loans to shift to a green future In order to counter possible finance barriers, subsidies and grants by the government, as well as sustainable financing situations by banks, are increasingly available for companies to adopt green technologies.</p>	√		√
<p>Transitions to lower emissions technology Companies often look at more energy efficient technologies to decarbonize.</p>	√		√

V. SUSTAINABILITY AT LHN

STRATEGIC ACTIONS TO APPROACH CLIMATE-RELATED RISKS AND OPPORTUNITIES

Identified Risks/ Opportunities	Description of Risk and Opportunities and LHN's Approach
<p>Physical Risks</p>	<p>Physical climate-related risks are a disruption to businesses' operations. Over the past year, LHN Group has observed disruptions in our logistics and container depot businesses due to changing climate conditions. Extreme weather events, storms, and floods can cause halts in transportation and affect port operations. The Suez Canal incident, attributed to strong wind conditions, caused a halt in one of the world's busiest trade routes. Our Group has sought to diversify our transportation routes and increased fleet size to manage these unprecedented events. In addition, we actively seek new business opportunities that may arise due to changing weather conditions.</p> <p>LHN Group also seeks to provide more greenery in its properties, providing shade from climate-induced temperature changes and a means of carbon capture. This includes landscaping around our properties to increase green spaces and creating spaces for urban gardening, which indirectly benefits the well-being of our customers and employees.</p>
<p>Transitional Risks</p>	<p>Transitional risks align with the idea that the market is transitioning to a greener future, and that companies ought to prepare themselves for it. Apparent trends, like changing customer preferences towards environmentally friendly products and services and increasing climate-related mandates and regulations, has been observed throughout the business units of LHN Group. LHN Group acknowledges this risk and seek to offer a wide range of environmentally preferable solutions. For example, EV charging outlets are installed in the carparks under the Coliwoo business unit to cater to tenants who are using electrical vehicles. In the Facilities Management business, we have observed increasing requests from clients to provide chemical-free solutions and to introduce water-saving technologies. Clients from the Logistics business are also requesting that vehicles meet Euro 5 standards and above.</p> <p>In addition, LHN complies with all climate-related regulations relevant to its business units. For example, for land use under JTC, we abide by JTC Urban Design Green Requirements which states that a site area should achieve a minimum green cover of 30-40%.</p>

V. SUSTAINABILITY AT LHN

Identified Risks/ Opportunities	Description of Risk and Opportunities and LHN's Approach
<p>Transitional Opportunities</p>	<p>LHN Group acknowledges the need for us to adapt to transitional risks and convert them into transitional opportunities.</p> <p>For example, we keep up to date with customer's preferences for environmentally preferable products and services to maintain our competitive advantage. Examples from the Facilities Management business include the provision of goods that are labelled with Singapore Environment Council's Green Label, and eco-enzymes that replace harmful chemicals. When acquiring old building sites to retrofit, LHN Group look out for buildings that could help them attain lower emissions. For example, buildings with natural lighting, buildings that are equipped with energy-efficient appliances or have central control systems that are more cost and energy efficient. The preference for energy and water-efficient features applies to new purchases as well, such as LED lighting and water-efficiency taps. LHN Group's space optimisation business are also progressively equipping buildings of reasonable tenure with the BCA Green Mark Certification, such as 202 Kallang Bahru.</p> <p>LHN Group has increasingly been pursuing after lower emissions technology. This includes the installation of solar panels on the rooftop of properties, installing electric charging outlets in our carparks, and the purchase of electrical vehicle to run operations. Although these technologies have high capital expenditure costs, we believe that lower emission and energy-efficient technologies may be accompanied by environmental savings and lower costs in the long term. Within the Group itself, our employees are also fitted with up-to-date and energy-efficient hardware to work productively and consciously.</p> <p>For LHN Group to further drive the sustainability initiative, we have utilised green loans, subsidies and grants from banks and the government to finance high capital expenditure technologies that allow LHN Group to decarbonize. To finance the solar panel installation for our sites, we utilised the United Overseas Bank (UOB) Green Facility Loan which is dedicated to support sustainability-related projects. National Environment Agency (NEA)'s Energy Efficiency Fund was also used to install remote monitoring for selected industrial sites to monitor high energy consuming equipment. To replace logistics trucks to meet Euro 5 standards which was requested by customers, we also utilised Land Transport Authority's Early Turnover Scheme for monetary reliefs.</p>

VI. PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

The increasing call for action to address concerns of climate change 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.

FY2021 Targets

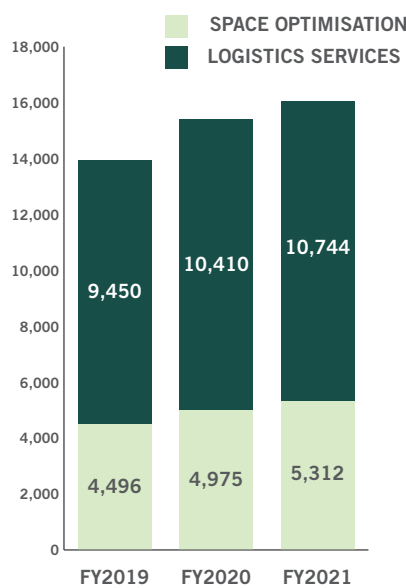
- Complete solar panel installation at 202 Kallang Bahru and 1557 Keppel Road by FY2021
 - Partially completed, 1557 Keppel Road to be installed by FY2022
- Maintain fuel consumption intensity with FY2017 as base year
 - Achieved

FY2022 Targets

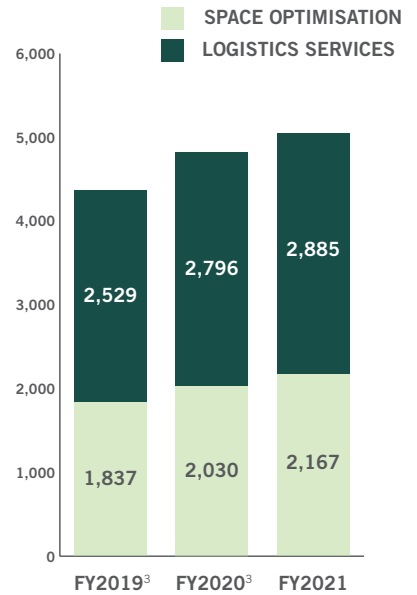
- Complete solar panel installation at several properties, increasing system capacity to 1,853 kWp
- Maintain fuel consumption intensity with FY2017 as base year
- Reduce electrical consumption intensity by 5% by FY2023 with FY2021 as base year
- Complete the installation of 10 electric vehicle charging points across properties and managed facilities

Energy Consumption – Our Year’s Progress

ENERGY CONSUMPTION (MWh)



EMISSION AMOUNT (TCO₂e)



Our Year’s Performance

Energy Consumption • Space Optimisation Business

In FY2021, the total electrical consumption in the Space Optimisation Business operations amounted to 5,312 MWh, an increase of 7% from FY2020. The increase is due to higher occupancy rates in our residential, commercial and industrial properties, major alterations and additions works at 1557 Keppel Road, and the launching of a new property at 1A Lutheran.

³ Our restatement for FY2019 and FY2020 for total emissions amount relates to non-material differences arising out of an updated database on emission factors. Corresponding corrections have been made to emissions intensity.

VI. PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

Highlights of FY2021

80%

of our prime movers are Euro 5 standards and above

Green Mark

Certified for our joint venture building 202 Kallang Bahru

IOT⁴ deployment

Remote Meter Monitoring installed to better monitor energy and building performance

Energy Consumption • Logistics Services Business

In FY2021, the total energy consumption was 10,744 MWh, a 3% increase as compared to FY2020. Our fuel consumption went up by 3% from FY2020, which corresponds with the increase in distance travelled by the fleet (FY2021: 2.7 million km; FY2020: 2.6 million km; FY2019: 2.4 million km) as a result of a rise in logistics services provided. On the other hand, a 7% decrease in electricity consumption from FY2020 was observed at our acquired site used to house our fleet of vehicles, as some areas were rented out to other tenants.

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

The electrical intensity and emissions intensity for our combined properties were 0.13MWh/m² and 0.05 TCO₂e/m² for FY2021, which is a 44% increase as compared to FY2020 (0.09MWh/m²; 0.04 TCO₂e/m²). Noting the sharp increase in electrical and emissions intensity due to the reasons stated above, we would be incorporating the use of renewable energy to alleviate the increase in the next financial year.

On the other hand, fuel consumption intensity remained at 0.0011 TCO₂e/km since FY2017, having achieved our target of maintaining fuel consumption intensity with FY2017 as base year. Due to the changing nature of our logistics services provided, we are reviewing the way of calculating the distance travelled by our vehicle fleet by taking into account scope of work and the number of TEUs (Twenty-Foot Equivalent Unit) loaded. The methodology will be reviewed and updated by the next financial year.

⁴ The Internet of things (IoT) refers to the installation of sensors, processing abilities, software or other technologies on to physical objects. These technologies have the ability to contact and exchange data with other systems or devices over the Internet, or other forms of communication networks.

VI. PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

INITIATIVES LAUNCHED IN 2021 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. In FY2021, to promote sustainable design and operation, we successfully attained the Green Mark Platinum certification for one of our properties – 202 Kallang Bahru. To continue pursuing green building achievements, LHN group aims to attain Green Mark certification for another one of our property at 55 Tuas South Avenue 1.

Solar panel installation on rooftop

In order to expand LHN’s renewable energy generation capacity, solar panels have been installed on the rooftops of our building spaces since 2019. In FY2021, we completed the solar panel installation at 202 Kallang Bahru, allowing the total system capacity of our solar panels to increase to 608 kWp from 455 kWp in FY2020. In line with Singapore’s Green Plan and our target to further advance Singapore’s transition to a lower carbon future, we aim to complete solar panel installations at more rooftop spaces and attain a maximum system capacity of 1,852 kWp. To reduce LHN’s group emissions, we will look into the use of green electricity for internal usage from FY2022 onwards.

Completed Solar Panels at the following sites, as of FY2021:

- 72 Eunos
- 100 Eunos
- 38 Ang Mo Kio
- 202 Kallang Bahru

Upcoming Solar Panel Installation Projects in FY2022:

- 1557 Keppel Road
- 44 Kallang Place
- 34 Boon Leat Terrace
- 31 Boon Lay Drive
- 320 Balestier
- 1A Lutheran

VI. PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

Installation of electric vehicle charging outlets

LHN group acknowledges the gradual shift towards electric vehicles amongst both employees and customers. Under the Facilities Management business, an electric vehicle was purchased in FY2021 to carry out maintenance operations. During the year, we also installed charging outlets at our residential properties and our managed carparks to facilitate the use of electric vehicles by end-users. This has provided users approximately 24 MWh of electricity in FY2021, offsetting 24 TCO₂e as compared to conventional vehicles. In FY2022, we aim to install 10 electric vehicle charging points across all our carparks and properties managed.

Remote meter monitoring systems in Space Optimisation: Industrial and Commercial Properties

Remote meter monitoring provides real-time data of electricity consumption by LHN group, as well as its tenants. This makes the data collection process more specific, accurate, and improves efficiency as well. Tenants are provided with accurate consumption data, facilitating the billing process. LHN group will also be easily informed of any energy-consuming machinery and equipment which the group can look to optimize, or to change to a more energy-efficient one. Specifically, LHN launched an Internet of Things (“IoT”) Deployment at Ang Mo Kio site named AMK Work Plus. Please refer to below for the detailed case study.



CASE STUDY:

KEEPING UP WITH HIGHER STANDARDS FOR TRANSPORTATION VEHICLES

Over the past year, the Logistics business took care to upgrade its fleet of vehicles to meet customer’s increased expectations – An estimated 80% of trucks in the logistics business are Euro 5 and above.

The remaining 20% are spare trucks and are usually not in operation. Moving forward, LHN logistics seek to explore the use of prime mover trucks that are powered by electrical energy.

VI. PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment



CASE STUDY: PARKING GUIDANCE SYSTEM AT THE STAR VISTA CARPARK

Under LHN Parking, all 825 parking lots in The Star Vista Carpark have been installed with automated sensors to indicate the availability of a lot. This sensor acts as both a sensor and a light, which saves energy consumption as electricity is only running

through a single device. Instead of circling around the carpark in search for available lots, visitors of The Star Vista Carpark can also benefit by manoeuvring directly to an available parking lot, reducing fuel consumption.



CASE STUDY: AMK WORK PLUS – IOT DEPLOYMENT AT ANG MO KIO SITE

At LHN, a value proposition was made to better monitor the energy and performance of our buildings. As compared to existing efforts to collect energy consumption data of common areas, lighting, and air-conditioning manually, the proposed deployment involves sending real-time data to a private cloud database, of which dashboards of the system could be generated, and any anomalies in energy consumption of systems and machines would be conveyed to an on-site LHN staff via

a chatbot, who can swiftly deal with the issue at hand. Potential benefits of this deployment include real-time energy monitoring, energy efficiency and performance tracking, as well as detection of system and equipment anomalies. This has successfully been launched in one of our sites at 38 Ang Mo Kio, and LHN group is looking to expand this technology at 5 Toa Payoh West in the next financial year.



Existing: Energy Data collected manually



Future: Digitized Energy Performance Monitoring

VI. PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

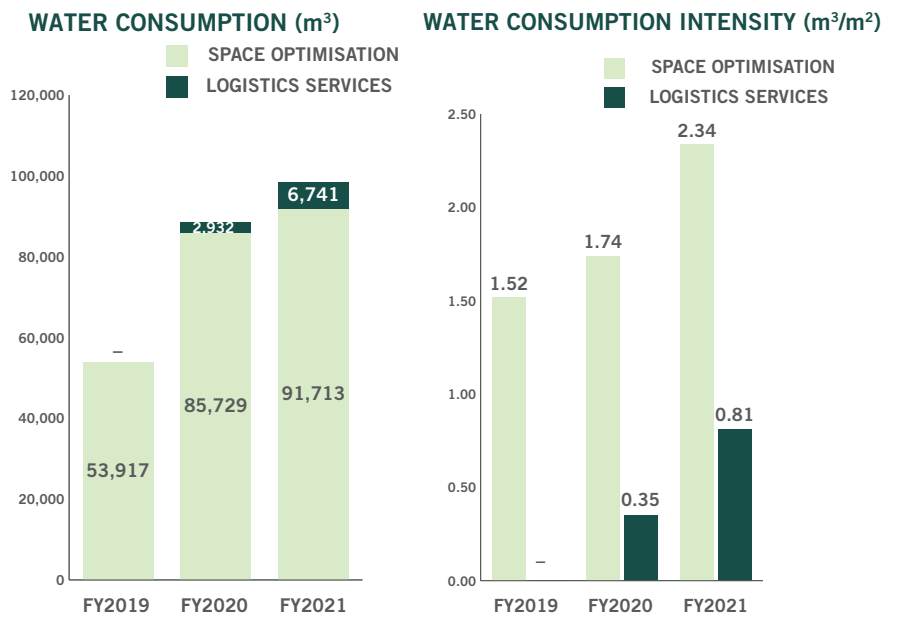
FY2021 Targets

- Reduce water consumption intensity 5% by 2023 with FY2017 as base year
- ☒ A 31% increase from FY2017, improvement required

FY2022 Targets

- Reduce water consumption intensity 5% by FY2023 with FY2017 as base year

Water Consumption – Our Year’s Progress



Our Year’s Performance

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.

VI. PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

Highlights of FY2021

74%

of all properties in Space Optimisation Business are installed with water saving taps

Water Consumption • Space Optimisation Business

In FY2021, the water consumption for common toilet facilities and landscaping purposes amounted to 91,713 m³, an increase of 7% from 85,729 m³ in FY2020. Our increase in water consumption is due to further increases in occupancy rate of residential properties, in addition to the launching of a new property at 1A Lutheran during FY2021.

Thanks to our commitment to install water saving taps for 100% of newly acquired properties, as of end September 2021, 74% of all properties we manage under Space Optimisation Business, if applicable, were installed with water saving taps. These water saving taps are installed with sensor nodes to monitor real time water consumption data and detection of water leaks.

Water Consumption • Logistics Services Business

In FY2021, total water withdrawn by Logistics Services Business amounted to 6,741 m³, a 130% increase from FY2020. A significant amount of water was utilised to wash soiled tyres of vehicles that enter in and out of our premises due to the ongoing renovation works.

Water Consumption Intensity • Space Optimisation Business and Logistics Services Business

The water consumption intensity in Space Optimisation Business showed an increase from 1.74 m³/m² in FY2020 to 2.34 m³/m² in FY2021 due to the higher occupancy rate. On the other hand, the water consumption intensity in Logistics Services Business showed an increase from 0.35 m³/m² in FY2020 to 0.81 m³/m² in FY2021 due to necessary upkeeping of vehicle fleets, as mentioned above.

Overall, water consumption intensity including both Space Optimisation Business and Logistics Services Business amounted to 2.07 m³/m² in FY2021, resulting in a 31% disparity from FY2017 intensity. Steps will be taken to achieve the targeted water consumption intensity of 1.50 m³/m² by FY2023, such as the increased utilisation of water saving taps, as well as the reusing of rainwater for irrigation of crops and trees under Coliwoo's urban farming initiatives.

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.

FY2021 Targets	Health and Safety – Our Year's Progress			
<ul style="list-style-type: none"> Zero work-related fatalities <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Achieved Less than 5 work-related injuries a year within LHN's premises <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Achieved Less than 5 work-related injuries a year offsite <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Achieved Zero fines⁵ or penalties relating to customer health and safety for Space Optimisation Business <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Achieved 	WORKERS	FY2019	FY2020	FY2021
	Work-related fatalities	0	0	0
	High-consequence work related injury	0	0	0
	Number of work-related injury			
	Employees	1	4	3
	Work-related injury rate (per million hours worked)			
	Employees	2	4	3
	Number of work-related ill health			
	Employees	0	0	8
	Work-related ill health rate (per million hours worked)			
	Employees	0	0	9
	Working hours			
	Employees	578,996	1,131,799	940,324
	Lost Days due to work-related injuries			
	Employees	5	88	165
FY2022 Targets	Our Year's Performance			
<ul style="list-style-type: none"> Zero work-related fatalities Less than 5 work-related injuries a year within LHN's premises Less than 5 work-related injuries a year offsite Zero fines or penalties relating to customer health and safety for Space Optimisation Business 	<p>The total working hours decreased by 17% in FY2021 mainly due to the decrease in our total number of employees and a higher total of paid leave of absence taken by our employees in FY2021.</p> <p>During the year, there were three work-related injury incidents resulting in 165 lost days, all of which were slip, trip and fall incidents. Protecting the employees' health, safety and well-being are imperative to the business and an integral part of our human capital management, which has</p>			

⁵ Fines less than S\$500 are considered immaterial.

VI. PERFORMANCE AND HIGHLIGHTS

Safeguarding Health and Safety

Highlights of FY2021

Achieved ISO45001:2018

certification for LHN's Logistics Services Business⁶

Achieved BizSAFE STAR⁷

for LHN's Logistics Services Business

become increasingly critical given the COVID-19 pandemic backdrop. We have 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. We have controls that 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.

⁶ ISO45001:2018 Occupational Health and Safety Management System certification (OHSMS) has been attained by Hean Nerng Logistics Pte. Ltd..

⁷ 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

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.
- Apart from the regular meetings, safety data sheet⁸ 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. At LHN we prioritise the health and wellness of our employees and staff by providing a series of webinars on pain management and health screening. Please refer to Monthly Employee Engagement Programme case study on page 44 for more details.

⁸ 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

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.

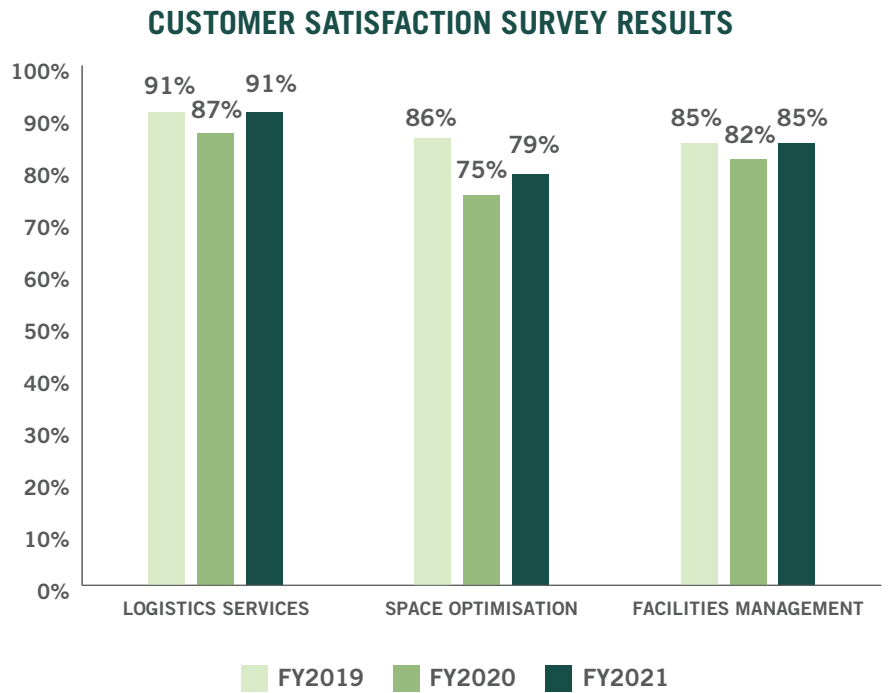
FY2021 Targets

- Space Optimisation Business: 70%
 Achieved – 79%
- Facilities Management Business: 70%
 Achieved – 85%
- Logistics Services Business: 70%
 Achieved – 91%

FY2022 Targets

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

Customer Satisfaction – Our Year’s Progress



Our Year’s Performance

In order to better serve the needs of our customers, our various business segments have been conducting yearly customer satisfaction surveys, which are imperative for identifying areas of improvement.

Over the past three years, our customer satisfaction scores for Facilities Management and Logistics Services Businesses has remained relatively consistent. Despite increased client expectations on cleanliness standards and frequency amidst the continuing COVID-19 pandemic, the Space Optimisation business has shown a slight increase in customer satisfaction scores from 75% in FY2020 to 79% in FY2021. We also reviewed our methodology of calculation to depict a more accurate score amongst the different space optimisation businesses. Please refer to the appendix for the updated calculation methodology.

VI. PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

Highlights of FY2021

Average Score of **85%** for
our customer satisfaction Survey

All customers' feedbacks and complaints received are reviewed by each business segment's management team. Appropriate corrective measures to resolve matters raised will be implemented in a timely manner.

In FY2021, there were two complaints received in our space optimisation – residential sites. A complaint of minor defects surfaced due to wear-and tear, which was responded to within 24 hours. Depending on the extensiveness of repair plans needed, any rectifications to these defects are done within one to three working days. We also strengthened the quality of checks for such defects, particularly during times when old tenants end their tenancy, to allow a smooth transition for new tenants. In addition, there was a complaint made on the response time to on-site incidents during off-working hours due to the diversion of calls. In order to prevent the re-occurrence of long waiting time during emergency situations, a dedicated telephone line to the operations response team was made instead, taking responsibility for informing the on-site facility team who is on 24-hours standby to handle all incidents and situations immediately.

LHN will continue to monitor the effectiveness of existing business practices in ensuring the needs of our customers are satisfactorily met.

VI. PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

INITIATIVES LAUNCHED IN 2021 AND FUTURE ACTION PLAN

TRAINING ON PANDEMIC READINESS AND INVALUABLE TECHNOLOGICAL SUPPORT FOR GROUND STAFF

In order to allow ground staff of the Facilities Management business to fully utilise the I Clean Software (Refer to case study on page 35), training sessions have been organised for them to accustom to the technology. Staff whom successfully completed the training are rewarded as well. Thanks to the training sessions, 80% of cleaning staff are now well able to use the mobile application. In view of the COVID-19 pandemic, ground staff have also been well-trained to handle instances when a suspected or confirmed case warrants the need for disinfection of facilities.

WEB-BASED EMAIL TICKETING SYSTEM FOR LHN PARKING

A Web-based Email Ticketing System has been developed in FY2021, which has greatly enhanced the productivity of the customer service team at LHN Parking. A ticket is created with every email enquiry, which gives us the ability to track and provide data analytics for these incoming emails. With combination of Artificial Intelligence (“AI”), workflow productivity, and automation, the tickets are routed to the correct staff within LHN Parking.

VI. PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values



CASE STUDY: INTEGRATED CLEANING TECHNOLOGIES

INTEGRATED CLEANING TECHNOLOGIES IN FACILITIES MANAGEMENT BUSINESS

Since FY2020, LHN Facilities Management Business has started utilising Integrated Cleaning Technologies to improve the productivity and quality of cleaning services for our clients and end-users. This includes the use of advanced technologies, software, and centralised data management platforms to enhance LHN’s smart toilet solution capabilities.

The autonomous scrubbing robot deployed at some of our facilities management properties has been well-received. It’s ability to thoroughly clean and disinfect has reduced the manpower and total time required for cleaning services. The I Clean software, a mobile service application, records attendance of cleaning staff through facial recognition and location detection technology. Daily schedules of cleaning staff are disseminated via the application, which is available in four different languages – English, Chinese, Malay and Tamil to cater to our staff

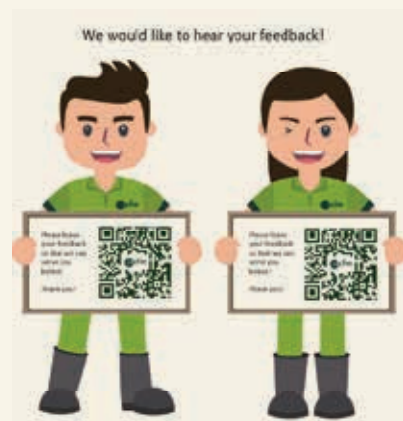
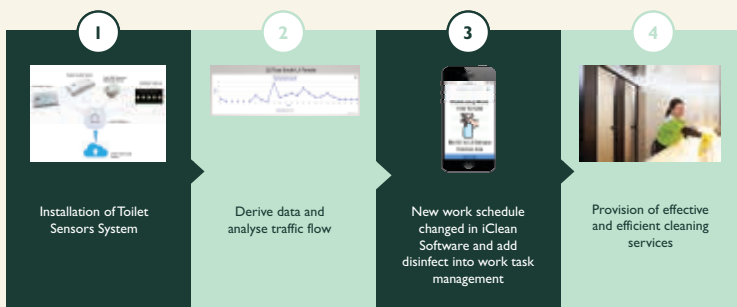
from diverse racial backgrounds. Each staff’s workflow can also be customised remotely according to site requirements. In addition, sensors installed in toilets are able to track and analyse traffic flow, triggering changes in work schedules dispatched to staff. For example, if high traffic flow is observed by the sensor at a particular location, ground staff would be alerted to disinfect timely via changes to his/her work task management. This way, effective and efficient cleaning services are provided.

With these various integrated technologies in place, staff are more efficient, providing the highest satisfaction for users with lower manpower and in a shorter time period. Physical checks on-site are reduced, increasing efficiency and labour cost savings for our clients.

Users of cleaning facilities can also promptly give their feedback via a readily accessible QR code system – the link provided will redirect feedback providers to our friendly customer officers.

DIGITALISATION PATHWAY

REAL CASE STUDY OF INTEGRATED SOLUTIONS



VI. PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values



CASE STUDY: UTILISING TECHNOLOGIES FOR PEST CONTROL

Under the Facilities Management Business, utilisation of technology has been integral in upgrading the services provided for clients. In terms of pest control, a robotic system which encompasses multi-stage mosquito attractants has been deployed for some properties. The system is able to identify

locations which has higher density of mosquitoes or which have a high potential to be a breeding ground. The system works on a large range of mosquito species, including the Aedes Aegypti, the yellow fever mosquito that is capable of spreading dengue fever, Zika fever, and other disease agents.



CASE STUDY: URBAN FARMING AT COLIWOO ROOFTOPS

Urban farming has become quite a bit more than a fad or innovation showcase for the *Coliwoo* community. By leveraging the ample spaces present in our properties, our tenants have collectively joined Singapore’s urban farming scene, aligning with Singapore’s goal of enhancing food security and attaining self-sufficiency.

incorporated sustainable zero-waste and energy-saving practices into their gardening experience. Participants are able to reap the benefits of a farm-to-table concept by enjoying and sharing the produced harvest with one another. This has greatly boosted the social relationships of the tenants of Coliwoo properties together.

While take great care to ensure that produce is grown free of pesticides, “Coliwoo Urban Farmers” have



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.

Security of Information & Corporate Governance – Our Year’s Progress

FY2021 Targets

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

FY2022 Targets

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

Our Year’s Performance

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.

Over the past five years, LHN group has not faced any substantiated complaints or identified leaks, thefts or losses of customer data. With continued 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. Channels are also open for employees to promptly report on such related incidents as soon as they become aware.

VI. PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

Highlights of FY2021

Implementation of

Two Factor Authentication

for LHN Network in 2021

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. For FY2021, we have maintained our compliance with HKEX's updated ESG content requirements.

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 chairman and members of the audit committee at this email: auditcommittee@lhngroup.com.sg. All reports will be addressed in accordance with our whistle-blowing policy and be kept in confidence.

In FY2021, there were zero confirmed incidents of corruption brought against the Group or any of its employee. In view of the need for anti-corruption training to be provided to directors and staff, LHN will be conducting anti-corruption training for its directors and its Head of Departments in FY2022. The training will allow attendees to understand the definition of corruption, the penalties involved, as well as cases and real-life examples of offences. However, there was a single case of noncompliance with applicable laws and regulations. Due to an incorrect declaration of customs permit, a fine of S\$1,000 was redirected to LHN Logistics from its customer. This has been duly noted by LHN, and extra care will be taken in the following years to prevent the same occurrence.

VI. PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

INITIATIVES LAUNCHED IN 2021 AND FUTURE ACTION PLAN

CYBER SECURITY AWARENESS TRAINING AND TESTING

Similar to past years, the Information Technology (“IT”) Department provides annual cyber security awareness trainings to all our employees. This is 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. We have also begun to conduct an annual penetration testing process for both our internal LHN network and our external websites, to ensure both the security and quality of our digital platforms.

PATCH MANAGEMENT SYSTEM

In FY2021, LHN has incorporated KACE Patch Management System which can patch and update Windows and Mac platforms, as well as potentially vulnerable third-party applications such as Adobe Reader and Oracle Java. Serving as a single source for software patch management, KACE helps reduce the complexity of IT infrastructure because we do not have to maintain multiple patching solutions. Periodic scans and patch assessments help identify computers where automated patch management isn’t working, so we can address those computers and correct the problem in real time. This also reduces infrastructure and resource costs by using a single solution to manage patches for heterogeneous environments.

The KACE SMA automatically sends out patch updates and users can choose when their patch updates and system reboot happen so that work is not disrupted. Administrators can coordinate patch updates across complex and distributed user bases while maintaining visibility into the patching phases on a per-machine basis. It also quickly discover vulnerabilities in the environment and identify systems that are not compliant with security and configuration policies with powerful security audits.

VI. PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

DOCUMENT MANAGEMENT SYSTEM

In FY2021, we have implemented a new Document Management System which aims to provide a common digital platform and intelligent information management solution for file sharing within LHN. This not only provides us with a secure storage network of files to facilitate work collaborations within the LHN Group, but also allow our employees to access real-time information anytime and anywhere.

The Document Management System has also provided the ability to automate all phases of vendor invoice processing – from the reception of the original document to the creation of an accounting book entry. This combination of document capture with advanced imaging technology has empowered the workflow capabilities of our finance department.

DIGITALISATION OF NAME CARDS FOR LHN

LHN intends to transition from using physical paper-based name cards to digitalised name cards for all our employees over the course of FY2022 with the initiative being initially implemented in November 2021. This small change will ultimately contribute to a huge reduction in both paper consumption and printing for LHN and lower our employees carbon footprint.



CASE STUDY:

TWO FACTOR AUTHENTICATION ("2FA") FOR LHN NETWORK

2FA FOR LHN'S VPN ACCESS

In FY2021, we incorporated an additional layer of security – a 2FA process to our group's VPN Gateway. Our employees will now have to authenticate their device before they can access the company's VPN gateway from a remote location. Due to COVID-19

and the resulting imposed instructions, this added security function is paramount to ensure secure information and data access, as employees continue to work remotely from home.

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.

Fair Employment Practices – Our Year’s Progress

FY2021 Targets

- No confirmed cases of discriminations
 - Achieved
- Average of 15 training hours per employee
 - Average of 6.1 training hours per employee

FY2022 Targets

- No confirmed cases of discriminations
- Average of 15 training hours per employee

Our Year’s Performance:

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 FY2021, we have approximately 64% male to 36% female employees on average. This is a slight improvement in comparison to FY2020’s values of 65% male to 35% female on average.

The overall workforce numbers have a significant decrease from 510 as at the end of FY2020 to 430 employees as at the end of current year. This is mainly due to the decrease in the number of part-time employees under LHN. The Group has now stabilised its operations at its newly launched dormitory business that began in April 2020 and no longer need to employ as many part-time and temporary employees to oversee operational requirements.

For more information on our employee profile by gender, employment type and employment contract at the end of FY2019, FY2020 and FY2021, kindly refer to the below:

Employee Profile



VI. PERFORMANCE AND HIGHLIGHTS

Creating A Fair Workplace

Highlights of FY2021

19.6% increase in average training hours per employee

FAIR EMPLOYMENT PRACTICES • NEW HIRES AND EMPLOYEE TURNOVER RATES

In FY2021, there were a total of 89 new hires (FY2020: 413 new hires) and 169 turnovers (FY2020: 162 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	FY2020	133	272	105
	FY2021	86	230	114
Percentage of new hire employees by age group	FY2020	87.2%	86.8%	58.1%
	FY2021	18.6%	16.5%	30.7%
Percentage of turnover rate by age group	FY2020	65.3%	72.9%	42.9%
	FY2021	73.3%	34.8%	22.8%

		Male	Female
Percentage of new hire employees by gender	FY2020	93.1%	58.0%
	FY2021	16.7%	27.9%
Percentage of turnover rate by gender	FY2020	36.2%	23.3%
	FY2021	33.3%	50.0%

VI. PERFORMANCE AND HIGHLIGHTS

Creating A Fair Workplace

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

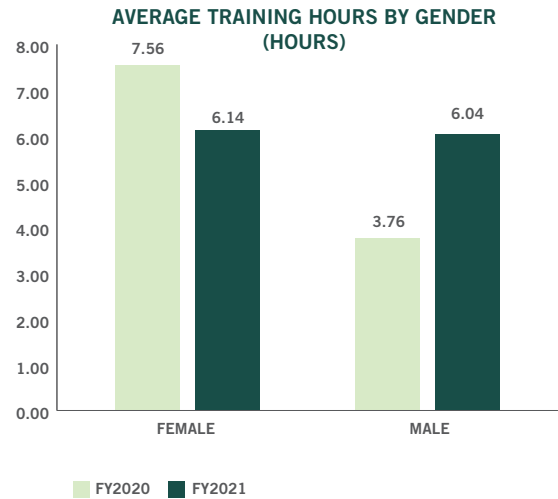
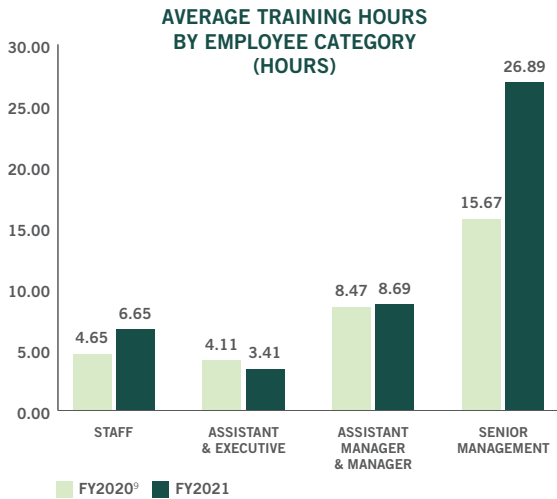
LHN believes that the investment in the learning and development of our employees can help the Group retain its competitive edge within our industry. Our HR department considers the various business segments' development needs and skillsets required by employees when arranging for training programmes 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 FY2020 our supervisors and employees will also have opened feedback discussions on ways to improve an employee's performance and their development.

In FY2021, we achieved in total 2,614 training hours (FY2019: 2,509 hours, FY2020: 2,588 hours) for our employees, resulting in an average of 6.1 hours per employee (FY2019: 9.7 hours, FY2020: 5.1 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 increase in average training hours per employee by 19.6% in FY2021 was due to a decrease in workforce numbers and an increase in training programs conducted. However, LHN is aware that it is still short of meeting its target of 15 training hours per employee. Due to certain logistics constraints of our training programme vendor, our planned annual training program could not be conducted in time in FY2021. Efforts to achieve our target will be stepped up in the following financial year, with careful consideration of the timeline and extra hours required.

VI. PERFORMANCE AND HIGHLIGHTS

Creating A Fair Workplace



In FY2021, we have also 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.

CASE STUDIES: EMPLOYEE ENGAGEMENT PROGRAMME, LONG SERVICE AWARD AND CSR INITIATIVES

EMPLOYEE ENGAGEMENT PROGRAM

It is evident that an engaged workforce benefits in many ways. Benefits include high employee morale, increased efficiency, enhanced wellbeing, mental wellness and more. With the adoption of a Work-from-Home approach and flexible work schedule during the COVID-19 pandemic, we aim to sustain a workplace environment that promotes wellbeing for all our employees. We have introduced a suite of impactful health and mental wellness webinars on COVID-19 Vaccine Awareness, Pain Management, Self-Care During Stressful Times and Health Screening Programme for employees to better understand their health status and better manage their health conditions.



⁹ Our restatement for FY2020 for Average Training Hours by Employees Category, differences arose out of improved data collection procedures adopted and updated formulas in re-calculations. Corresponding corrections have been made to data reflected in the graph.

VI. PERFORMANCE AND HIGHLIGHTS

Creating A Fair Workplace



LHN 2021 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 25 employees.

LHN 2021 CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

LHN is committed to creating a sense of community by bringing people together and working towards a single cause. LHN has partnered Food from the Heart organisation and participated in the volunteer work in August 2021 to make National Day more meaningful. To spread the joy of LHN Group's

30th Anniversary to a larger crowd, we have sponsored food items for families in need and have launched a donation drive initiative. The purpose is to raise awareness of local needs and encourage unity. We volunteered our time to support a cause and it gives us a sense of purpose in life. The fulfilling feeling of giving back and contributing to society is unparalleled.



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
• Chua Eng Chong Holdings Pte. Ltd.	• Coliwoo Dormitory Management Pte. Ltd.	• Hean Nerng Logistics Pte. Ltd. (“HNL”)
• Coliwoo Balestier Pte. Ltd.	• New Shiso Catering Pte. Ltd.	
• Coliwoo Keppel Pte. Ltd.	• Industrial & Commercial Facilities Management Pte. Ltd.	
• Emerald Properties Pte. Ltd.	• LHN Parking Pte. Ltd.	
• GreenHub Suited Offices Pte. Ltd.		
• Hean Nerng Facilities Management Pte. Ltd.		
• LHN Energy Resources Pte. Ltd.		
• LHN Facilities Management Pte. Ltd.		
• LHN Properties Investments Pte. Ltd.		
• LHN Space Resources Pte. Ltd.		
• Singapore Handicrafts Pte Ltd		
• Soon Wing Investments Pte. Ltd.		
• Work Plus Store (Joo Seng) Pte. Ltd.		
• Work Plus Store Pte. Ltd.		

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 organisation; Or workers who are not employees and whose work and workplace are not controlled by the organisation, but the organisation's operations, products or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships.

ENVIRONMENT¹⁰

Climate-related Physical Risks

Physical risks emanating from climate change can be event-driven (acute) such as increased severity of extreme weather events (e.g., cyclones, droughts, floods, and fires). They can also relate to longer-term shifts (chronic) in precipitation and temperature and increased variability in weather patterns (e.g., sea level rise).

Climate-related Transitional Risks

Climate-related risks can also be associated with the transition to a lower-carbon global economy, the most common of which relate to policy and legal actions, technology changes, market responses, and reputational considerations.

Climate-related Opportunities

Climate-related opportunities refers to the potential positive impacts related to climate change on an organisation. Efforts to mitigate and adapt to climate change can produce opportunities for organisations, such as through resource efficiency and cost savings, the adoption and utilisation of low-emission energy sources, the development of new products and services, and building resilience along the supply chain. Climate-related opportunities will vary depending on the region, market, and industry in which an organisation operates.

Energy consumption within the Group

Space Optimisation Business: Energy consumed results from 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.

Energy generation is expressed in kilowatts peak (kWp), defined as the rate at which the solar panel systems generate energy at peak performance.

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 our property at 7 Gul Avenue to house our vehicle fleet. Since areas of our property have been rented out to tenants in FY2021, a proportionate amount of energy consumption between LHN and tenants was taken.

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.

Logistics Services Business: This is the ratio of energy consumed assumed by LHN relative to total LHN-owned floor areas in square metres.

¹⁰ 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.

Customer Satisfaction scoring

Customer satisfaction survey questionnaires are sent out annually to our clients. For Facilities Management and Logistics, an aggregated scoring is reported. However, since the Space Optimisation business is made up of a few business units, a weighted average considering the number of survey respondents was taken to derive the final scoring. This is an improvement to previous year's methodology and seeks to provide a more accurate method of calculation.

Energy intensity is expressed in Megawatt hours per square metre (MWh/m²).

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 CO₂. 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 (TCO₂e).

GHG emissions intensity

Space Optimisation Business and Logistics Services Business: This is the ratio of GHG emissions relative to total occupied area (including common floor area) in square metres arising out of electricity consumption.

GHG emissions intensity arising out of electricity consumption for Space Optimisation Business and Logistics Services Business is expressed in tonnes of carbon dioxide equivalent per square metre (TCO₂e/m²).

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

GHG emissions intensity arising out of fuel consumption for Logistics Services Business is expressed in tonnes of carbon dioxide equivalent per kilometre (TCO₂e/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. Since tenants make up marginal water consumption, LHN assumes total water consumption of the entire property.

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.

APPENDIX B.

Methodological Review & Data Boundaries

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.

Volume of water consumed is expressed in cubic metres (m³).

Water intensity

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

Logistics Services Business: This is the ratio of total water consumption relative to total floor area of the property in square metres.

Water intensity is expressed in cubic metres per square metre (m³/m²).

Other Notes

BCA Green Mark Certification

The BCA Green Mark certification scheme is a green building system to rate a building's environmental impact and performance. Rating criteria include Energy Efficiency, Water Efficiency, Environmental Protection, Indoor Environmental Quality, and other Green and Innovative features that could contribute to better building performance. The Platinum scoring is the highest attainable score.

JTC Urban Design Guidelines

Conducting major building works on JTC land requires abiding by their requirements, such as minimum plot ratio, maintenance of Green Mark rating, and abiding by JTC Urban Design Guidelines.

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	Creating a fair workplace	41
102-9	Supply chain	Our business	1
102-10	Significant changes to the organization and its supply chain	Chairman's message	4-6
102-11	Precautionary Principle or approach	Chairman's message	4-6
102-12	External initiatives	Safeguarding health and safety	29-31
102-13	Membership of associations	Singapore Business Federation HNL: Singapore Logistics Association	
102-14	Statement from senior decision-maker	Chairman's message Board Statement	4-6 7
102-16	Values, principles, standards, and norms of behaviour	Our business Chairman's message Creating a fair workplace	1 4-6 41
102-18	Governance structure	Sustainability at LHN: Sustainability Governance Cultivating strong business values: Anti-corruption and compliance	7
102-40	List of stakeholder groups	Sustainability at LHN: Stakeholder engagement	10-11
102-41	Collective bargaining agreements	Not applicable	
102-42	Identifying and selecting stakeholders	Sustainability at LHN: Stakeholder engagement	10-11
102-43	Approach to stakeholder engagement	Sustainability at LHN: Stakeholder engagement	10-11
102-44	Key topics and concerns raised	Sustainability at LHN: Stakeholder engagement	10-11
102-45	Entities included in the consolidated financial statements	Appendix A	46
102-46	Defining report content and topic boundaries	Sustainability at LHN: overview of LHN's sustainability approach	14-17
102-47	List of material topics	Sustainability at LHN: overview of LHN's sustainability approach	14-17
102-48	Restatements of information	Protecting our Environment: Energy consumption Fair Employment Practices	22, Restatement of total emissions in FY2019 and FY2020 within Space Optimisation business 44, Restatement of average training hours in FY2020 for employee category
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	–	FY2020 Sustainability Report was published on 26 February 2021.
102-52	Reporting cycle	–	Annual

APPENDIX C.

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	50-51
102-56	External assurance	Sustainability at LHN: Overview of LHN's sustainability approach	14-17
205-3	Confirmed incidents of corruption and actions taken	Cultivating strong business values: Anti-corruption and compliance	38
302-1	Energy consumption within the organization	Protecting our environment: Energy consumption	22
302-3	Energy intensity	Protecting our environment: Energy consumption	22
303-1	Interactions with water as a shared resource	Sustainability at LHN: Overview of LHN's sustainability approach	14-17
		Protecting our environment: Water consumption	27
		Appendix B	47-49
303-2	Management of water discharge-related impacts	Sustainability at LHN: Overview of LHN's sustainability approach	14-17
		Appendix B	47-49
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.	27
307-1	Non-compliance with environmental laws and regulation	Cultivating strong business values: Anti-corruption and compliance	38
401-1	New employee hires and employee turnover	Creating a fair workplace	41
403-1	Occupational health and safety management system	Safeguarding health and safety	29-31
403-2	Hazard identification, risk assessment, and incident investigation	Safeguarding health and safety	29-31
403-3	Occupational health services	Safeguarding health and safety	29-31
403-4	Worker participation, consultation, and communication on occupational health and safety	Safeguarding health and safety	29-31
403-5	Worker training on occupational health and safety	Safeguarding health and safety	29-31
403-6	Promotion of worker health	Safeguarding health and safety	29-31
403-7	Prevention and mitigation of occupational health and safety impacts	Safeguarding health and safety	29-31
403-9	Work-related injuries	Safeguarding health and safety	29
403-10	Work-related ill health	Safeguarding health and safety	29
404-1	Average hours of training per year per employee	Creating a fair workplace	44
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Safeguarding health and safety	29
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cultivating strong business values: Security of information	37
419-1	Non-compliance with laws and regulations in the social and economic area	Cultivating strong business values: Anti-corruption and compliance	38
–	Results of surveys measuring customer satisfaction	Cultivating strong business values: Customer satisfaction	32

APPENDIX D.

HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
ENVIRONMENTAL				
ASPECT A1: EMISSIONS				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	14-17	–
		Cultivating strong business values: Compliance with applicable laws and regulations	38	
KPI A1.1	The types of emissions and respective emissions data	Protecting our environment: Energy consumption	22-23	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	Direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Protecting our environment: Energy consumption	22-23	Our GHG emission is principally from the electricity and fuel consumed and is measured in total carbon dioxide (TCO ₂ e).
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	–	–	LHN produced no hazardous waste in FY2021.
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 emission target(s) set and steps taken to achieve them	Protecting our environment: Energy consumption	22-26	–
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	–	–	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.

APPENDIX D.

HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
ASPECT A2: USE OF RESOURCES				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	14-17	–
		Cultivating strong business values: Compliance with applicable laws and regulations	38	
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 consumption	22-23	–
KPI A2.2	Water consumption in total and intensity	Protecting our environment: Water consumption	27-28	–
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Protecting our environment: Energy consumption	22-26	–
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	Protecting our environment: Water consumption	27-28	–
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.
ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES				
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 consumption	22-26	–
		Protecting our environment: Water consumption	27-28	
ASPECT A4: CLIMATE CHANGE				
General Disclosure		–		
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	Climate-related Disclosures	18-21	–
SOCIAL				
EMPLOYMENT AND LABOUR PRACTICES				
ASPECT B1: EMPLOYMENT				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	14-17	–
		Cultivating strong business values: Anti-corruption and compliance	38	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Creating a fair workplace	41-43	–
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Creating a fair workplace	41-43	–

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GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
ASPECT B2: HEALTH AND SAFETY				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	14-17	–
		Cultivating strong business values: Anti-corruption and compliance	38	
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Safeguarding health and safety	29	–
KPI B2.2	Lost days due to work injury	Safeguarding health and safety	29	–
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Safeguarding health and safety	29-31	–
ASPECT B3: DEVELOPMENT AND TRAINING				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	14-17	–
		Cultivating strong business values: Anti-corruption and compliance	38	
KPI B3.1	The percentage of employees trained by gender and employee category	Creating a fair workplace	41-45	–
KPI B3.2	The average training hours completed per employee by gender and employee category	Creating a fair workplace	43-44	–
ASPECT B4: LABOUR STANDARDS				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	14-17	–
		Cultivating strong business values: Anti-corruption and compliance	38	
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 FY2021.
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.

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GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
OPERATING PRACTICES				
ASPECT B5: SUPPLY CHAIN MANAGEMENT				
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	–
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Our business	1	–
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Our business	1	–
ASPECT B6: PRODUCT RESPONSIBILITY				
General Disclosure		Cultivating strong business values: Anti-corruption and compliance	38	–
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	Cultivating strong business values: Customer satisfaction	32-33	–
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	Cultivating strong business values: Security of information	37	–
ASPECT B7: ANTI-CORRUPTION				
General Disclosure		Cultivating strong business values: Anti-corruption and compliance	38	–
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	Cultivating strong business values: Anti-corruption and compliance	38	–
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Cultivating strong business values: Anti-corruption and compliance	38	–
KPI B7.3	Description of anti-corruption training provided to directors and staff	Cultivating strong business values: Anti-corruption and compliance	38	Anti-corruption training will be conducted in FY2022

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GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
COMMUNITY				
ASPECT B8: COMMUNITY INVESTMENT				
General Disclosure		–	–	Please refer to our annual report FY2021 published on the website of HKEX (www.hkexnews.hk), SGX-ST (www.sgx.com) and the website of the Company (www.lhngroup.com).
KPI B8.1	Focus areas of contribution	–	–	Please refer to our annual report FY2021 published on the website of HKEX (www.hkexnews.hk), SGX-ST (www.sgx.com) and the website of the Company (www.lhngroup.com).
KPI B8.2	Resources contributed to the focus area	–	–	Please refer to our annual report FY2021 published on the website of HKEX (www.hkexnews.hk), SGX-ST (www.sgx.com) and the website of the Company (www.lhngroup.com).



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