

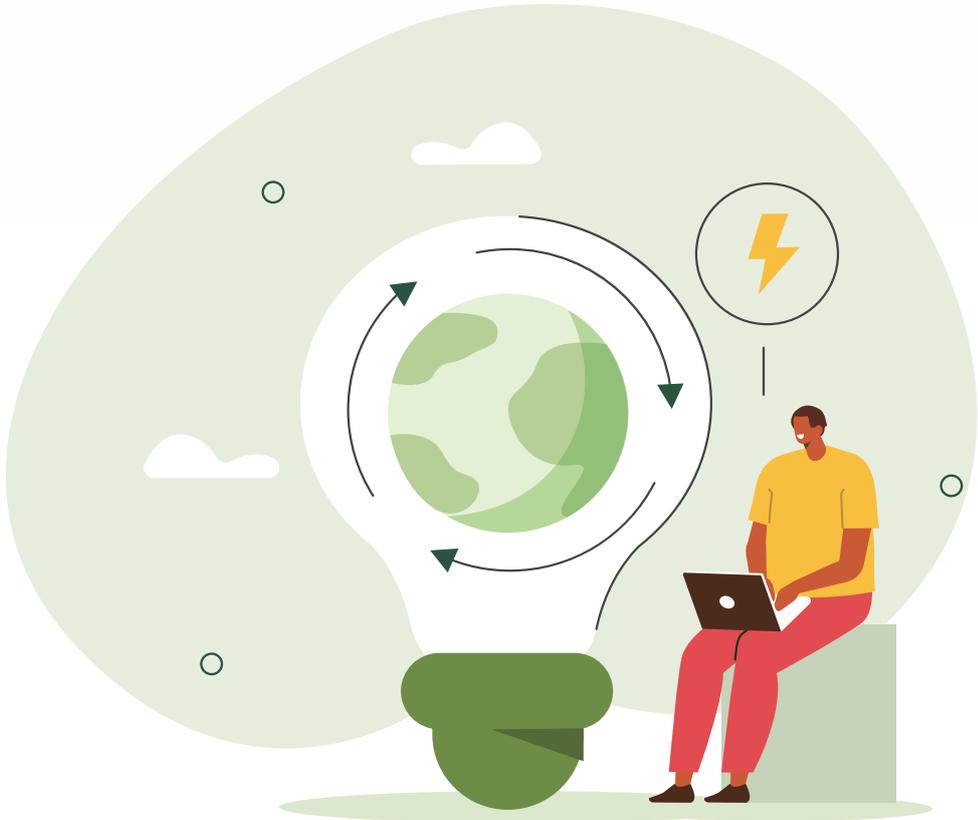
SUSTAINABILITY REPORT 2023



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1.1 CHAIRMAN'S MESSAGE



Dear Stakeholders,

I am pleased to present our Sustainability Report for the financial year ended 30 September 2023 (“FY2023”). This report encapsulates our achievements, challenges, and strategic vision in the sustainability area.

Over the past year, we have steadfastly enhanced our focus on Environmental, Social and Governance (“ESG”) by refining our sustainability strategies and implementing actions aimed at achieving harmony between the environment, humanity and business viability. Our commitment to sustainability extends beyond a corporate initiative. In fact, it is ingrained in our core values and guides our day-to-day operations.

In FY2023, our ESG framework continues to serve as a reliable compass, guiding our practices to achieve defined sustainability objectives. Within this framework, we have categorised our identified critical areas under three primary pillars:

- Protecting Our Environment
- Creating Positive Social Impacts for Our Employees, Stakeholders and Communities
- Maintaining Good Corporate Governance Practices

PROTECTING OUR ENVIRONMENT

Working towards achieving net-zero emissions is a pivotal aspect of the Group’s sustainability strategy. In FY2023, we have implemented various initiatives to reduce our carbon footprint, including expanding our renewable energy systems network, optimising resource consumption, and engaging our employees, tenants in environmental programs such as urban farming, tree planting and upcycling.

We continue to actively expand our energy portfolio and as at 30 September 2023, successfully completed 21 solar projects with system capacity of over 3 megawatts.

Beyond solar panels, we also provide electric vehicle (“EV”) charging stations across the island. Currently, there are seven carparks locations carrying the company’s EV charging stations. Our EV charging stations are equipped with AC 7.4kW/22kW chargers which are future-proofed in the event that they need to be upgraded to DC chargers. Through this initiative, the Group is contributing to Singapore’s burgeoning infrastructure for EVs. Furthermore, through our subsidiary LHN EVCO Pte. Ltd., the Group entered into a joint venture with Yinson GreenTech to bring the chargeEV fast charging hubs and services to Singapore, facilitating easy and accessible cross-border charging between Singapore and Malaysia.

In addition to our active expansion of the energy business segment, we remain steadfast in our commitment to curbing our carbon footprint within our core business operations.

In our Space Optimisation Business, energy conservation is prioritised through the use of electrical fittings and equipment such as light bulbs, air-conditioners and appliances equipped with energy-saving technologies, such as motion sensors and timer switches. These devices not only enable us to actively monitor energy usage but also facilitate the reduction of electricity wastage. Additionally, we take a proactive approach to water conservation by installing water-saving devices on all taps in our properties, effectively preventing unnecessary water wastage.

Through the use of environmentally friendly chemicals and cleaning agents, our facilities management services continue to mitigate health and environmental risks. In addition, the adoption of cutting-edge technologies such as cleaning robots and data-driven resources management, empowers the business to proactively optimise resources and enhance overall productivity.

1.1 CHAIRMAN'S MESSAGE

"...Our commitment to sustainability extends beyond a corporate initiative. In fact, it is ingrained in our core values and guides our day-to-day operations..."

The Group has contributed to the restoration of Singapore's natural environment through active participation in the National Parks Board Garden City Fund's Plant-A-Tree program and promotes urban farming at our Coliwoo properties. To act further on reducing waste, we introduced the upcycling concept to our employees. In FY2023, we partnered with Terra SG to organise an upcycling workshop to educate our employees to rethink possibilities of waste; and learn how to transform perceived trash into useful items.

FOSTERING POSITIVE SOCIAL CONTRIBUTIONS

We are dedicated to creating a fair, safe and healthy workplace for our employees to enable them to achieve their personal career goals and generate values for our external stakeholders. Our focus on talent development involves proactive efforts to equip employees with new skills, ensuring their competitiveness and relevance during disruptive times. Prioritising employee well-being, we emphasise operational safety through strict regulatory compliance and consistent safety measures. Additionally, our commitment extends to developing communication processes centred on safe working requirements, coupled with vigilant efforts to promptly identify and mitigate operational and safety risks.

Committed to our vision of "Creating Productive Environments", we continuously develop innovative space concepts to cater to evolving business needs of our clients. The Group places a strong emphasis on exceptional customer service and strives to exceed industry standards across all operations.

At LHN, we embrace social responsibility and make conscientious effort to install good values with emphasis on the importance of kindness, altruism, and meaningful contributions to society. Our primary objective when planning corporate social responsibility ("CSR") activities is to empower beneficiaries to become self-sustained and capable of contributing to society like everyone else, thereby avoiding the creation dependencies. Instead of one-time charity giving, we engage services provided by beneficiaries or funding their vocational training courses. This approach enables us to create lasting job opportunities, unlocking the full potential of our beneficiaries and fostering their journey toward financial independence. We actively engage employees, business associates, and clients in our CSR programs, pooling resources for larger impacts.

MAINTAINING GOOD CORPORATE GOVERNANCE

Corporate governance serves as the bedrock upon which trust and transparency are established. We understand its pivotal role, not only for the prosperity of our organisation but also for the welfare of our stakeholders. We take pride in affirming that the Group maintains an unblemished record with zero incidents of corruption since our reporting began.

In FY2023, the Group's efforts in maintaining good corporate governance practices were recognised with the double wins at the SIAS Investors' Choice Awards 2023 under two categories-Most Transparent Company Award 2023 (Real Estate Category) and Shareholder Communications Excellence Award 2023 (Small Cap Category). Winning these awards is a testament to the company's unwavering dedication to transparency, communication and shareholder satisfaction.

BUSINESS DEVELOPMENT

During FY2023, the Group successfully divested its entire shareholding in LHN Logistics Limited, a non-wholly owned subsidiary of the Group (previously listed on SGX, stock code: GIH). This strategic move enables the Group to channel its efforts and resources towards the development of its core business segments. Given the disposal of LHN Logistics Limited during the financial year, this report will not include information related to LHN Logistics Limited and its group of companies.

In the year to come, we will remain steadfast in our dedication to our sustainability and will continue to integrate sustainable practices into all aspects of our operations for a resilient and environmentally responsible future. We invite you to review the full Sustainability Report for in-depth insights into our efforts and achievements; and we eagerly welcome your feedback. Your valuable suggestions play a crucial role in helping us develop more impactful and meaningful initiatives, contributing to the creation of a better world for all.

KELVIN LIM

Executive Chairman, Executive Director and Group Managing Director

8 January 2024

2.1 OUR BUSINESS

LHN Limited (“LHN” or the “Company”, together with its subsidiaries, the “Group”) is a real estate management services group that has a significant history dating back to 1991. The Group is well-regarded for its ability to create value through its expertise in space optimisation. The Group was incorporated and headquartered in Singapore with business operations spread strategically across Singapore, Hong Kong, Indonesia, Cambodia and Myanmar. The Group is dual listed on the Mainboard of the Singapore Exchange Limited (“SGX”) (effective from 13 December 2023 and was previously listed on the Catalyst of the SGX) and Mainboard of The Stock Exchange of Hong Kong Limited (“HKEX”).

LHN offers a range of services in facilities management and renewable energy, which complement its core Space Optimisation Business.

Beyond our core space optimisation expertise, we also actively engage in other property-related businesses, encompassing property development and property investment. We strategically acquire, develop, and/or sell diverse types of properties, while also conducting investments endeavors across the property spectrum. Our focus lies on maximising the value of properties to generate consistent recurring income and cultivating sustainable long-term capital appreciation.



Space Optimisation:

LHN specialises in optimising the use of space within real estate properties. This may involve reconfiguring layouts, making better use of available space, or redeveloping properties to maximise their potential. Space optimisation can benefit various types of properties including offices, warehouses, retail spaces and more.



Facilities Management:

LHN provides facilities management services. This includes the maintenance, upkeep and operation of various facilities such as commercial buildings, industrial spaces and residential properties. Effective facilities management can enhance the overall functionality and appeal of these spaces.



Energy:

LHN's involvement in the renewable energy business encompasses a range of services associated with sustainable energy solutions such as solar energy and EV charging facilities. The integration of renewable energy solutions into properties not only reduces operating costs but also fosters environmental sustainability.



VISION

We Create Productive Environments



MISSION

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



CORE VALUES

Prudence
Efficiency
Accountability

3.1 ABOUT THE REPORT

SCOPE OF THE REPORT

The scope of this report is inclusive of the sustainability aspects related to LHN, emphasising non-financial performance and the associated management approach disclosures. The reporting period covers the timeframe from 1 October 2022 to 30 September 2023, with any exceptions specified. We have included the historical data for FY2021 and FY2022 for comparison where available. The report is strategically crafted to provide a thorough response to stakeholders' concerns regarding sustainability issues stemming from the Group's primary business operations in Singapore, which collectively constitute 96% of the Group's revenue. With the disposal of LHN Logistics Limited during the financial year, the Group has removed the Logistics Services Business from its business segments. Nevertheless, the Group has initiated a new business segment – Energy Business. The primary business operations included in this report were determined based on the controls¹ exercised by the Group, which encompassed subsidiaries and exclude joint ventures and associates.

For a comprehensive list of entities included in this report, please refer to **Appendix A**.

REPORTING STANDARDS

The report is prepared in compliance with the ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on HKEX (“**HKEX Listing Rules**”) and Chapter 7: Continuing Obligations of SGX Rulebooks, 711A and 711B (“**SGX Listing Rules**”) which draws on the guidance set out by the Practice Note 7.6 Sustainability Reporting Guide. Please refer to **Appendix E** for the HKEX ESG Reporting Guide content index.

In addition to complying with the relevant listing rules, this report is also meticulously crafted with reference to the Global Reporting Initiative (“**GRI**”) Standards, which is recognised as a comprehensive and globally accepted

framework for sustainability reporting. Our report adheres to the GRI's principles for determining report content and ensuring report quality. This involves a thorough consideration of the Group's activities, their associated impacts and the significant expectations and interests of our stakeholders. Please refer to **Appendix D** for the GRI content index.

Furthermore, this report is prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (“**TCFD**”). We have adopted a phased approach in alignment with the recommendations in SGX-ST Practice Note 7.6 Sustainability Reporting Guide, focusing on specific areas of climate-related financial disclosures in our reporting. This approach enables us to address key aspects of climate risk and opportunities within the context of our operations and business activities. Please refer to **Appendix F** for the TCFD recommendations content index.

RESTATEMENTS

No restatements were made from the previous report.

INDEPENDENT VERIFICATION

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

SUSTAINABILITY CONTACT

The electronic version of this report can be accessed on the Company's website (www.lhngroup.com) under the section “Investor Relations”.

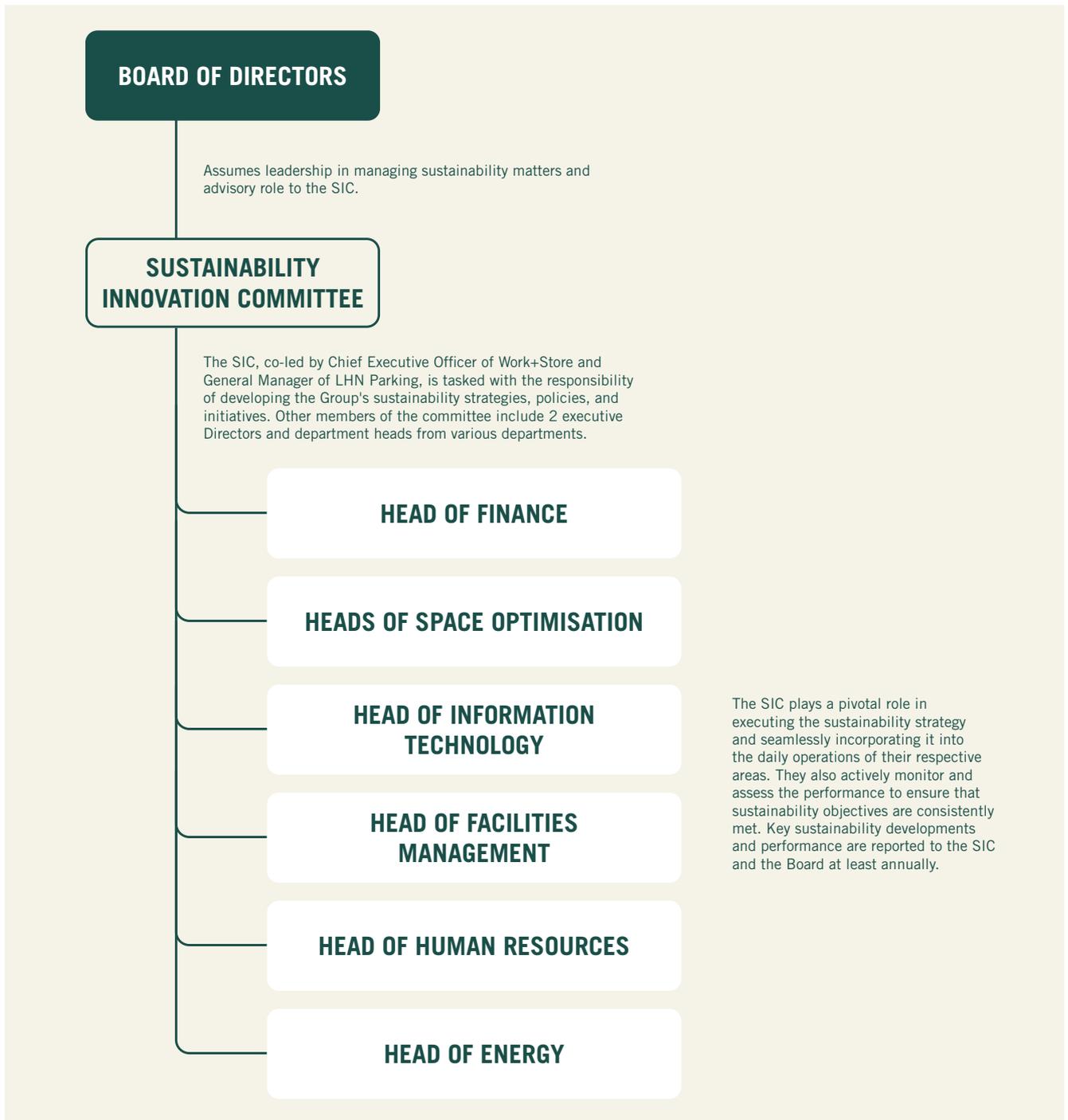
We welcome your views and feedback on our sustainability practices and reporting. For any enquiry related to this report, please contact enquiry@lhngroup.com.sg.

¹ Please refer to LHN Limited Annual Report 2023, Notes to the Financial Statements, Note 2.2.1 (a) for the definition of subsidiaries and Note 2.9 for the definitions of joint ventures and associates.

4.1 SUSTAINABILITY STRATEGY

SUSTAINABILITY ORGANISATION STRUCTURE

In our pursuit of long-term growth, sustainability plays a pivotal role in our corporate strategy. The value we generate for our stakeholders, encompassing our people, the environment and society as a whole, profoundly influences our financial performance. To champion this commitment to sustainability, the Board of Directors (the “**Board**”) oversee the ESG matters of the Group and our dedicated Sustainability Innovation Committee (“**SIC**”) plays a pivotal role in cultivating a culture of sustainability within LHN. The SIC proactively develops the Group’s sustainability strategies, policies and initiatives, with support from various department heads who collaborate on managing and executing sustainability initiatives across the Group’s operations. In addition to these efforts, they are responsible for the annual tracking and reporting of performance to both the SIC and the Board.



4.1 SUSTAINABILITY STRATEGY

STAKEHOLDER ENGAGEMENT

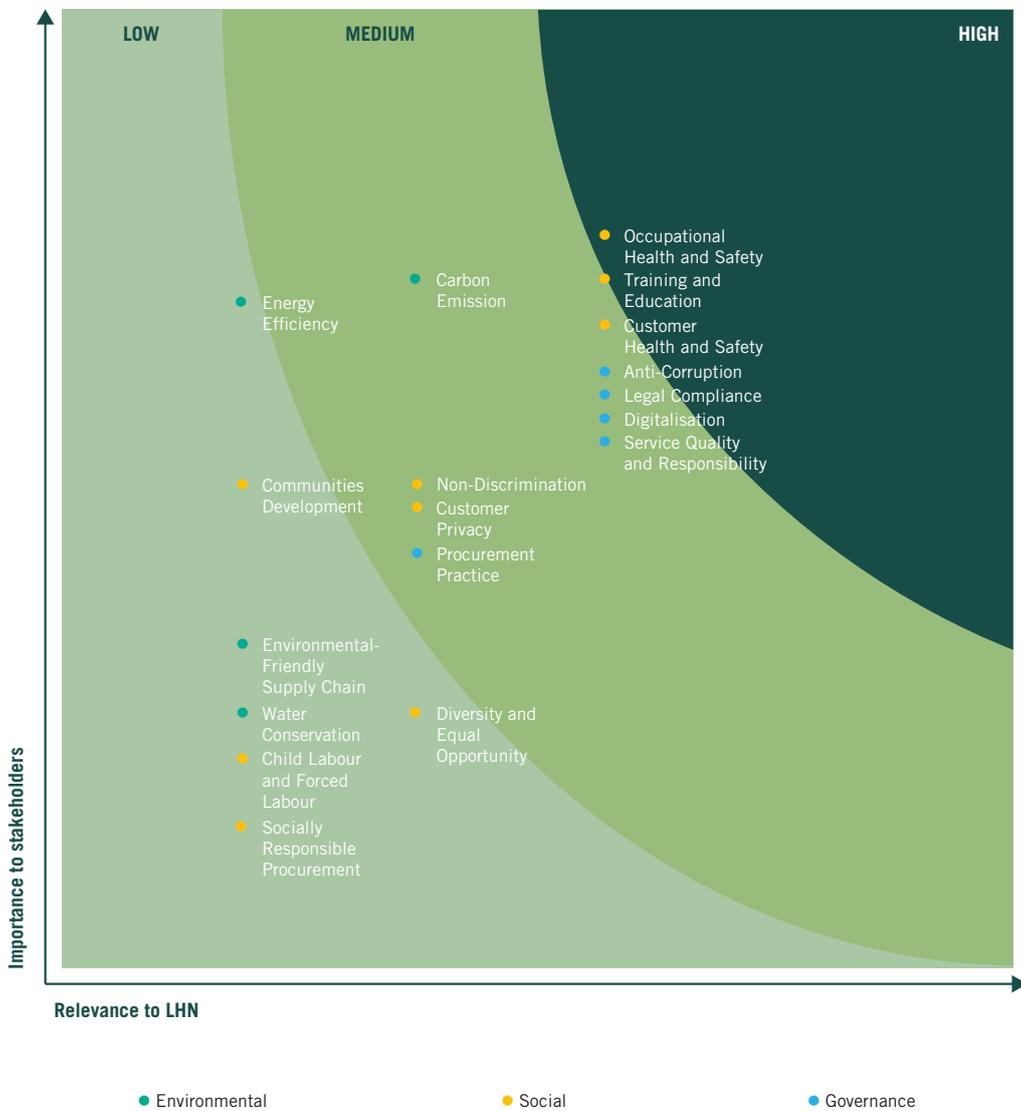
LHN diligently takes into account the key concerns of its stakeholders when defining the reporting context. The table below provides a concise summary of these stakeholders' primary interests and outlines our strategies for engagement with them.

STAKEHOLDERS	MAIN CONCERNS	ENGAGEMENT	FREQUENCY	RESPONSES
EMPLOYEES	<ul style="list-style-type: none"> Occupational health and safety Remuneration and welfare Fair employment practices Career development Job security Training and reskilling opportunities 	<ul style="list-style-type: none"> Townhall session Employee engagement events Performance appraisal Employee handbook Online feedback channel system 	<ul style="list-style-type: none"> Annually Ad-hoc Annually On-going On-going 	<ul style="list-style-type: none"> LHN has implemented a strong health and safety management system to foster a safe workplace. LHN places a significant emphasis on promoting equitable employment practices and ensuring fair compensation and employee well-being. LHN offers a range of career development and training opportunities to our employees through diverse channels, tailored to their identified skill development needs. LHN emphasises the importance of continuous communication with our employees regarding various business updates, and policy changes, and gathering their feedback through a variety of communication channels.
GOVERNMENT AND REGULATORY BODIES	<ul style="list-style-type: none"> Compliance with regulatory requirements 	<ul style="list-style-type: none"> Feedback on consultation paper and sessions Feedback via business associations Calls and meetings 	<ul style="list-style-type: none"> Ad-hoc Ad-hoc Ad-hoc 	<ul style="list-style-type: none"> LHN places a strong emphasis on regulatory compliance and integrates adherence to industry standards and regulatory requirements into our daily business operations.
INVESTORS	<ul style="list-style-type: none"> Long-term profitability and business continuity Timely and transparent updates on financial performance and business strategies and opportunities 	<ul style="list-style-type: none"> Company announcements on stock exchanges Publication of interim financial performance updates, annual reports and sustainability report Annual General Meeting (“AGM”) and Extraordinary General Meeting (“EGM”), if required Networking sessions with shareholders 	<ul style="list-style-type: none"> Ad-hoc Quarterly/Half-yearly/Annually Annually/Ad-hoc Ad-hoc 	<ul style="list-style-type: none"> LHN proactively seeks out new business opportunities and meticulously manages our existing business segments. LHN offers timely and transparent updates on significant developments and action plans to our stakeholders.
SUPPLIERS	<ul style="list-style-type: none"> Fair and transparent business conduct Continued engagement 	<ul style="list-style-type: none"> Day-to-day communications Annual supplier performance review 	<ul style="list-style-type: none"> On-going Annually 	<ul style="list-style-type: none"> LHN upholds comprehensive policies for managing our relationships with suppliers, ensuring a fair and transparent selection process, and cultivating long-term partnerships. LHN places a strong emphasis on sustained engagement with suppliers to nurture close relationships, thereby mitigating potential disruptions in the supply chain.
TENANTS AND CUSTOMERS	<ul style="list-style-type: none"> Quality of products and services Innovative products and services Timely responses to customer complaints Data protection and confidentiality 	<ul style="list-style-type: none"> Social media platform updated when required Networking sessions and ad-hoc engagement events Feedback channels 	<ul style="list-style-type: none"> Ad-hoc Ad-hoc On-going 	<ul style="list-style-type: none"> LHN believes in innovative solutions integrating digital solutions into our business solutions and services thereby improving our service quality. LHN underscores the importance of adhering to established policies and procedures in addressing customer complaints and feedback, ensuring consistency and efficiency in our responses. LHN prioritises the strict protection and confidentiality of customer and tenant personal data through adherence to data protection regulations, rigorous security measures, and continuous policy enhancements.

4.1 SUSTAINABILITY STRATEGY

MATERIALITY ASSESSMENT

In FY2023, we undertook a materiality review exercise to determine the material ESG factors relevant to our businesses. This review exercise comprehensively evaluates the impact of the ESG factors on the businesses and their significance to stakeholders. Additionally, we analyse the Company’s activities to understand their influence on these ESG factors. This approach involves conducting various meetings with management representatives from diverse business units within the organisation. These meetings serve as a collaborative platform for assessing the significance of ESG factors, drawing on the insights and expertise of those closest to the specific operational areas. We believe that the material factors identified in our previous materiality review exercise continue to be relevant to us in FY2023, while we have also incorporated certain material ESG factors to offer a more comprehensive perspective on our sustainability initiatives to our stakeholders.



5.1 SUSTAINABILITY APPROACHES

ESG STRUCTURE AND APPROACHES

At LHN, our commitment to sustainability is founded on 3 overarching pillars that delineate our ESG endeavours. This comprises our dedication to **‘Protecting Our Environment’** where we actively engage in initiatives to reduce our environmental footprint and contribute to the global effort to combat climate change, our commitment to **‘Creating Positive Social Impacts for Our Employees, Stakeholders and Communities’** through fostering a holistic approach to corporate responsibility and **‘Maintaining Good Corporate Governance Practices’** where we recognise the pivotal role that ethical decision-making and responsible business conduct play in shaping a sustainable future. By categorising material topics within these pillars, we ensure a transparent and structured dissemination of information to our stakeholders.

Our ESG framework will continue to evolve and expand over the years to come as we continue our sustainability journey.



Protecting Our Environment

- **Transition to Low Carbon**
 - Carbon Emission
- **Responsible Resources Use**
 - Energy Efficiency
 - Water Conservation
- **Environmental-friendly Supply Chain**
 - Sustainable Sourcing
 - Compliance with Environmental Laws and Regulations



Creating Positive Social Impacts for Our Employees, Stakeholders and Communities

- **Employee**
 - Diversity and Equal Opportunity
 - Non-discrimination
 - Child Labour and Forced Labour
 - Training and Education
 - Occupational Health and Safety
- **Customer**
 - Customer Health and Safety
 - Customer Privacy
- **Communities**
 - Communities Development
- **Suppliers**
 - Socially Responsible Procurement



Maintaining Good Corporate Governance Practices

- **Business Excellence**
 - Service Quality and Responsibility
 - Digitalisation
- **Corporate Governance**
 - Legal Compliance
 - Procurement Practice
 - Anti-corruption

5.1 SUSTAINABILITY APPROACHES

Besides a comprehensive ESG framework, we establish dedicated committees to develop initiatives that tackle multiple aspects of sustainability. Our three internal committees – the Welfare Committee, the Corporate Social Responsibility (CSR) Committee and the Sustainability Innovation Committee – are responsible for monitoring and managing the key elements while maintaining a balance between our internal and external sustainability objectives.

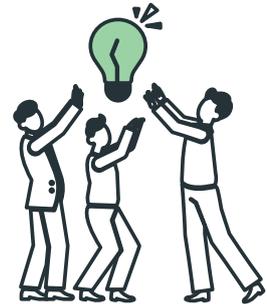
Taking care and protecting our employees.



Taking care of the communities and environment where we operate.



Designing sustainability innovations and businesses processes.



Staff Welfare Committee

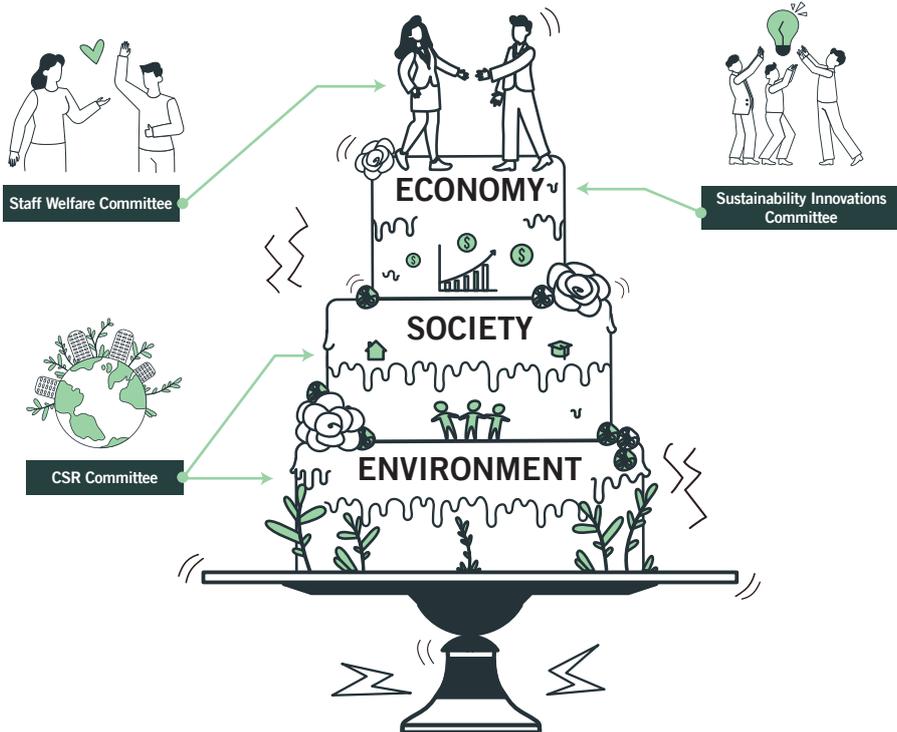
Responsible for staff welfare related programmes (D&D, CNY Lunch, Health Screening, etc.)

CSR Committee

Responsible for organising social and environmental CSR programmes.

Sustainability Innovations Committee

Responsible for designing sustainability innovations or business processes.



5.1 SUSTAINABILITY APPROACHES

GOVERNANCE APPROACHES

We administer the ESG framework through a proactive approach, wherein we meticulously craft comprehensive action plans. Concurrently, we institute and iteratively refine internal policies to proficiently oversee our sustainability endeavours at the operational echelon. Additionally, we institute ambitious objectives and rigorously monitor our performance vis-à-vis these benchmarks, unwaveringly pursuing avenues for continuous improvement and augmentation.

ESG PILLARS	MATERIAL TOPICS	OUR ACTION PLANS	OUR POLICIES	OUR TARGET
PROTECTING OUR ENVIRONMENT	Transition to Low Carbon	LHN is dedicated to contributing to Singapore's Net Zero by 2050 governance objective through a commitment to decrease our carbon footprint.	<ul style="list-style-type: none"> Climate Change Adaptation Policy 	<ul style="list-style-type: none"> Carbon emissions and intensity
	Responsible Resources Use	We are actively working to reduce our resource usage, with a focus on optimising the consumption of electricity and water.	<ul style="list-style-type: none"> Energy Consumption/Management Policy Water Consumption/Management Policy 	<ul style="list-style-type: none"> Energy consumption and intensity Water consumption and intensity
	Environmental-friendly Supply Chain	We are dedicated to minimising our environmental footprint by ensuring that our suppliers adhere to environmental laws and regulations while delivering goods and services to our organisation.	<ul style="list-style-type: none"> Supplier's Code of Conduct 	<ul style="list-style-type: none"> Continuing the inclusion of new suppliers within our Supplier Code of Conduct
CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES	Employees	We are committed to adopting the Tripartite Guidelines on Fair Employment Practices ("TAFEP"), emphasising the development of in-house talents for sustained growth. Additionally, we aim to foster a culture where staff value individual commitment to safe work practices and create safe, conducive spaces for our tenants.	<ul style="list-style-type: none"> Human Resource Policy Employee Grievance Policy Training Policy Performance Appraisal Policy Health, Safety and Environment Policy and Certified BizSAFE Level 3 Work from Home Policy arising from COVID-19 	<ul style="list-style-type: none"> Employee breakdown by gender and employee type Recruitment and turnover rates Average training hours by gender and employment category
	Customers	Our business flourishes through the cultivation of mutually beneficial and robust relationships with our customers.	<ul style="list-style-type: none"> Personal Data Protection Policy Information Security Policy Cybersecurity Framework Document Retention and Disposal Policy Data Breach Management Policy LHN Privacy Policy Website Privacy Policies 	<ul style="list-style-type: none"> Number of substantiated complaints related to the health and safety of customers Number of substantiated complaints, identified leaks, theft or losses of customer data privacy
	Communities	<p>LHN strives to be a socially responsible business within our local community by actively supporting causes that directly benefit and uplift our communities.</p> <p>Our CSR initiatives focus on empowering beneficiaries to unlock their full potential, support their journey toward financial independence to become self-sustained and capable of contributing to society as everyone else.</p>	<ul style="list-style-type: none"> We organise programs for our local communities throughout the year and encourage our employees and tenants to participate Instead of one-time charity giving, we purchase corporate products or engage services provided by beneficiaries; or fund their vocational training courses. 	<ul style="list-style-type: none"> Continue to support the development of local communities with our various program
	Suppliers	We are dedicated to fostering a positive societal impact by ensuring that our suppliers adhere to employment laws and regulations while delivering goods and services to our organisation.	<ul style="list-style-type: none"> Supplier's Code of Conduct 	<ul style="list-style-type: none"> Continuing the inclusion of new suppliers within our Supplier Code of Conduct
	MAINTAINING GOOD CORPORATE GOVERNANCE PRACTICES	Business Excellence	LHN places a paramount emphasis on elevating the quality of customer service and seamlessly incorporates cutting-edge digital solutions to enhance and innovate our services continually.	<ul style="list-style-type: none"> Annual customer satisfaction surveys to gather feedback on our products and services
	Corporate Governance	LHN's commitment to upholding elevated ethical standards is not only integral to our corporate identity but also defines the manner in which we conduct our business.	<ul style="list-style-type: none"> Code of Corporate Governance Conflict of Interest Policy Business Continuity Plan Supplier's Code of Conduct Anti-corruption Policy Anti-fraud Policy Investor relation Policy Whistle-blowing Policy 	<ul style="list-style-type: none"> Number of non-compliance cases Number of incidents of corruption

5.1 SUSTAINABILITY APPROACHES

PERFORMANCE MONITORING

To assess our ESG performance, we have defined metrics and targets for each ESG pillar outlined in our ESG structure. To maintain alignment with our dynamic strategy, we regularly introduce new metrics and update targets, fostering a culture of continual improvement. Our dedication to sustainability is evident in the meticulous annual tracking and review of our program, conducted collaboratively with the Board. This thorough assessment, held at least once a year, underscores our commitment to transparency and accountability.

To track our advancement toward targets, please refer to **Section 6.1, Sustainability Performance**.

For comprehensive details on our ESG metrics, please refer to the attached Sustainability Scorecard in **Appendix B**.

For the methodologies for the measurement of our metrics, please refer to the appended Methodologies and Data Boundaries in **Appendix C**.



6.1 SUSTAINABILITY PERFORMANCE

PROGRESS AGAINST TARGETS

The table presented below provides a comprehensive overview of our progress in alignment with our ESG targets.

ESG PILLARS	MATERIAL TOPICS	OUR TARGET	PROGRESS	FY2023 PERFORMANCE	NEW TARGET	TIMELINE
PROTECTING OUR ENVIRONMENT	Transition to Low Carbon	Not applicable	Not applicable	Not applicable	(Space Optimisation) Reduce Scope 2 emission intensity by 5% by FY2028 with FY2023 as the base year.	🕒 FY2028
	Responsible Resources Use – Energy Efficiency	(Space Optimisation) Reduce electrical consumption intensity by 5% by FY2023 with FY2021 as the base year.	●	Our electricity consumption intensity has decreased by 12% from FY2021 baseline from 0.1355 MWh/m ² to 0.1188 MWh/m ² .	(Space Optimisation – Commercial and Industrial) Reduce electrical consumption intensity by 5% by FY2028 with FY2023 as the base year.	🕒 FY2028
		(Space Optimisation – Residential) Reduce electrical consumption intensity by 3% by FY2028 with FY2023 as the base year.	🕒 FY2028			
		(Space Optimisation) Solar panel energy consumption to make up 15% of the energy consumption of properties with solar panels installed by FY2024.	🕒	We are in the process of meeting this target with solar panel energy consumption making up 14% of the energy consumption of properties with solar panels installed during FY2023.	(Space Optimisation) Solar panel energy consumption to make up 15% of the energy consumption of properties with solar panels installed by FY2024.	🕒 FY2024
	Responsible Resources Use – Water Conservation	(Group) To continue the expansion of EV charging points through further collaborations with external vendors.	🕒	Our total number of EV charging points has decreased to 11 as compared to 12 in FY2022. This slight reduction is attributable to the sale of 4 EV charging points to our business partner during FY2023.	We will continue to expand our EV charging points through further collaborations with external vendors.	🕒 On-going
		(Group) Reduce water consumption intensity by 5% by FY2023 with FY2017 as the base year.	🕒	Our water consumption intensity has increased 76% from 1.58 m ³ /m ² to 2.78 m ³ /m ² .	(Space Optimisation – Commercial and Industrial) Reduce water consumption intensity by 5% by FY2028 with FY2023 as the base year.	🕒 FY2028
					(Space Optimisation – Residential) Reduce water consumption intensity by 1% by FY2028 with FY2023 as the base year.	🕒 FY2028
CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES	Employees – Health and Safety	(Group) Zero work-related fatalities.	●	We have zero work-related fatalities.	(Group) Zero work-related fatalities.	🕒 Annually
		(Group) Less than 5 work-related injuries a year within LHN's premises.	●	We have two work-related injuries within LHN's premises.	(Group) Less than 5 work-related injuries a year within LHN's premises.	🕒 Annually
		(Group) Less than 5 work-related injuries a year offsite.	●	We have one work-related injury offsite.	(Group) Less than 5 work-related injuries a year offsite.	🕒 Annually
	Employee – Training and Education	(Group) Average of 15 training hours per employee.	●	Our average training hours per employee is 18.0 hours.	(Group) Average of 15 training hours per employee.	🕒 Annually
	Employees – Non-Discrimination	(Group) No confirmed cases of discrimination.	●	We do not have confirmed cases of discrimination.	(Group) No confirmed cases of discrimination.	🕒 Annually
	Customer – Customer Health and Safety	(Space Optimisation) Zero fines or penalties ² relating to customer health and safety for Space Optimisation Business.	●	We have zero fines or penalties ² relating to customer health and safety.	(Space Optimisation) Zero fines or penalties ² relating to customer health and safety for Space Optimisation Business.	🕒 Annually
	Customer – Customer Privacy	(Group) Zero substantiated complaints or identified leaks, thefts or losses of customer data.	●	We have zero substantiated complaints or identified leaks, thefts or losses of customer data.	(Group) Zero substantiated complaints or identified leaks, thefts or losses of customer data.	🕒 Annually

² Fines or penalties less than S\$500 are considered immaterial.

6.1 SUSTAINABILITY PERFORMANCE

ESG PILLARS	MATERIAL TOPICS	OUR TARGET	PROGRESS	FY2023 PERFORMANCE	NEW TARGET	TIMELINE
MAINTAINING GOOD CORPORATE GOVERNANCE PRACTICES	Business Excellence – Service Quality and Responsibility	(Space Optimisation) > 70% customer satisfactory rate.	●	Our customer satisfactory rate for Space Optimisation is 81%.	(Space Optimisation) > 70% customer satisfactory rate.	🕒 Annually
		(Facilities Management) > 70% customer satisfactory rate.	●	Our customer satisfactory rate for Facilities Management is 83%.	(Facilities Management) > 70% customer satisfactory rate.	🕒 Annually
	Corporate Governance – Anti-corruption	(Group) Zero confirmed incidents of corruption.	●	We have zero confirmed incidents of corruption.	(Group) Zero confirmed incidents of corruption.	🕒 Annually
	Corporate Governance – Legal Compliance	(Group) Zero non-compliance cases with applicable laws and regulations.	●	We have zero non-compliance cases with applicable laws and regulations.	(Group) Zero non-compliance cases with applicable laws and regulations.	🕒 Annually

Legends

- Completed
- In Progress
- 🕒 Short-term/On-going
- 🕒 Medium-term
- 🔄 Target Revised

7.1 PROTECTING OUR ENVIRONMENT

Transition to Low Carbon

We acknowledge that climate change is a pressing issue that requires immediate attention. Therefore, we are dedicated to collaborating with our stakeholders to mitigate the effects of climate change on both the environment and society. Our priority is to proactively address climate-related risks to our business while maintaining a commitment to environmentally responsible operations. We have dedicated a section of this report to disclose our efforts in managing the risks posed by climate change and the opportunities that arise. We adhere to the recommendations from the TCFD and are committed to following our roadmap to fully integrate these recommendations.

GOVERNANCE

The Board assumes a pivotal role in formulating strategies, setting objectives, assessing policies, overseeing performance, and scrutinising risks and opportunities linked to sustainability issues. In close collaboration with the Management, the Board systematically evaluates the implications of climate change through the Enterprise Risk Management review. The outcomes, inclusive of initiatives and performance metrics, are routinely communicated to the Board during scheduled meetings, facilitated by the SIC.

Comprising key heads of business segments and functions, the SIC bears the responsibility for implementing the identified climate-related initiatives. Furthermore, they actively engage in identifying potential climate-related risks and opportunities as part of their day-to-day operational activities.

STRATEGY

In FY2023, we conducted a comprehensive re-assessment of climate-related risks and opportunities in collaboration with the management teams of our various business units. This assessment involves a thorough evaluation that considers both the likelihood and potential impact of climate risks and opportunities on our business. These risks and opportunities are categorised into three distinct time horizons:

- Short-term – < 5 years
- Medium-term – 5 to 15 years
- Long-term – > 15 years

The following are the key climate-related risks and opportunities identified:



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Climate-related Risks and Opportunities	Description of Risks and Opportunities	Impact	Our Strategy
 <p>Transitional Risk and Opportunity</p>	<p><u>Heightened Regulatory Oversight and Reporting Obligations</u></p> <p>We are currently navigating the dynamic business landscape, characterised by heightened regulatory oversight by Exchanges, especially in the area of sustainability reporting.</p> <p>Category: Policy and Legal Significance: Medium Timeline: Short Term</p>	<p>Enhanced sustainability reporting requirements may elevate compliance costs.</p>	<p>We closely monitor changes in regulatory requirements through collaboration with our dedicated SIC and external consultants. This proactive approach ensures that we stay aligned with evolving regulations and maintain a strong commitment to sustainability.</p> <p>Furthermore, we ensure strict adherence to all climate-related regulations pertinent to its business units. As an illustration, in the realm of land use governed by Jurong Town Corporation (“JTC”), we uphold the JTC Urban Design Green Requirements. These guidelines mandate that a site area must attain a minimum green cover ranging from 30% to 40%.</p>
	<p><u>Mandates on and Regulation of Existing Products and Services</u></p> <p>The Singapore Government is proactively strengthening regulations and mandates to advance sustainability, advocating for green solutions across diverse products and services. This includes enhancing building management practices through initiatives like the BCA Green Mark Scheme and ensuring product certification via the Green Label. These initiatives may exert additional operational pressure on LHN, necessitating an increased effort to meet the specified requirements.</p> <p>Category: Policy and Legal Significance: Medium Timeline: Short Term</p>	<p>Operational expenses may experience an uptick due to the heightened costs associated with implementing green solutions such as the BCA Green Mark Scheme.</p>	<p>As we expand our property portfolio, we prioritise acquiring old building sites with environmentally friendly features like natural lighting, energy-efficient appliances, and centralised control systems to reduce emissions. We are committed to transforming our existing properties towards sustainability, exemplified by implementing the BCA Green Mark Scheme.</p> <p>The Facilities Management Business involves offering products labelled with the Singapore Environment Council’s Green Label, as well as providing eco-enzymes as alternatives to harmful chemicals.</p> <p>Additionally, we are expanding our Energy Business to contribute to the advancement of sustainability in Singapore. This strategic initiative reflects our commitment to supporting and aligning with mandates that promote environmentally friendly practices and renewable energy sources.</p>

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Climate-related Risks and Opportunities	Description of Risks and Opportunities	Impact	Our Strategy
	<p><u>Introduction of Carbon Credit in the Energy Supply Chain</u></p> <p>The recent integration of carbon credits into the energy supply chain has not only resulted in increased electricity prices but has also introduced a new layer of complexity to our business strategy. This development necessitates a thorough reassessment of our operational approach to effectively navigate the evolving landscape and ensure a resilient and adaptive business model in the face of these changes.</p> <p>Category: Market Significance: Medium Timeline: Medium Term</p>	<p>Operational expenses may experience an uptick due to the heightened costs of electricity.</p>	<p>We are proactively implementing measures to mitigate the impact of electricity price surges, such as the installation of rooftop solar panels on our properties. As of the end of FY2023, we have a total of 10 properties in our portfolio (excluding joint venture properties) equipped with solar panels with a total system capacity exceeding 1,100 kWp. This initiative significantly decreases our dependence on traditional non-renewable energy sources.</p> <p>Additionally, we have integrated remote meter monitoring systems and smart sensors in our properties, enabling the real-time collection of electricity consumption data. This data is leveraged to optimise energy usage efficiently across our properties.</p>
	<p><u>Changing Customer Preference</u></p> <p>Anticipated trends indicate a shift in customer preferences towards environmentally preferable products and services. A notable example is the increasing demand for buildings that incorporate more green features, reflecting a growing inclination towards sustainable and eco-friendly options among clients. Moreover, clients are increasingly inclined to withdraw support from companies with subpar environmental records.</p> <p>Category: Market and Reputation Significance: Medium Timeline: Short to Medium Term</p>	<p>Revenue fluctuations resulting from shifts in consumer preferences toward more environmentally friendly spaces.</p>	<p>We diligently monitor our customers' preferences through various mechanisms. Recognising the evolving trend towards environmentally preferable products and services, we view this shift as an opportunity to enhance our offerings.</p> <p>Our space and facility management services are extensively equipped with environmentally friendly solutions, empowering our clients to minimise electricity costs and reduce their overall carbon footprint. This enables us to attract a growing number of environmentally conscious customers and strengthens our competitive advantage.</p>

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Climate-related Risks and Opportunities	Description of Risks and Opportunities	Impact	Our Strategy
	<p><u>Introduction of New Green Technologies</u></p> <p>The rapid introduction of green technologies creates opportunities for LHN to offer advanced environmentally friendly solutions. Embracing these innovations aligns with our commitment to sustainability and positions us as leaders in delivering cutting-edge options. However, it introduces risks, such as significant upfront investments and uncertainties in the return on investment, posing financial challenges that need careful consideration for sustainable profitability.</p> <p>Category: Technology Significance: Medium Timeline: Medium Term</p>	<p>Capital investments in technology development affect cash flow, while the write-offs and premature retirement of unsuccessful existing assets or technologies may occur, although operational expenses can decrease with reduced energy dependence.</p>	<p>We actively embrace cutting-edge technologies to digitise its services, consistently assessing their potential benefits, long-term viability, and impact on cash flow. In line with the rising trend in EVs, the company procured an EV for facility services maintenance in FY2021, demonstrating a forward-looking approach. Furthering its commitment to sustainable practices, we expanded accessibility by installing charging outlets at residential properties and managed carparks. The Group is now planning additional EV charging point expansions through collaboration with external vendors, showcasing a dedication to staying at the forefront of industry advancements.</p>
	<p><u>Increasing Government Support for Sustainability-related Projects</u></p> <p>To address potential financial hurdles, companies now have access to an expanding array of government subsidies, grants, and sustainable financing options from banks. These resources aim to facilitate the adoption of green technologies, making it more feasible for businesses to integrate environmentally sustainable practices.</p> <p>Category: Policy and Legal Significance: Medium Timeline: Short Term</p>	<p>Sustainability-related projects can benefit from government subsidies and grants, reducing the initial investment costs significantly.</p>	<p>We strategically leverage green loans, subsidies, and grants from both financial institutions and government bodies to fund high-capital expenditure technologies aimed at decarbonisation. For instance, the United Overseas Bank Green Facility Loan was instrumental in financing the installation of solar panels across our sites, highlighting our commitment to sustainability. Additionally, funds from the National Environment Agency's Energy Efficiency Fund were utilised to implement remote monitoring for specific industrial sites, enhancing our ability to track and optimise energy consumption. Moving forward, we remain proactive in seeking and capitalising on such opportunities to secure financial support for our sustainability initiatives.</p>

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Climate-related Risks and Opportunities	Description of Risks and Opportunities	Impact	Our Strategy
 <p>Physical Risk</p>	<p><u>Heatwave or Heat Stress due to Increasing Overall Temperature</u></p> <p>In recent years, Singapore has witnessed a significant increase in temperatures, primarily linked to factors like climate change and global warming. This temperature surge poses elevated health risks for outdoor employees, leading to potential consequences such as reduced productivity, heightened medical and insurance expenses, and legal liabilities. Furthermore, addressing these health risks requires increased energy consumption to maintain indoor temperatures over prolonged periods, placing additional strain on resources. Additionally, the higher temperatures contribute to more frequent maintenance needs for green spaces, adding to the multifaceted challenges posed by the changing climate in Singapore.</p> <p>Category: Acute or Chronic Significance: High Timeline: Short Term</p>	<p>The surge in temperatures poses several cost-related challenges for businesses in Singapore. Elevated health hazards to employees can result in increased medical and insurance costs. Simultaneously, reduced productivity may lead to a rise in manpower costs. The necessity of higher energy consumption to maintain indoor temperatures can contribute to an increase in energy costs. Moreover, the need for more frequent maintenance of green spaces adds to the potential overall increase in operational expenses for companies adapting to the changing climate conditions.</p>	<p>We incorporate extensive greenery into our property design to offer shade and mitigate temperature fluctuations caused by climate changes. This involves strategically landscaping around our properties to expand green spaces and establishing areas for urban gardening, contributing positively to the overall well-being of our tenants.</p> <p>Additionally, we diligently monitor outdoor temperatures and provide pertinent guidance to our employees to prevent heatstroke during extended periods of outdoor work including forging activities.</p>

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Climate-related Risks and Opportunities	Description of Risks and Opportunities	Impact	Our Strategy
 <p>Physical Risk</p>	<p><u>Floods due to Extreme Precipitation and Rising Sea Levels</u></p> <p>Singapore faces an increased risk of flooding due to changing weather patterns characterised by more extreme precipitation and rising sea levels. As a low-lying island city-state, Singapore is particularly vulnerable to the impacts of climate change.</p> <p>Floods pose a dual threat, endangering both employee safety and tenant well-being. The risks extend beyond immediate safety concerns, encompassing potential damage to assets, decreased property values, higher insurance costs, and the suspension of business operations during prolonged floods.</p> <p>Category: Acute or Chronic Significance: Medium Timeline: Medium Term</p>	<p>The repercussions of floods encompass a broad spectrum of financial challenges. Elevated medical and insurance costs arise from heightened safety hazards to employees, while legal expenses and fines may be incurred due to litigation. Operating costs surge with the implementation of flood prevention measures and emergency responses. Financial losses escalate as a result of damaged assets, necessitating costly repairs to both the building and its contents. Furthermore, the decline in property value and increased insurance expenses contribute to the financial burden. The suspension of business operations adds another layer, leading to significant revenue loss.</p>	<p>We prioritise the health and safety of our tenants and employees. Our properties are equipped with clear instructions for emergency evacuations. Additionally, we have implemented a comprehensive Health, Safety, and Environment Policy to ensure our employees are well-prepared to activate the emergency response plan if needed.</p> <p>While our initial assessment indicates that our current property portfolio is not situated in a flood zone, we proactively monitor weather patterns and stay abreast of any updates in flood zone information released by the National Environment Agency (“NEA”). This allows us to continually enhance our preparedness for potential future challenges.</p>

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Climate-related Risks and Opportunities	Description of Risks and Opportunities	Impact	Our Strategy
 <p>Physical Risk</p>	<p><u>Water Stress due to Diminishing of Water Resources</u></p> <p>Singapore faces a significant risk of water stress due to its limited domestic water sources, prompting the implementation of innovative and comprehensive strategies, including the utilisation of advanced technologies such as NEWater and desalination, alongside extensive water conservation efforts. Despite these efforts, water conservation remains a crucial component of Singapore’s sustainability initiatives, emphasising the ongoing importance of responsible water usage in the face of potential water stress.</p> <p>Potential consequences of water scarcity include disruptions to water-dependent operations, service suspensions from water rationing, compromised service quality due to interruptions requiring water, and the likelihood of increased water prices due to resource scarcity.</p> <p>Category: Chronic Significance: Medium Timeline: Medium Term</p>	<p>The compounding impacts of water scarcity include potential revenue loss from service disruptions and diminished service quality, alongside increased operational costs attributed to the elevated price of water.</p>	<p>We are actively enhancing water efficiency across our properties by installing water-saving taps and implementing real-time water consumption monitoring through sensors to promptly identify and address potential leakages. Additionally, we prioritise education initiatives to encourage both tenants and employees to minimise water usage, with notices strategically placed in common facilities like social kitchens and laundry areas to promote water conservation.</p>

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RISK MANAGEMENT

LHN acknowledges the critical need for a strong strategy and risk management framework in our sustainability initiatives. With increasing scrutiny from regulatory bodies, investors and stakeholders, there is a growing emphasis on integrating sustainability and climate-related factors into decision-making.

To assess climate risks and opportunities, we rely on credible sources like the IPCC's Sixth Assessment Report ("AR6") and Representative Concentration Pathway ("RCP"). Our impact assessment covers financial, legal, reputation, safety, and operational aspects, rated on a scale from insignificant to severe. The likelihood is rated from rare to almost certain.

To assess the impacts of climate-related risks and opportunities, we review the following qualitative information:

- Our sustainability performances such as our Greenhouse Gases ("GHG") emissions, energy efficiency and water usage.
- Revenue and assets which may be affected by the transition to the low-carbon economy including the loss of revenue and impairment of specific assets
- Assets and business operations vulnerable to extreme weather events and temperature
- The current and estimated cost of capital and cost of operation to manage the risks identified

We meticulously craft comprehensive action plans for every discerned climate-related risk and opportunity, focusing not only on immediate challenges but also on fostering resilience. Our sustainability targets are fortified with continuous monitoring mechanisms, enabling us to consistently track progress, measure impact, and adapt strategies as circumstances evolve. To proactively manage risks stemming from climate change that may impact our day-to-day operations, we have formulated a Climate Change Adaptation Policy. This policy serves as a clear and actionable guide for our operations, facilitating effective risk mitigation strategies.

Our commitment includes refining risk management practices by incorporating internationally recognised research for scenario analysis. This ensures ongoing effectiveness and relevance in assessing climate-related risks and opportunities.

METRICS

In our steadfast commitment to environmental responsibility and the ongoing battle against climate change, we have meticulously scrutinised our carbon footprint for reporting purposes in FY2023.

Our primary focus has been on the thorough assessment of both direct Scope 1 emissions, originating from mobile combustion in the Facilities Management Business, and indirect Scope 2 emissions linked to electricity consumption for properties within the Space Optimisation Business. Simultaneously, we have evaluated the Scope 1 and/or Scope 2 emissions from other business segments, recognising their negligible impact and opting not to include them in our official reports.

We adopted the Greenhouse Gas Protocol, established by the World Resources Institute and the World Business Council for Sustainable Development as a reference to calculate our carbon footprint. This protocol serves as the standard guide for measuring corporate greenhouse gas emissions.

Scope 1

Our Scope 1 emissions are exclusively derived from the use of transportation fuels within the Facilities Management Business, encompassing our carpark operations. The fuel consumption by other business segments is considered immaterial given the nature of their operations. In FY2023, our total consumption amounted to 4,316 litres of petrol and 25,831 litres of diesel, resulting in a cumulative emission of 79.84 tCO₂e.

Scope 2

Our Scope 2 emissions arise from the electricity procured from the grid for properties within the Space Optimisation Business, while electricity consumption by other business segments is considered immaterial given the nature of their operations. In FY2023, the total electricity purchased from the grid amounted to 4,522 MWh, resulting in a total emission of 1,885 tCO₂e.

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Carbon Footprint

Consequently, our overall carbon emissions stand at 1,965 tCO₂e, reflecting a carbon emission intensity of 0.046 tCO₂e per square meter (“tCO₂e/m²”) of the total operating areas across LHN’s properties. Our overall carbon emissions and carbon emissions intensity reduced by 9% and 7% respectively from 2,165 tCO₂e and 0.049 tCO₂e/m² in FY2022.

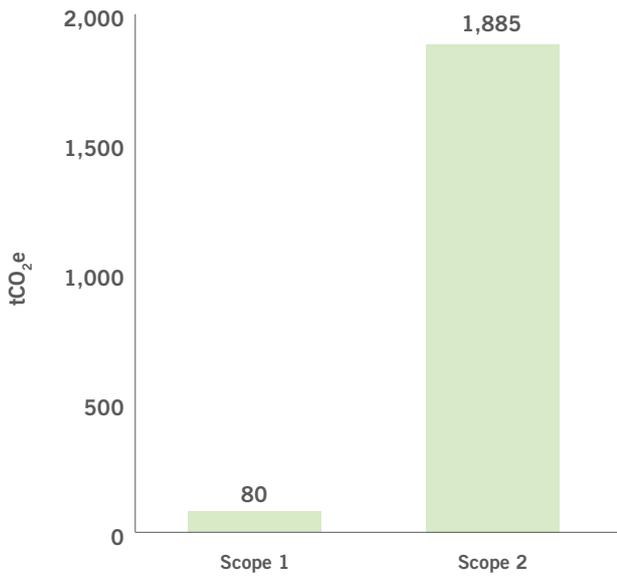
We are pleased to confirm that there are no incidents of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Target

We have also set a medium-term target to cement our commitment toward a low-carbon emissions business. We target to reduce the scope 2 overall emission by 5% by FY2028 with FY2023 as the base year.

We are also committed to extending our carbon footprint computation beyond the existing Scope 1 emission categories and incorporating Scope 3 emissions in the future. By comprehensively understanding our carbon emissions performance, we position ourselves strategically to determine the most effective approach to achieving our medium-term target and set a long-term target meaningfully.

CARBON FOOTPRINT BY SCOPES



7.1 PROTECTING OUR ENVIRONMENT

Responsible Resources Use – Energy Consumption

At LHN, our unwavering commitment lies in diminishing our energy consumption throughout daily operations. This initiative aligns with our dedication to environmental responsibility while concurrently unlocking significant cost savings for our business.

To guide and govern the responsible use of energy resources, we have devised an Energy Consumption Management Policy.

Our proactive measures to reduce energy consumption and enhance efficiency include the installation of energy-efficient LED light fixtures throughout managed properties. Additionally, strategically placed motion sensors and timers in common areas address intermittent energy use, promoting optimal efficiency.

As part of our transition to sustainable practices, we proudly showcase our commitment to green energy with the installation of solar panels on managed property rooftops. We further support environmental initiatives by facilitating EVs through the deployment of EV charging points for both our operations and tenants.

Embracing cutting-edge technology, we are exploring the implementation of remote meter monitoring to provide real-time data on electricity consumption. This not only streamlines data collection and billing processes but also enables the prompt identification of anomalies in energy consumption. Such insights empower informed decision-making regarding potential improvements and upgrades to machinery and equipment.

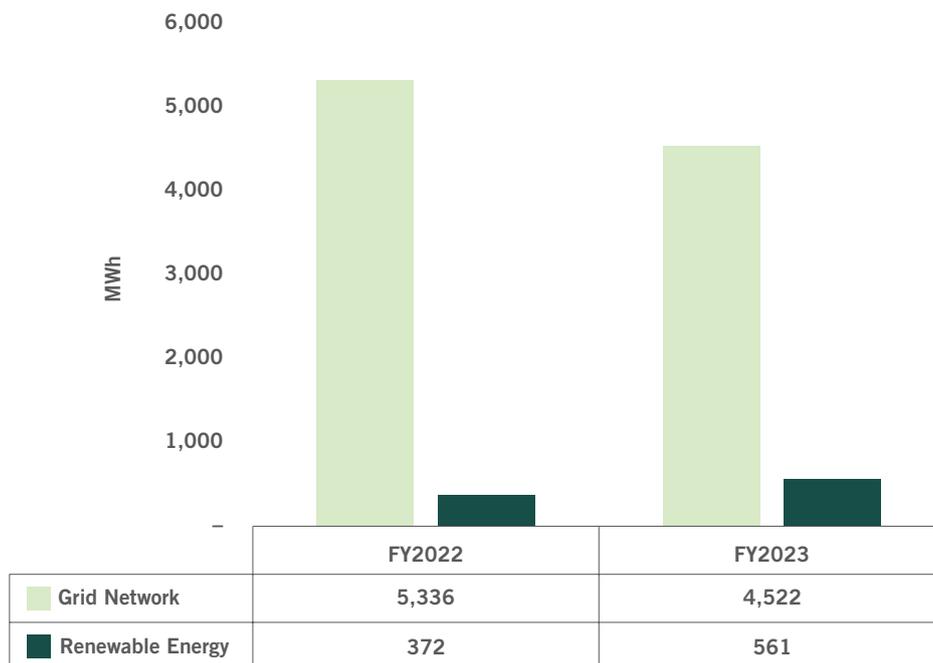
Recognising our employees and tenants as crucial partners in our energy-saving initiative, we prioritise their education. Our staff actively monitors lighting and air-conditioning in various spaces remotely, ensuring timely deactivation when not in use. Moreover, we place a strong emphasis on tenant education to nurture energy-saving practices within our living spaces.

In FY2023, our total electricity consumption for the Space Optimisation Business³, covering the entire operating areas amounted to 5,083 MWh, signifying an 11% decrease compared to FY2022 when the consumption was 5,708 MWh. The electricity consumption intensity for our space optimisation properties is now at 0.1188 MWh per square meter of the total operating areas (“MWh/m²”), representing a decrease of approximately 6% compared to FY2022 figure of 0.1260 MWh/m² and a 12% decrease compared to FY2021 figure of 0.1355 MWh/m².

We achieved and exceeded our goal to reduce electricity consumption intensity by 5%. Notably, the electricity consumption supplied by the grid decreased from 5,336 MWh in FY2022 to 4,522 MWh, reflecting a 15% reduction. Concurrently, our consumption supplied by renewable energy saw a substantial increase from 372 MWh in FY2022 to 561 MWh in FY2023, marking a 51% upswing. Notably, renewable energy now constitutes 11% of our total electricity consumption across all operational areas of the Space Optimisation Business.

Looking ahead, our focus is on the continued expansion of renewable energy sources, particularly through the implementation of solar panels. This strategic approach aims to further diminish our reliance on grid-supplied electricity. We have reassessed our target and are reorganising our efforts to further advance the development of renewable energy within our properties.

ELECTRICITY CONSUMPTION BY SUPPLIES



³ Owing to the nature of the respective businesses, the electricity consumption for the Facilities Management Business and Energy Business is considered immaterial and excluded from the scope of this report.

7.1 PROTECTING OUR ENVIRONMENT

Responsible Resources Use – Energy Consumption



Solar PV system



LHN Energy EV charging station

OUR ENERGY SAVING INITIATIVES

Green Building

The BCA Green Mark, developed by the Building and Construction Authority in Singapore (“**BCA Singapore**”), is a certification system that assesses and rates a building’s environmental performance. It considers factors like energy and water efficiency, environmental protection, indoor quality, and innovation. Our commitment to sustainability is evident for one of our properties, 1557 Keppel Road and one of our joint venture properties, 202 Kallang Bahru, which were Green Mark certified. We take pride in this and are dedicated to expanding our portfolio with more Green Mark-certified properties. Our ongoing efforts include acquiring new properties with certification in mind and upgrading existing ones to meet Green Mark standards. This reflects our dedication to promoting eco-friendly practices and contributing to the overall sustainability of Singapore’s built environment.

Solar Panel

In FY2023, our steadfast commitment to sustainable energy practices bore significant fruit, marked by the successful completion of solar panel installations on the rooftops of two properties in our portfolio – 2 Mount Elizabeth Road and 71 Geylang Lorong 23. Furthermore, our proactive approach to renewable energy included a strategic expansion of our solar panel infrastructure at our joint venture property, 202 Kallang Bahru. Our portfolio now boasts a total of 10 properties equipped with solar panels with our total system capacity reaching 1,179 kWp.

Our commitment to renewable energy extends beyond our property portfolio. Our renewable energy business segment stands out as a pioneering force in Singapore, offering comprehensive one-stop solar panel solutions to customers.

This holistic approach underscores our broader mission to drive positive change and champion sustainability in the realm of energy solutions.

Our properties with solar panel installed:

- 72 Eunos
- 100 Eunos
- 10 Raeburn Park
- 1557 Keppel Road
- 34 Boon Leat Terrace
- 31 Boon Lay Drive
- 320 Balestier Road
- 1A Lutheran Road
- 71 Geylang Lorong 23
- 2 Mount Elizabeth Road

EV Charging Outlets

Acknowledging the increasing significance of EVs as a promising solution to lessen dependence on fossil fuels, our Group invested in an electric vehicle for maintenance operations in FY2021. We persistently assess the feasibility and meticulously plan the capital investments required to transition or replace our fleet with EVs as deemed suitable.

Throughout the year, we strategically installed charging outlets at our properties. Currently, we have a total of 11 electric charging points. Our unwavering commitment to strengthening this infrastructure endures, with ongoing plans for the expansion of electric charging points across our properties.

7.1 PROTECTING OUR ENVIRONMENT

Responsible Resources Use – Energy Consumption

Remote Meter Monitoring Systems

LHN is at the forefront of leveraging technological advancements to optimise energy usage monitoring across our properties. Through the implementation of a remote meter monitoring system, we are transitioning from manual data collection methods to automated processes, ensuring the provision of real-time consumption data. The acquired information is securely transmitted to a private cloud database for thorough analysis, facilitating the creation of comprehensive system dashboards. Any deviations in energy consumption are swiftly identified, triggering immediate notifications to on-site LHN staff via a chatbot for prompt issue resolution. Currently, we have successfully deployed the remote meter monitoring system across 8 properties, enhancing our ability to effectively monitor energy usage. This strategic deployment yields numerous benefits, including real-time energy monitoring, precise tracking of energy efficiency and performance, and timely identification of anomalies in systems and equipment. Committed to continuous innovation, we actively explore opportunities for ongoing improvement in this domain.

Our properties equipped with remote meter monitoring system:

- 10 Raeburn Park
- 1557 Keppel Road
- 34 Boon Leat Terrace
- 44 Kallang Place
- 72 Eunos
- 100 Eunos
- 202 Kallang Bahru
- 38 Ang Mo Kio

Smart Building Solutions

In our commitment to advancing sustainability and enhancing the overall experience for our tenants, we have implemented cutting-edge smart building solutions in two of our distinguished Coliwoo properties – 31 Boon Lay Drive and 1A Lutheran Road and one Work+Store property – 202 Kallang Bahru. These state-of-the-art technologies leverage sophisticated sensors to intricately manage and optimise room temperatures, offering real-time data to our operations team. This real-time monitoring capability allows us to closely track and adjust the performance of our air conditioning systems, ensuring an efficient and comfortable environment within the buildings.

By utilising these smart building solutions, we aim not only to bolster energy efficiency but also to elevate customer satisfaction to new heights. The precision in temperature control, driven by the continuous stream of data, guarantees an optimal and personalised experience for our tenants. This strategic integration of technology reflects our unwavering commitment to staying at the forefront of innovation, enhancing the sustainability profile of our properties and providing a superior living or working environment for those within the Coliwoo and Work+Store communities.



LHN's subsidiary, Coliwoo, has reached a noteworthy milestone by earning the esteemed **Singapore Prestige Brand Award 2023 – Sustainability Award in the Promising Brands Category**. This achievement serves as a testament to our steadfast dedication to providing sustainable living spaces for our valued customers.

7.1 PROTECTING OUR ENVIRONMENT

Responsible Resources Use – Water Consumption

In our ongoing commitment to sustainability, LHN places a significant emphasis on responsible water consumption across our properties. Recognising the importance of water as a finite resource, we are dedicated to implementing measures that contribute to its conservation and responsible usage. LHN faces no challenges in obtaining water that is fit and suitable for its intended purposes. The water utilised throughout our Singapore operations is procured from a municipal source under the management of the Public Utilities Board.

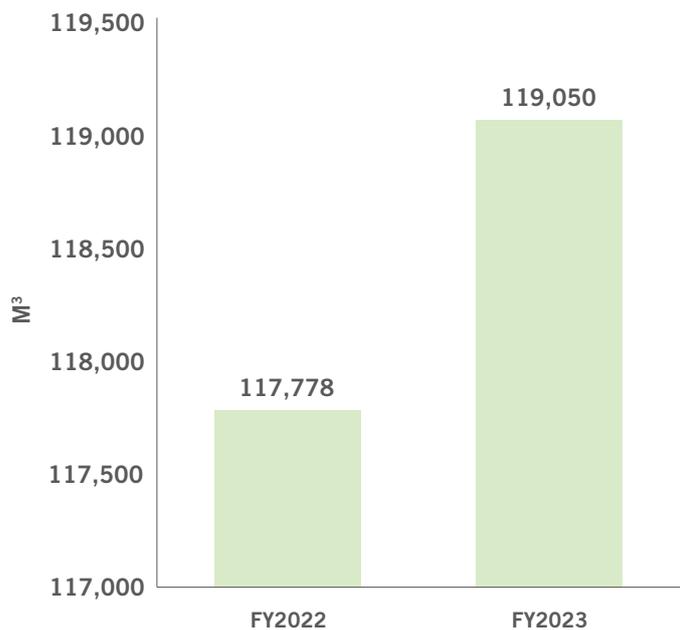
LHN has a **Water Consumption/Management Policy**, affirming our dedication to enhancing water efficiency and minimising consumption across our properties. The company actively embraces cutting-edge technologies and implements operational improvements whenever possible to effectively achieve these goals. Our properties feature sensor nodes for real-time monitoring of water consumption data and early detection of leaks, demonstrating our proactive approach to water management.

Education and awareness play a crucial role in fostering responsible water consumption practices. As part of our sustainability outreach, we have taken proactive steps to engage with stakeholders, including tenants and employees, emphasising the importance of water conservation. This includes prominently displaying notices in shared spaces like communal kitchens and laundry areas to encourage conscientious water usage.

In FY2023, our total water consumption for the Space Optimisation Business⁴, encompassing the entire operating areas, amounted to 119,050 m³, indicating a 1% increase compared to FY2022 when the consumption was 117,778 m³. The water consumption intensity for our space optimisation properties is now at 2.78 m³ per square meter of the total operating areas (“m³/m²”), representing an increase of approximately 7% compared to FY2022 figure of 2.59 m³/m². As a result, we fell short of achieving our target to reduce water consumption intensity by 5%, using FY2017 as the base year. In comparison to FY2017, our water consumption intensity increased by 76%, from 1.58 m³/m² to 2.78 m³/m².

The shift in our business portfolio, as compared to FY2017, particularly with the inclusion of residential properties (e.g. Coliwoo), has significantly altered the Group’s water consumption patterns. Unlike commercial and industrial properties, residential water usage is highly dependent on individual tenant behaviours and property occupancy rates, and thus, has a higher water consumption per m² compared to commercial and industrial properties. This has prompted us to reconsider the relevance of the target set in FY2017 as our base year. Hence, we have re-evaluated and reset our target in light of our current business composition and are realigning our strategies to improve water consumption practices, ensuring more favourable outcomes in the future.

WATER CONSUMPTION



⁴ Owing to the nature of the respective businesses, the water consumption for the Facilities Management Business and Energy Business is considered immaterial and excluded from the scope of this report.

7.1 PROTECTING OUR ENVIRONMENT

Environmental-friendly Supply Chain

In our ongoing dedication to minimising our environmental impact, we ensure that our suppliers comply with environmental laws and regulations while providing goods and services to our organisation. In FY2023, we extended our commitment to cultivating an environmentally friendly supply chain by incorporating environmental principles into our Supplier Code of Conduct for new suppliers. We now require suppliers to declare their adherence to environmental laws and regulations, while also encouraging the adoption of eco-friendly practices.

As part of our proactive approach, we consistently review our supply chain to ensure the use of environmentally friendly products. This involves the procurement of goods labelled with the Singapore Environment Council's Green Label and the incorporation of eco-enzymes to replace harmful chemicals in our Facilities Management Business. This multi-faceted strategy underscores our commitment to sustainability and the pursuit of environmentally responsible practices throughout our operations.

Moving forward, we are steadfast in our commitment to furthering our transition to an environmentally friendly supply chain in collaboration with our suppliers. To effectively monitor and evaluate our progress in this crucial area, we plan to implement metrics that will enable us to track and measure our performance.



7.1 PROTECTING OUR ENVIRONMENT

Sustainable Communities

LHN is actively engaged as both a host and participant in sustainable development programs, demonstrating a steadfast commitment to fostering environmentally responsible initiatives and contributing to the advancement of sustainable practices.

URBAN FARMING AT COLIWOO ROOFTOPS

Since the commencement of FY2021, the Coliwoo Community has effectively harnessed rooftop spaces within our properties to launch a transformative Urban Farming initiative.

This unique program empowers community members to actively participate in the cultivation of herbs and plants on-site. This undertaking is intricately woven into Singapore's broader mission to fortify food security, aiming to elevate self-sufficiency from its current standing of less than 10% to an ambitious target of 30% by 2030.

Stringent measures are in place to ensure the cultivation of pesticide-free produce. The "Coliwoo Urban Farmers" have embraced sustainable practices, incorporating principles of zero-waste and energy conservation into their gardening routines. Residents are not only encouraged but enthusiastically contribute to the initiative by repurposing used plastic bottles and egg containers as planters in the garden. Additionally, rainwater is efficiently harvested and reused for the irrigation of crops and trees.

This conscientious approach not only champions environmental responsibility but also fosters a genuine farm-to-table experience. Residents derive immense satisfaction from consuming and sharing the locally cultivated harvest. Due to the resounding success, the Urban Farming activity has evolved into a monthly engagement for tenants throughout FY2023.



Herbs and vegetable planted by members at Coliwoo Boon Lay urban garden



7.1 PROTECTING OUR ENVIRONMENT

Sustainable Communities

TREE PLANTING DAY



Tree Planting Day

The Group has contributed to the restoration of Singapore's natural environment through active participation in the Plant-A-Tree program, a Garden City Fund initiative encouraging organisations and individuals to engage in the greening of Singapore by planting trees. In FY2023, the Group's employees and management team planted 30 trees at Wilkinson Interim Park and Sin Ming Lane, contributing to the national OneMillionTrees movement. Planted trees when growing up will not only enhance the urban landscape, but also play a role in combating urban heat and preserving biodiversity.

EARTH HOUR



A Coliwoo tenant made a pledge to practice mindful water and electricity consumption on Earth Hour Day

LHN annually observes the Earth Hour campaign, exemplifying our dedication to the planet. In FY2023, the event took place on the last Saturday of March 2023. Across our industrial, commercial and residential properties, non-essential electric lights were switched off for an hour, from 8:30 to 9:30 p.m. In addition, Coliwoo tenants were invited to participate in the event by taking a pledge to practice mindful water and electricity consumption.

7.1 PROTECTING OUR ENVIRONMENT

Sustainable Communities



Sustainability and upcycling workshop with children supported by Singapore Children's Society

To raise awareness about the pivotal role of sustainability in the resilience of human society, we collaborated with Terra SG and the Singapore Children's Society ("SCS") to host an educational workshop focused on Sustainable Development Goals ("SDGs") and upcycling techniques. During the event, both our employees and the children supported by SCS had the opportunity to delve into 17 interconnected global objectives addressing issues such as climate change, environmental degradation, poverty, famine, inequality, and more. A highlight of the workshop was a hands-on demonstration of upcycling, where participants learned to create night lights from discarded milk cartons.

This event stands out for its unique approach, bridging the social and environmental dimensions of ESG. In contrast to traditional charity events centred around gift distribution, our initiative actively engaged children from disadvantaged backgrounds in enrichment activities, equipping them with valuable knowledge and skills in sustainability. This preparation is particularly relevant in an era where sustainability plays a critical role.

Furthermore, the mooncakes served at the event were crafted by trainees from the APSN Centre for Adults, a centre providing special education, vocational training, and employment support for individuals with mild intellectual disabilities. Through this collaboration, we aimed to underscore the concept of an inclusive society, demonstrating that individuals, regardless of their conditions and backgrounds, can be self-sustaining contributors to society.

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Employee – Diversity and Equal Opportunity, Non-discrimination and Child Labour and Forced Labour

We strongly emphasise the importance of having a diverse workforce to boost innovation and creativity, which are vital elements of our business. We are dedicated to the principles outlined by the Tripartite Alliance for Fair & Progressive Employment (“**TAFEP**”), underscoring our commitment to fair employment practices. We take pride in being an employer that prioritises fairness in our hiring processes, emphasising merit-based decisions and firmly rejecting any form of discrimination. This commitment is integral to our identity as an inclusive and equitable workplace.

We are pleased to confirm that there are no incidents of significant fines or non-monetary sanctions for non-compliance with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

DIVERSITY AND EQUAL OPPORTUNITY

We are unwavering in our dedication to meticulous compliance with the Employment Act and other relevant regulations set forth by the Ministry of Manpower (“**MOM**”). Our steadfast commitment extends beyond mere compliance; we are devoted to the cultivation of a robust and nurturing working environment for our valued employees. To achieve this, we have instituted a comprehensive **Human Resource Policy, Performance Appraisal Policy** and **Employee Grievance Policy**. These policies serve as integral frameworks, not only for navigating and adhering to legal standards but also for fostering a workplace culture that prioritises the well-being, growth, and satisfaction of our team members.

Central to our approach is the active encouragement of employees to voice their concerns and share feedback. We recognise the importance of an open communication channel, and our policies explicitly promote and support employees in raising any issues or grievances they may have. Through regular communication channels, confidential reporting mechanisms, and dedicated grievance resolution procedures, we aim to create an environment where employees feel empowered to express their concerns without fear of reprisal.

Through these initiatives, we aim to proactively address any challenges that may arise, ensuring a harmonious and supportive workplace conducive to professional development and overall employee satisfaction.

In line with our steadfast dedication to continuous growth and organisational excellence, we are delighted to announce a substantial expansion in our workforce. As of the end of FY2023, our total number of employees has surged to 412, signifying a remarkable increase from the 356 employees reported at the close of FY2022. The majority of our workforce comprises permanent employees, with only four individuals engaged as either contract or part-time staff, constituting approximately 1% of our total workforce. All employees included in this report are located in Singapore.

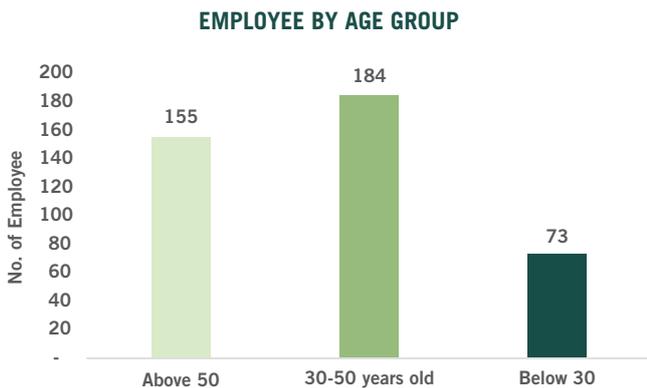
As at the end of FY2023, we are pleased to highlight the makeup of our workforce, where 40% of our employees were identified as female. While this figure reflects a slight reduction from the 42% of female employees documented at the end of FY2022, we remain steadfast in our commitment to fostering a diverse and inclusive workplace. Notably, 58% of our senior management positions are held by women, underscoring our ongoing dedication to promoting gender equality. Recognising the paramount importance of gender inclusivity, we are unwavering in our pursuit of initiatives that actively support the representation and advancement of women within our organisation.

Furthermore, our employee demographic is characterised by age diversity, with 37% of our workforce exceeding the age of 50, and 18% falling below the age of 30. This dynamic range in age demonstrates our commitment to fostering an environment that values the unique perspectives and contributions of individuals across various stages of their professional journeys.

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Employee – Diversity and Equal Opportunity, Non-discrimination and Child Labour and Forced Labour

The following graphs depict our employment profile as of the end of FY2023:



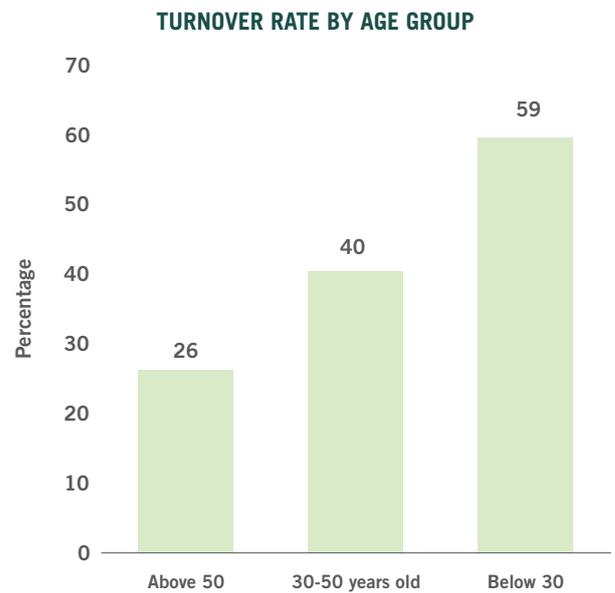
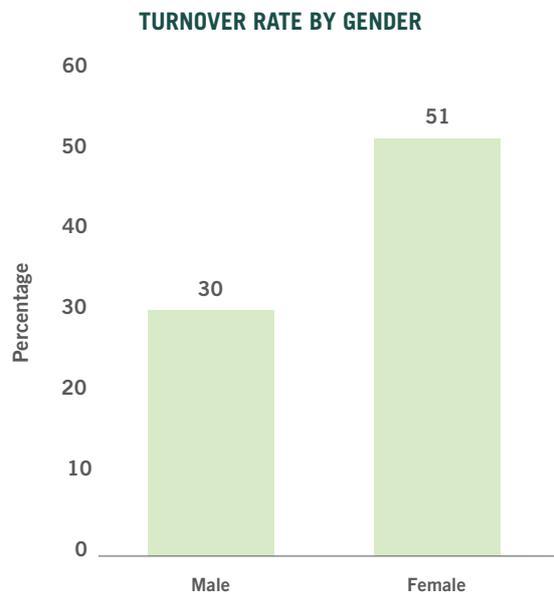
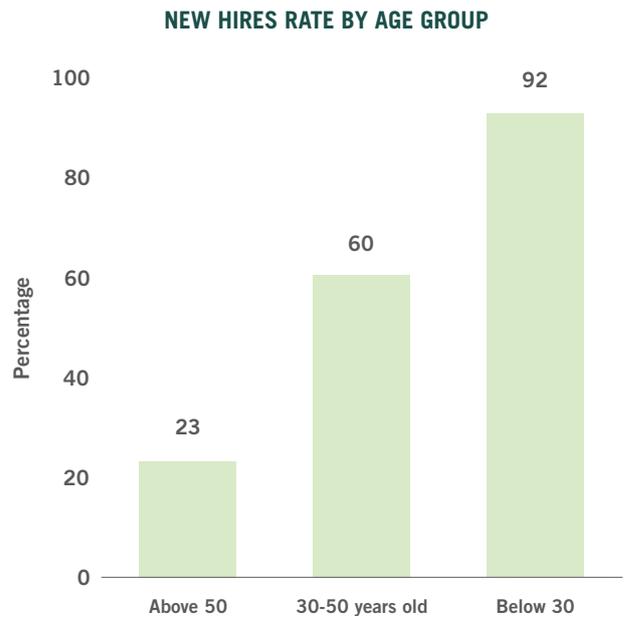
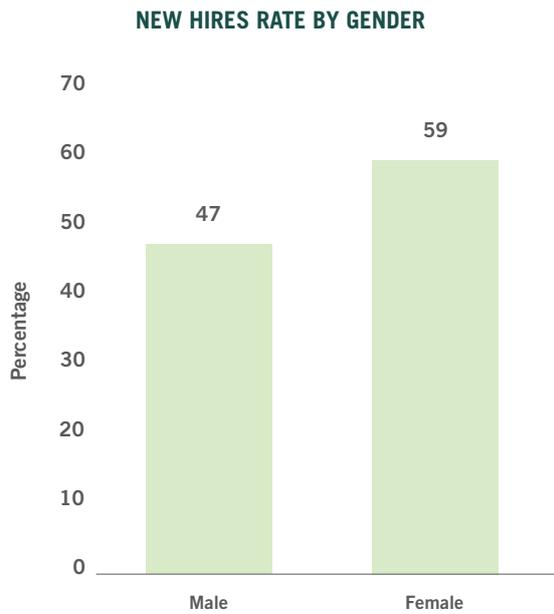
In our hiring approach, we place a paramount emphasis on candidates' qualifications and professional experience. It is our steadfast commitment to uphold a fair and inclusive recruitment process that strictly adheres to the principles of non-discrimination. This commitment extends across various dimensions, including but not limited to race, gender, and age. During FY2023, we welcomed a total of 213 new employees. Notably, 46% of these new hires were female, emphasising our ongoing efforts to bolster gender balance within our workforce. Additionally, 16% of the new hires were individuals aged 50 and above, reflecting our dedication to recognising and harnessing the valuable experience and perspectives that come with a diverse age range in our team.

During FY2023, 157 employees decided to resign, a choice that we deeply respect and acknowledge. While we feel a sense of sadness with their departure from our group, we remain optimistic about sustaining meaningful relationships with these former employees as they embark on new opportunities. Our commitment goes beyond their departure; we actively seek to comprehend the factors influencing their decisions and are dedicated to improving the working environment based on the valuable feedback we receive from them. Among the resigning employees, 53% were female, and 26% were aged 50 years and above.

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Employee – Diversity and Equal Opportunity, Non-discrimination and Child Labour and Forced Labour

The following graphs and table depict our new hires and turnover during the year:



8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Employee – Diversity and Equal Opportunity, Non-discrimination and Child Labour and Forced Labour

	FY2022			FY2023		
New Hires						
New Hires Rate	92%			52%		
New Hires Rate by Gender	Male		Female	Male		Female
	99%		84%	47%		59%
New Hires Rate by Age Group	< 30 years old	30-50 years old	> 50 years old	< 30 years old	30-50 years old	> 50 years old
	120%	87%	82%	92%	60%	23%
Turnover						
Turnover Rate	95%			38%		
Turnover Rate by Gender	Male		Female	Male		Female
	103%		83%	30%		51%
Turnover Rate by Age Group	< 30 years old	30-50 years old	> 50 years old	< 30 years old	30-50 years old	> 50 years old
	138%	91%	69%	59%	40%	26%

NON-DISCRIMINATION

We place a strong emphasis on the principle of non-discrimination within our work environment, reflecting our steadfast commitment to cultivating a workplace that values diversity, equity, and inclusion. This commitment extends to fostering an atmosphere where every individual, regardless of their background, identity, or characteristics, is treated with respect, dignity, and fairness.

Our **Employee Grievance Policy** is designed to ensure that every employee feels empowered to address concerns or complaints related to discrimination, harassment, or any other workplace issues. It outlines clear and accessible procedures for reporting grievances, including designated channels for confidential communication. We prioritise a prompt and thorough investigation process, conducted impartially by trained professionals, to address and resolve grievances promptly. Further, we encourage open dialogue and communication, creating a safe space for employees to express concerns, seek support, and contribute to the continuous improvement of our workplace environment.

During FY2023, there were no reported instances of discrimination-related complaints or concerns. Our unwavering commitment to fostering an environment of equal opportunities for professional growth, development, and success remains resolute, ensuring that all individuals within our organisation experience a workplace free from any form of discrimination or bias.

CHILD LABOUR AND FORCED LABOUR

We enforce a stringent prohibition against child labour and forced labour within our employment practices. Our recruitment policy is unwavering in its stance, strictly preventing the hiring of employees who do not meet the minimum age requirements as stipulated in the Employment Act. In addition, as part of our comprehensive hiring process, we conduct thorough background checks to ensure that candidates are not associated with potential forced labour threats.

This commitment extends beyond our organisational boundaries, as we require new suppliers to adhere to our Supplier's Code of Conduct, which explicitly prohibits the use of child labour and forced labour. This reinforces our dedication to maintaining ethical standards not only within our workforce but also throughout our entire supply chain.

During FY2023, we are pleased to confirm that our commitment to ethical employment practices has resulted in no reported instances of child labour or forced labour concerns.

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Employee – Training and Education

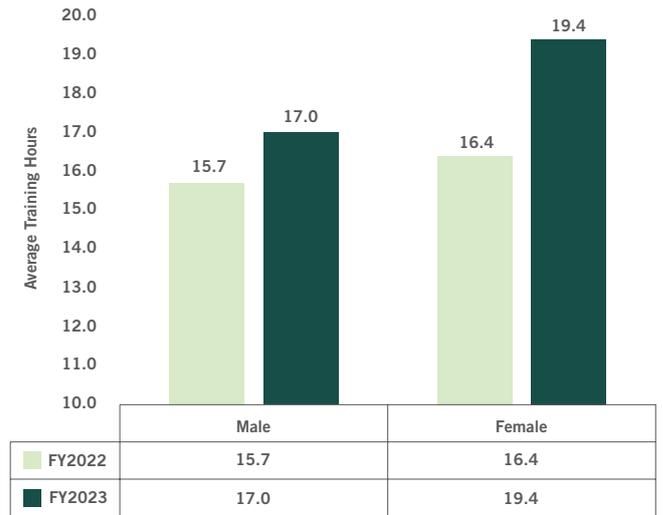
LHN places significant emphasis on investing in the learning and development of our workforce, recognising its pivotal role in maintaining a competitive edge within our industry. This commitment is underscored by our comprehensive **Training Policy**. As part of our performance evaluation process, employees engage in open feedback discussions with supervisors to assess their work, with a focus on identifying areas for improvement and developmental opportunities. The Human Resources department plays a crucial role in this process by meticulously evaluating the developmental needs and required skill sets across various business segments. Customised training programs are then designed to address these specific needs, ensuring a tailored approach to employee development. This approach is inclusive, offering equal opportunities for career advancement irrespective of position, gender, or age.

Furthermore, we are dedicated to providing support for ongoing education and skill enhancement. Employees are encouraged to pursue relevant courses, and sponsorships are offered for programs that may not be organised by the Group, demonstrating our commitment to continuous learning and professional growth. This comprehensive approach to training and development reinforces our commitment to fostering a skilled and competitive workforce.

In FY2023, we dedicated a total investment of approximately S\$79,000 towards external training programs for our employees. A total of 7,406 hours of training were conducted, signifying a substantial increase compared to the 5,692 hours in FY2022. All our employees underwent training to enhance their skills and capabilities. On average, each of our employees received 18.0 hours of training covering various topics, including finance, environmental management, and health and safety. This marks an improvement from the 15.9 hours per employee recorded in FY2022 and is significantly higher than our target of at least 15 hours of training per employee.

The following charts depict our training records:

AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDER



AVERAGE TRAINING HOURS PER EMPLOYEE BY CATEGORY



8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Employee – Occupational Health and Safety

Safeguarding the health and safety of our employees remains our topmost priority, reflecting an unwavering commitment to our business. We are dedicated to establishing a secure and supportive work environment that empowers our team to deliver exceptional services to our customers. This commitment surpasses mere regulatory compliance as we proactively implement comprehensive measures, provide ongoing training and cultivate a culture of heightened awareness to ensure the well-being of our valued team members.

Aligned with this commitment, LHN Group operates in strict accordance with its **Health, Safety, and Environment Policy**, demonstrating a resolute pledge to preserve the health and well-being of all individuals, including our employees. Additionally, we require our contractors to uphold the highest standards of health and safety while conducting services on our premises. We rigorously monitor their performance in this aspect, conducting continuous evaluations to ensure the consistent maintenance of optimal health and safety standards.

We are pleased to confirm that there are no incidents of significant fines or non-monetary sanctions for non-compliance with health and safety-related laws and regulations (such as those relating to the provision of a safe working environment and protection of employees from occupational hazards).

HEALTH AND SAFETY RISK MANAGEMENT

We recognise the significance of prevention in effectively managing health and safety risks. Consequently, we have

instituted a comprehensive process for identifying and assessing health and safety hazards within our business operations. This entails developing mitigation controls and response plans to address potential risks promptly. These plans offer comprehensive guidance to employees on dealing with potential hazards and minimising associated damages.

Furthermore, we mandate that our contractors adhere to our elevated standards of health and safety risk management. Before commencing work within the Space Optimisation Business, they are obligated to submit their internal risk assessment. Stringent checks are then conducted to verify the contractor’s strict compliance with the controls designed to mitigate health and safety risks.

ROUTINE BRIEFINGS, TRAINING AND INSPECTIONS

To sustain the vigilance of our employees regarding health and safety risks, we regularly conduct briefings as a reminder. These sessions encompass discussions on our internal safety policies, standard operating procedures (“SOP”), and external documents, including safety records from contractors. In addition, we mandate our employees to attend mandatory safety courses annually, covering topics such as Hazmat, Work at Height, and Workplace Safety and Health training. This holistic approach aims to emphasise potential health and safety issues, fostering a heightened safety awareness among our workforce. Furthermore, we conduct routine health and safety inspections, such as fire safety assessments at our premises, to reinforce our unwavering commitment to maintaining a safe working environment.



8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Employee – Occupational Health and Safety

The following table shows our health and safety performance in FY2023 and the past 2 years:

	FY2021	FY2022	FY2023
Total scheduled hours worked by employee	820,780	763,162	839,922
Work-related fatalities	–	–	–
Work-related fatalities rate (per million hours worked)	–	–	–
High-consequences work-related injury	–	–	–
High-consequences work-related injury rate (per million hours worked)	–	–	–
Number of work-related injuries	1	2	3
Work-related injury rate (per million hours worked)	1	3	4
Number of work-related ill health	–	–	–
Work-related ill health rate (per million hours worked)	–	–	–
Lost days due to work-related injuries	8	49	212
Amount of penalty for compliance incidents relevant to work safety	–	–	–

In FY2023, we encountered three work-related injury incidents, notably one involving a traffic accident with an employee travelling between sites to attend service calls for our LHN Parking customers. Following a thorough police investigation into the incident, it has been concluded that the offence of driving was caused by a third party. Additionally, we conducted a comprehensive review, emphasising to all employees the paramount importance of remaining vigilant on the road and prioritising safety during travel between work locations.

Regrettably, due to this incident, our lost days resulting from work-related injuries increased significantly from 49 days in FY2022 to 212 in FY2023. This unfortunate situation has prompted a renewed commitment to enhancing our safety protocols and ensuring the well-being of our team members. We remain steadfast in our dedication to creating a safer work environment and minimising the impact of such incidents on our workforce.

EMPLOYEE WELL-BEING

Our commitment to employee well-being extends beyond statutory and standard benefits, with a focus on both physical and mental health, fostering a balanced work-life environment. Despite successfully transitioning back to regular work routines post-COVID-19, we remain vigilant in addressing potential health risks. Our ongoing dedication is evident through the promotion of prudent health practices, retaining flexibility for employees to work from home and adopting flexible hours on a case-by-case basis to accommodate individual needs. This ensures seamless navigation of professional responsibilities while prioritising health and safety in the evolving post-pandemic environment.

Additionally, we organise monthly engagement events, including festival celebrations, bowling and team bonding sessions open to all employees. These initiatives create opportunities for social interactions, foster collaboration and reinforce our dedication to employee well-being.

As part of our dedication to promoting employee well-being, LHN conducted an on-site health screening at our headquarters. This widely embraced annual initiative consistently garners enthusiastic participation from our workforce.

The Annual Health Screening program is crafted to provide employees with an overview of their health and wellness. Armed with this valuable information, our staff can actively monitor both their physical and mental well-being, enabling them to make informed adjustments toward adopting healthier lifestyles.



Annual Health Screening Programme

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Customers – Customer Health and Safety

LHN takes great pride in our commitment to innovative space optimisation strategies, striving to create exceptional living and working environments that go beyond mere spatial quality. Our dedication extends to prioritising the health and safety of the communities we serve, encompassing both tenants within our premises and customers to whom our service is offered.

FIRE SAFETY IN OUR PREMISES

Our safety commitment is further underscored by the fire safety certifications bestowed upon our premises in our Space Optimisation Business by the Singapore Civil Defence Force. Regular internal and external inspections, conducted in collaboration with the authority, ensure that our facilities consistently meet the highest standards of fire safety, offering an additional layer of assurance for the well-being of our tenants.

HEALTH AND SAFETY IN THE PROVISION OF OUR SERVICES

In our steadfast commitment to safety, we rigorously adhere to all pertinent workplace safety and health regulations issued by the MOM. Specifically, we observe the Work at Heights Regulations based on the nature of our operations and the services we provide.

Within our facilities management services, we have embraced eco-enzymes as an alternative to harmful chemicals in our cleaning processes. This strategic choice not only aligns with our eco-friendly ethos but also actively works to minimise potential adverse impacts on our customers near our cleaning operations. Through the adoption of eco-enzymes, we contribute to fostering a healthier and safer environment while delivering effective and responsible cleaning services to our esteemed clientele.

During FY2023, we are delighted to confirm that there were no incidents of non-compliance concerning the health and safety impacts of LHN's services including no incidents of significant fines or non-monetary sanctions for non-compliance with customer health and safety related law and regulations.



8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Customers – Customer Privacy

LHN is committed to maintaining the highest standards in safeguarding the privacy of our customers. Our dedication to privacy protection is rooted in the fundamental belief that individuals have the right to control their personal information. We recognise the importance of fostering trust and confidence among our customers, and we take extensive measures to ensure the confidentiality, integrity, and security of the data entrusted to us.

We are pleased to confirm that there are no incidents of significant fines or non-monetary sanctions for non-compliance with personal data protection-related laws and regulations.

PERSONAL DATA PROTECTION

Our dedication to protecting personal data is governed by our meticulous crafting of a robust **Personal Data Protection Policy**, aligning closely with the guidance provided by Singapore's Personal Data Protection Committee. In addition to this policy, we have implemented other relevant frameworks such as our Privacy Policy and Document Retention and Disposal Policy. These complementary policies are integral components supporting our comprehensive data management practices. Together, they ensure unwavering compliance with the Personal Data Protection Act and address all facets related to customer data protection and privacy.

Under the oversight of the Data Protection Committee, we are dedicated to upholding the highest standards of data security and privacy. Our policies and practices are continually reviewed and updated to reflect the evolving landscape of data protection laws and regulations. In FY2023, our Data Protection Officer (“DPO”) participated in a course – the Advanced Certificate in Data Protection Operational Excellence Module 1: A Practical Approach to Data Protection for DPOs. This course bolsters our data protection practices, ensuring a continuous enhancement of our commitment to safeguarding sensitive information.

Our commitment to data protection goes beyond mere compliance; it is ingrained in our organisational culture. We foster a mindset of accountability and responsibility among our employees, emphasising the importance of treating customer data with the utmost care and confidentiality.

INFORMATION SECURITY

We acknowledge the paramount importance of information security in safeguarding our customers' privacy, especially in the digital landscape where personal data primarily exists in digital formats. In line with this commitment, we have developed comprehensive information technology-related policies, including the **Information Security Policy, Cybersecurity Framework, Website Privacy Policies, and Data Breach Management Policy**. These policies undergo regular updates to stay abreast of the ever-changing cybersecurity landscape.

To fortify our commitment, we continuously enhance our information security practices through a series of proactive initiatives. Among the current information security practices, we adopt are:

- Our document management system serves as a unified digital platform and intelligent information management solution, ensuring secure file sharing and storage.
- We implement robust logical controls, including access right management, multi-factor authentication, and data encryption on end-user devices and information systems, preventing unauthorised access to sensitive information.
- Cybersecurity tools such as anti-virus software, endpoint protection suites, and email collaboration security are deployed on end-user devices. Centralised security management and network monitoring tools enable us to proactively detect and mitigate potential cyber threats.
- A comprehensive patch management system is in place to securely update operating systems and third-party software, bolstering our defence against emerging vulnerabilities.
- Regular cybersecurity awareness training equips our employees with the latest trends and threats in cybersecurity, fostering a proactive and vigilant security culture.
- Effective offboarding processes are implemented to swiftly revoke access to sensitive information when an employee leaves the organisation.
- Annual penetration testing is conducted for internal networks and external websites, providing a thorough assessment of our cybersecurity defences.
- External audits of our information systems are carried out annually by accredited third-party entities, ensuring adherence to industry standards and best practices.

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Communities – Communities Development

At LHN, we place a strong emphasis on community development, firmly believing that a responsible business should actively contribute to and participate in the advancement of local and international communities. The following are some of the selected community development programmes in FY2023:

Fundraising with Giving.sg

LHN Group Supports Singapore Red Cross (SRC) Humanitarian Response to Turkey and Syria Earthquake

\$2,830
raised from 84 donors

Goal of \$10,000

Donate Today

Leveraging the security and convenience of the national giving platform giving.sg, we have successfully organised several fundraising campaigns, securing generous donations from our employees, tenants and business associates to aid both local and international beneficiaries.

(Private Campaign) LHN Group Fund-raising Drive: Nourishing Lives Together

\$37,160
raised from 22 donors

Goal of \$50,000

Donate Today

Our adept use of effective communication and compelling storytelling has consistently garnered overwhelming support for most of our fundraising campaigns, empowering us to achieve our fund-raising goals.

(Private LHN's Campaign) Empowering diverse-abilities to live independently.

\$5,490
raised from 26 donors

Goal of \$8,000

Donate Today

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Communities – Communities Development

Engaging external and internal stakeholders in our CSR



Mr Kelvin Lim (right), LHN Limited's Executive Chairman, Executive Director and Group Managing Director, presented the donation amount raised from LHN Group Charity Golf Day to Robin C. Lee (left), Chief Executive Officer of Food from The Heart.

As a long-time supporter of Food From The Heart ("FFTH"), a non-profit organisation in Singapore committed to addressing hunger through efficient food distribution, in commemoration of their 20th anniversary in 2023, we engaged our employees, business associates and clients to a series of CSR events centred around food security.

We dedicated our Annual Golf Day to raise fund and introduce FFTH's mission and initiatives to our guests. The event received an overwhelming response and support from our business associates and clients. To our delight, we

exceeded donation expectations, raising over S\$37,000. LHN committed to matching donations on a 1-to-1 basis, resulting in a total donation of S\$76,000.

Internally, in August, we successfully organised a Food Donation Drive among to benefit FFTH. Our designated collection points at Work + Store (202 Kallang Bahru) and Coliwoo (31 Boon Lay Drive) experienced a tremendous outpouring of generosity from both our tenants and employees.



Food donation drive at 202 Kallang Bahru and 31 Boon Lay Drive

8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Communities – Communities Development

Engaging services from social enterprises, creating jobs for our beneficiaries.



LHN Group's corporate door gifts are designed by artists of TOUCH Community Services.



Mooncakes ordered for LHN Group's Mid-autumn CSR event were crafted by trainees of APSN Centre for Adults.

Our primary objective when planning CSR activities is to empower beneficiaries to become self-sustained and capable of contributing to society as everyone else, thereby avoiding the creation dependencies. Instead of one-time charity giving, we engage services provided by beneficiaries or funding their vocational training courses. This approach enables us to create lasting job opportunities, unlocking the full potential of our beneficiaries and fostering their journey toward financial independence.

In FY2023, our corporate presents were ordered from social enterprises providing vocational training for individuals with special needs such as JOURNEY by TOUCH Community Services and APSN Centre for Adults. By doing so, we not only support beneficiaries' career endeavours but also foster an inclusive environment where they can contribute to society just like any other individual.



8.1 CREATING POSITIVE SOCIAL IMPACTS FOR OUR EMPLOYEES, STAKEHOLDERS AND COMMUNITIES

Suppliers – Socially Responsible Procurement

In FY2023, we expanded our commitment to social responsibility by incorporating social principles into our Supplier Code of Conduct for new suppliers. We now mandate that suppliers declare their commitment to upholding social requirements, encompassing fair employment practices, the prevention of discrimination, the prohibition of child labour, and the elimination of forced labour, among other crucial considerations. This ensures that our supply chain partners align with our values, fostering a shared dedication to ethical and responsible business practices.

Moving forward, we are steadfast in our commitment to further enhance of socially responsible supply chain in collaboration with our suppliers. To effectively monitor and evaluate our progress in this crucial area, we plan to implement metrics that will enable us to track and measure our performance.



9.1 MAINTAINING GOOD CORPORATE GOVERNANCE PRACTICES

Business Excellence – Service Quality and Responsibility



ICFM employees were honoured with NEA's Environmental Services (ES) Workforce Day Awards

At LHN, we take immense pride in upholding the highest standards of customer service quality. Our commitment to excellence is deeply ingrained in every aspect of our operations, reflecting our dedication to providing an unparalleled experience for our valued customers.

We actively monitor reviews on public platforms such as Google Reviews and social media. Our team proactively addresses all received feedback, resolving issues promptly to enhance our services continually. Every customer's feedback and complaint are systematically logged and reviewed by each business segment's management team. We implement appropriate corrective measures to address raised concerns promptly. General customer queries and feedback are addressed within two to three working days, while urgent queries receive a response within half a day.

LHN has developed a comprehensive annual customer satisfaction survey to assess our service quality for the Space Optimisation Business and Facilities Management Business. For LHN Parking, to ensure prompt responses to feedback, we have implemented a web-based email ticketing system with round-robin scheduling.

Our Space Optimisation Business achieved a customer satisfaction rate of 81%, while our Facilities Management Business excelled with an impressive 83%. Both figures surpass our target of maintaining customer satisfaction rates of at least 70%, underscoring our commitment to delivering exceptional service in both sectors.

Employees from our Facilities Management Business arm, ICFM, have been honoured with the **Environmental Services (ES) Workforce Day Awards** organised by NEA. These awards celebrate the hard work and commitment of ES companies and their employees. We are immensely proud to see multiple members of our team receive Certificates of Excellence, recognising their dedication and exceptional performance.

At ICFM, we firmly believe in upholding the highest standards of environmental services, and we express deep gratitude for having a team that consistently goes above and beyond in their work. This award serves as a collective testament to their expertise and unwavering commitment to delivering exceptional results.

9.1 MAINTAINING GOOD CORPORATE GOVERNANCE PRACTICES

Business Excellence – Digitalisation

In our ongoing commitment to advancing service quality, we are proactively engaged in the exploration and implementation of opportunities to digitise our services. Recognising the pivotal role of digitalisation in streamlining operations, this strategic initiative aims not only to enhance service quality but also to alleviate the workload on our employees.

By embracing digital solutions, we seek to optimise processes, improve efficiency, and ultimately elevate the overall experience for our customers. The integration of digital technologies is envisioned to bring about operational enhancements that contribute to the seamless delivery of our services.

SPACE OPTIMISATION – COLIWOO MEMBERS’ MOBILE APPLICATION

Developed exclusively for members of the Coliwoo community, this dedicated application serves as a practical tool to facilitate communication and community engagement. Coliwoo community mobile application offers a range of user-friendly features, including:

- **Community Connection:** Connect with like-minded individuals through interest-based groups.
- **Visitor Tracking:** Utilise a convenient system to keep track of visitors, enhancing security and community awareness.
- **Facility Booking:** Streamline the process for reserving community facilities for residents’ convenience.
- **Event Calendar:** Stay informed about upcoming community events and activities through a real-time calendar feature.
- **Payment Management:** Access a user-friendly platform for managing payments related to community activities and services.

These features collectively contribute to an improved community experience by promoting seamless communication, convenience, and a shared sense of engagement among Coliwoo members.



Coliwoo Members' Mobile Application

FACILITIES MANAGEMENT – INTEGRATED TECHNOLOGIES

Since 2020, LHN’s Facilities Management Business has embraced smart solutions to elevate the efficiency and quality of facilities services offered to clients and end-users. This strategic move involves the adoption of advanced technologies, software applications, and centralised data management platforms, all aimed at strengthening LHN’s proficiency in delivering smart solutions for facilities services.



Feedback and monitoring systems via QR codes

LHN PARKING – PARKING GUIDANCE SYSTEM (‘PGS’)

PGS facilitates drivers’ decision-making when navigating to a car park by providing real-time information on parking space availability through occupancy status data. The system generates a visual output, illustrating the number of available parking spaces within the facility and precisely identifying which lots are unoccupied.



Parking Guidance System

9.1 MAINTAINING GOOD CORPORATE GOVERNANCE PRACTICES

Corporate Governance



Mr. Kelvin Lim received the Most Transparent Company Award (Real Estate Category) at SIAS Investors' Choice Awards 2023

LHN is committed to maintaining the utmost standards of corporate governance, exemplified by rigorous board oversight and the implementation of a comprehensive **Code of Corporate Governance**, with specific reference to the principles and provisions of the SG Corporate Governance Code and the principles of good corporate governance and code provisions of the Corporate Governance Code in Appendix 14 to the HKEX Listing Rules. Our dedication to transparency, accountability, and ethical business practices underscores our continuous efforts to enhance and elaborate upon the principles that guide our organisational conduct.

We prioritise effective communication with our investors, as evidenced by the articulation of our approach in the **Investor Relations Policy**. Committed to upholding the highest standards of transparency, we ensure timely, comprehensive, and accurate disclosures. Additionally, we adhere to the guidelines outlined in the Listing Manual of SGX-ST and HKEX, not only in terms of disclosure but also in the distribution of other corporate communications materials. Our steadfast commitment to these principles underscores our dedication to fostering trust and transparency in our interactions with stakeholders.

Annually, both internal and external audits are carried out to assess the efficacy of measures of Corporate Governance. Any significant issues identified in these audits will be promptly reported to the Audit Committee and Board, with subsequent management intervention as necessary. The outcomes of the audit, whether realised or potential, provide LHN with a chance to reassess its corporate governance policies and procedures. Additionally, auditors will conduct follow-up reviews to verify the implementation of management action plans outlined in previous audit reports.

In FY2023, we take immense pride in our noteworthy accomplishments, as we have been distinguished with two prestigious accolades at the Securities Investors Association (“SIAS”) **Investors' Choice Awards 2023**. Specifically, we have been honoured with the **Most Transparent Company Award in the Real Estate Category**, underscoring our commitment to openness and clarity in our operations.

Additionally, we are thrilled to receive the **Shareholder Communications Excellence Award in the Small Cap Category**, acknowledging our dedication to fostering effective communication with our shareholders. These accolades stand as a testament to our unwavering commitment to transparency, excellence, and shareholder engagement.



Financial results briefing at Maybank Investor's Night

9.1 MAINTAINING GOOD CORPORATE GOVERNANCE PRACTICES

Corporate Governance

LHN's Investor Day, co-hosted by GEM COMM and Maybank Securities, served as a platform for fostering collaboration and goodwill among industry experts and the investing community. The event centred around LHN's core concepts, Work+Store and Coliwoo Singapore.

Mr. Kelvin Lim, the Executive Chairman and Group Managing Director, set the tone with an engaging keynote. He delved into market trends, provided insights into LHN's strategic plans, and illuminated the promising prospects within the industry.

The subsequent Q&A session added depth, allowing investors to gain a more comprehensive understanding of LHN's strategic direction and the various elements of its growth strategy.

CORPORATE GOVERNANCE – LEGAL COMPLIANCE

We are steadfast in our commitment to adhere to local government laws and regulations, striving to ensure that our operations consistently align with legal requirements. To fortify our commitment, we have implemented a robust monitoring mechanism that oversees our compliance across a spectrum of areas, encompassing Companies Act adherence, listing requirements, operational licensing requirements, health and safety standards and human resources regulations.

We are pleased to report that we have successfully maintained our cleaning business licence for our Facilities Management Business with the authority, allowing us to continue our day-to-day operations seamlessly.

In addition to our commitment to facilities management services, we have also obtained the necessary licences for our solar panel operations under our Energy Business. This licence ensures that our solar energy initiatives comply with regulatory standards and contribute positively to the sustainable energy landscape. We remain vigilant in upholding these licenses and will continue to adapt and improve our practices as needed.

We are pleased to confirm that no incidents of significant fines or non-monetary sanctions for non-compliance with environmental laws, regulations, or those in the social and economic domain, were reported during this period.

CORPORATE GOVERNANCE – PROCUREMENT PRACTICE

We are dedicated to fostering mutually advantageous relationships with reputable suppliers, emphasising the careful management of environmental and social risks within our supply chain. Our goal is to ensure the provision of reliable, high-quality, and cost-effective services and products that contribute to the long-term sustainability of our business.

In response to the escalating concerns surrounding sustainable supply chain management, we have undertaken a comprehensive review of our procurement process. This evaluation has led to the incorporation of specific criteria favouring environmentally and socially preferable products and services. Additionally, we are actively enhancing our supply chain management practices to identify, implement, and monitor environmental and social risks.

In FY2023, we took a significant step by developing a comprehensive **Supplier's Code of Conduct** to articulate transparent principles and expectations for our suppliers. This code applies to contractors, subcontractors, and consultants engaged in delivering goods and/or services to our organisation. It covers a range of critical areas, such as legal and regulatory compliance, business ethics, human rights, labour practices, environmental protection, community involvement, and more. Building upon these foundational principles, we have instituted a new mandate for our suppliers. They are now required to explicitly declare their compliance with relevant environmental and social laws and regulations. In doing so, we are encouraging a commitment to continuous improvement and advancement in these areas. In FY2023, we have 797 vendors in our vendor records, with 12 vendors located overseas and the rest being located in Singapore.

CORPORATE GOVERNANCE – ANTI-CORRUPTION

Our anti-corruption practices are governed by various policies including our **Anti-corruption Policy, Anti-fraud Policy, Conflict of Interest Policy and Whistle-blowing Policy**. These policies established our principle of "zero tolerance" towards all forms of corruption, bribery and extortion.

We encourage our stakeholders to report any concerns or potential improprieties in good faith. To facilitate this process, we have established a dedicated channel for reporting, and stakeholders are invited to share their concerns with the Chairman and members of the Audit Committee via email at auditcommittee@lhngroup.com.sg. All reports received through this channel will be handled in strict accordance with our Whistle-blowing Policy. We underscore the critical importance of maintaining confidentiality throughout this process, assuring stakeholders that their reports will be handled with the utmost discretion. In the event of potential corruption cases, thorough investigations will be conducted by the management, with the collaboration of relevant departments that may be involved or affected by the suspected corruption. Should the investigation substantiate the occurrence of acts of corruption, the management will promptly and responsibly report such findings to the Audit Committee.

Anti-corruption practices are communicated to employees during the orientation process to ensure a comprehensive understanding of the definition of corruption, associated penalties, and real-life examples of offences. Our Directors and heads of department attended anti-corruption and anti-fraud training during FY2022. The Group will assess the necessity of continuing such training in the subsequent years. In FY2023, there have been no concluded legal cases regarding corrupt practices brought against the Group or any of its employees and there were no confirmed incidents of corruption reported against the Group or any of its employees. Consequently, there have been no incidents of significant fines or non-monetary sanctions for non-compliance with anti-corruption related laws and regulations.

APPENDIX A: LIST OF ENTITIES INCLUDED IN THIS REPORT

BUSINESS SEGMENT	NAME
ENTITIES INCLUDED IN THE SUSTAINABILITY REPORTING	
Holding Company	LHN Limited
	LHN Group Pte. Ltd.
Space Optimisation Business	Chua Eng Chong Holdings Pte. Ltd.
	Coliwoo (BR) Pte. Ltd.
	Coliwoo Balestier Pte. Ltd.
	Coliwoo Bugis Pte. Ltd.
	Coliwoo Keppel Pte. Ltd.
	Coliwoo Property Management Pte. Ltd.
	Coliwoo RV1 Pte. Ltd.
	Emerald Properties Pte. Ltd.
	Erinite Properties Pte. Ltd.
	GreenHub Suited Offices Pte. Ltd.
	LHN Facilities Management Pte. Ltd.
	LHN Properties Investments Pte. Ltd.
	LHN SB 2 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.	
Facilities Management Business	Coliwoo Dormitory Management Pte. Ltd.
	Industrial & Commercial Facilities Management Pte. Ltd.
	LHN Parking Pte. Ltd.
Energy Business	LHN Energy Resources Pte. Ltd.

APPENDIX A: LIST OF ENTITIES INCLUDED IN THIS REPORT

BUSINESS SEGMENT	NAME
ENTITIES NOT INCLUDED IN SUSTAINABILITY REPORTING BUT INCLUDED IN FINANCIAL REPORTING	
Space Optimisation Business, Property Development Business, Facilities Management Business and Energy Business	85SOHO LHN (Cambodia) Co., Ltd.
	Axis A1 Properties Co., Ltd
	Axis Properties Limited
	Chrysolite Industries Pte. Ltd.
	Coliwoo (Arab) Pte. Ltd.
	Coliwoo (Geylang) Pte. Ltd.
	Coliwoo (Sin Ming) Pte. Ltd
	Coliwoo (TK) Pte. Ltd.
	Coliwoo Holdings Pte. Ltd.
	Coliwoo Investments Pte. Ltd.
	Coliwoo PP Pte. Ltd.
	Coliwoo RV2 Pte. Ltd.
	Greenhub Serviced Offices Yangon Limited
	Greenhub Ventures Pte. Ltd.
	Hean Nerng Facilities Management Pte. Ltd.
	Jadeite Properties Pte. Ltd.
	LHN Asset Management (Xiamen) Co. Limited
	LHN EVCO Pte. Ltd.
	LHN Group (China) Asset Management Pte. Ltd.
	LHN Group Shared Services Sdn. Bhd.
	LHN Management Services (Nan An) Co. Ltd.
	LHN Management Services Pte. Ltd.
	LHN Mobility Pte. Ltd.
	LHN Parking (GMT) Pte. Ltd.
	LHN Parking HK Limited
	LHN Residence Pte. Ltd
	New Shiso Catering Pte. Ltd
	PT Hean Nerng Group
	PT Hub Hijau Serviced Offices
	White Opal Properties Pte. Ltd.
	WPS (TPY) Pte. Ltd.
	WPS KB Pte. Ltd.
WPS Property Management Pte. Ltd.	
Zircon Properties Pte. Ltd.	

APPENDIX B: SUSTAINABILITY SCORECARD

ENVIRONMENTAL

PERFORMANCE INDICATORS	UNITS	FY2021	FY2022	FY2023
Electricity usage	MWh	5,312	5,708	5,083
Electricity usage intensity	MWh/m ²	0.1355	0.1260	0.1188
Carbon footprint	tCO ₂ e	2,155	2,165	1,965
Carbon footprint intensity	tCO ₂ e/m ²	0.050	0.049	0.046
Water consumption	m ³	91,713	117,778	119,050
Water consumption intensity	m ³ /m ²	2.34	2.59	2.78

SOCIAL

PERFORMANCE INDICATORS	UNITS	FY2021	FY2022	FY2023
EMPLOYMENT				
Total number of employees	Number	364	356	412
New hires rate	%	24	92	52
Turnover rate	%	46	95	38
EMPLOYEE BY GENDERS				
Female employee	%	41	42	40
New hires rate (Female)	%	29	84	59
Turnover rate (Female)	%	52	83	51
EMPLOYEE BY AGE GROUP				
Current employee by age group				
• Above 50	%	25	30	37
• 30-50	%	50	49	45
• Below 30	%	25	21	18
New hires rate by age group				
• Above 50	%	38	82	23
• 30-50	%	21	87	60
• Below 30	%	18	120	92
Turnover rate by age group				
• Above 50	%	28	69	26
• 30-50	%	44	91	40
• Below 30	%	70	138	59

APPENDIX B: SUSTAINABILITY SCORECARD

PERFORMANCE INDICATORS	UNITS	FY2021	FY2022	FY2023
TRAINING				
Total training hours	Hours	1,909	5,692	7,406
Average training hours per employee	Hours	5.2	15.9	18.0
Percentage of employees trained	%	100	100	100
AVERAGE TRAINING HOURS PER EMPLOYEE BY GENDERS				
Average training hours per employee (Female)	Hours	6.3	16.4	19.4
AVERAGE TRAINING HOURS PER EMPLOYEE BY CATEGORIES				
Senior Management	Hours	20.6	48.2	35.7
Manager	Hours	9.7	15.2	20.8
Executive	Hours	3.7	15.2	21.7
Staff	Hours	3.8	14.6	14.1
WORKPLACE SAFETY				
Total scheduled hours worked by employee	Hours	820,780	763,162	839,922
Work-related fatalities	Number	–	–	–
Work-related fatalities rate (per million hours worked)	Number/Million hours worked	–	–	–
High-consequences work-related injury	Number	–	–	–
High-consequences work-related injury rate (per million hours worked)	Number/Million hours worked	–	–	–
Number of work-related injuries	Number	1	2	3
Work-related injury rate (per million hours worked)	Number/Million hours worked	1	3	4
Number of work-related ill health	Number	–	–	–
Work-related ill health rate (per million hours worked)	Number/Million hours worked	–	–	–
Lost days due to work-related injuries	Days	8	49	212

GOVERNANCE

PERFORMANCE INDICATORS	UNITS	FY2021	FY2022	FY2023
Independent Directors	%	60	60	60
Female on the Board of Directors	%	40	40	40

APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

This section details key definitions, methodologies and data boundaries applied to LHN Group'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 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

ENVIRONMENT

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 refer 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.

Carbon Emissions

In the scope of this reporting, scope 1 emissions are emission are generated from the consumption of fuels for our Facilities Management Business, encompassing carpark operations. The fuel consumption by other business segments is considered immaterial given the nature of their operations. The emission factor used for calculating carbon emission is obtained from The United Kingdom Department for Environmental, Food & Rural Affairs ("UK Defra"). Carbon emissions are expressed in tonnes of carbon dioxide equivalent ("tCO₂e").

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity, by the properties within the Space Optimisation Business. The Grid Emission Factor ("GEF") used for calculating carbon emissions is obtained from NEA. Carbon emissions are expressed in tCO₂e.

Carbon Emissions Intensity

This is the ratio of carbon emissions relative to the net leasable areas in square metres for residential properties under the Space Optimisation Business and total common floor areas for commercial and industrial properties under the Space Optimisation Business. Carbon emissions intensity is expressed in tCO₂e per square metre ("tCO₂e/m²").

SOCIAL

Employee

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

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 by the organisation's operations, products or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships.

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 at financial year-end.

The 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 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 of 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 of financial year-end.

APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

Energy Consumption

Energy consumed results from fuels consumed by the Facilities Management Business, encompassing carpark operations and electricity consumed by the Space Optimisation Business. Energy consumed is expressed in megawatt-hours (“MWh”).

Energy Intensity

This is the ratio of carbon emissions relative to the net leasable areas in square metres for residential properties under the Space Optimisation Business and total common floor areas for commercial and industrial properties under the Space Optimisation Business. Energy intensity is expressed in MWh per square metre (“MWh/m²”).

Water Consumption

This is the volume of water consumed by the Space Optimisation Business. Given the nature of LHN’s business and in Singapore’s context, where water comes from a single third-party source supplied by the Public Utilities Board (“PUB”) and discharge is not required to be monitored, the total amount of water withdrawn is assumed to be the amount consumed as is reflected in utility bills received by the Group. The volume of water consumed is expressed in cubic meters (“m³”).

Water Intensity

This is the ratio of carbon emissions relative to the net leasable areas in square metres for residential properties under the Space Optimisation Business and total common floor areas for commercial and industrial properties under the Space Optimisation Business. Water consumption intensity is expressed in m³ per square metre (“m³/m²”).

Work-related incident

Injury incidents are non-fatal or fatal injuries 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

The 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 of financial year-end.

Recordable Work-related Ill Health and Rate

The 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

The 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.

The 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 a 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.

The rate of high-consequence work-related injuries (excluding fatalities) by employees or non-employee workers is the 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.

GOVERNANCE

Customer Satisfaction Scoring

Customer satisfaction survey questionnaires are sent out annually to our clients.

APPENDIX D: GRI CONTENT INDEX

GRI Content Index

The GRI Content Index references the LHN's Sustainability Report 2023 ("SR") and the Annual Report 2023 ("AR").

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE AND REMARKS	
GRI 1: REPORTING IN ACCORDANCE WITH THE GRI STANDARDS			
Requirement 1	Apply the reporting principles	SR About the Report	
Requirement 2	Report the disclosures in GRI 2: General Disclosures 2021	SR Appendix D: GRI Content Index	
Requirement 3	Determine material topics	SR Sustainability Strategy	
Requirement 4	Report the disclosures in GRI 3: Material Topics 2021	SR Appendix D: GRI Content Index	
Requirement 5	Report disclosures from the GRI Topic Standards for each material topic	SR Appendix D: GRI Content Index	
Requirement 6	Provide reasons for the omission of disclosures and requirements that the organisation cannot comply with	SR Appendix D: GRI Content Index	
Requirement 7	Publish a GRI content index	SR Appendix D: GRI Content Index	
Requirement 8	Provide a statement of use	SR About the Report	
Requirement 9	Notify GRI	SR About the Report	
GRI 2: GENERAL DISCLOSURES			
The organisation and its reporting practices	2-1	Organisation details	SR Our Business
	2-2	Entities included in the organisation's sustainability reporting	SR Appendix A: List of entities included in this report
	2-3	Reporting period, frequency and contact point	SR About the Report
	2-4	Restatements of information	SR About the Report
	2-5	External assurance	SR About the Report
Activities and workers	2-6	Activities, value chain and other business relationships	SR About the Report
	2-7	Employee	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
	2-8	Workers who are not an employee	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
Governance	2-9	Governance structure and composition	AR Corporate Governance
	2-10	Nomination and selection of the highest governance body	AR Corporate Governance
	2-11	Chair of the highest governance body	AR Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	SR Sustainability Strategy
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	AR Corporate Governance
	2-16	Communication of critical concerns	SR Sustainability Strategy
	2-17	The collective knowledge of the highest governance body	AR Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	AR Corporate Governance
	2-19	Remuneration policies	AR Corporate Governance
	2-20	The process to determine the remuneration	AR Corporate Governance
	2-21	Annual total compensation ratio	Information unavailable/incomplete

APPENDIX D: GRI CONTENT INDEX

DISCLOSURE NUMBER		DISCLOSURE TITLE	REFERENCE AND REMARKS
Strategy, policies and practices	2-22	Statement on sustainable development strategy	SR Sustainability Strategy
	2-23	Policy commitments	<ul style="list-style-type: none"> SR Protecting Our Environment
	2-24	Embedding policy commitments	<ul style="list-style-type: none"> SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities SR Maintaining Good Corporate Governance Practices
	2-25	Processes to remediate negative impacts	SR Sustainability Strategy
	2-26	Mechanisms for seeking advice and raising concerns	SR Sustainability Strategy
	2-27	Compliance with laws and regulations	SR Maintaining Good Corporate Governance Practices
	2-28	Membership associations	Information unavailable/incomplete
	Stakeholder engagement	2-29	Approach to stakeholder engagement
2-30		Collective bargaining agreements	Not Applicable
GRI 3: DISCLOSURES ON MATERIAL TOPICS			
Material topics	3-1	The process of determining material topics	SR Sustainability Strategy
	3-2	List of material topics	SR Sustainability Strategy
	3-3	Management of material topics	<ul style="list-style-type: none"> SR Protecting Our Environment SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities SR Maintaining Good Corporate Governance Practices
GRI 200: ECONOMIC DISCLOSURES (APPLICABLE SECTIONS ONLY)			
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	SR Maintaining Good Corporate Governance Practices
GRI 300: ENVIRONMENT DISCLOSURES (APPLICABLE SECTIONS ONLY)			
Energy	302-1	Energy consumption within the organisation	SR Protecting Our Environment
	302-3	Energy intensity	
Water and Effluents	303-1	Interactions with water as a shared resource	SR Protecting Our Environment
	303-5	Water consumption	
Emissions	305-1	Direct (Scope 1) GHG emissions	SR Protecting Our Environment
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
GRI 400: SOCIAL DISCLOSURES (APPLICABLE SECTIONS ONLY)			
Employment	401-1	New employee hires and employee turnover	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
Occupational health and safety	403-1	Occupational health and safety management system	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by occupational health and safety management system	

APPENDIX D: GRI CONTENT INDEX

DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE AND REMARKS
	403-9	Work-related injuries
	403-10	Work-related ill health
Training and education	404-1	Average hours of training per year per employee
	404-2	Programs for upgrading employee skills and transition assistance programs
	404-3	Percentage of employees receiving regular performance and career development reviews
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees
		SR Maintaining Good Corporate Governance Practices
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken
		SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
Child labour	408-1	Operations and suppliers at significant risk for incidents of child labour
		SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
Forced or compulsory labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour
		SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
		SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
		SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities

APPENDIX E: HKEX ESG REPORTING GUIDE CONTENT INDEX

The HKEX ESG Reporting Guide Content Index references the LHN's Sustainability Report 2023 ("SR").

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	DESCRIPTION	REFERENCE AND REMARKS
A: ENVIRONMENTAL		
ASPECT A1: EMISSIONS		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	SR Protecting Our Environment
KPI A1.1	The types of emissions and respective emissions data	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	The group produced no hazardous waste in FY2023.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	Disposal bins placed at various locations at our properties are cleared by vendors daily. The Group 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 emissions target(s) set and steps taken to achieve them	SR Protecting Our Environment
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 in common areas for tenants to segregate waste and recycle. Given that the Group does not collect data on the total disposed of hazardous and non-hazardous waste (Refer to KPI A1.3 and A1.4 remarks), reduction target(s) are not set in place.
ASPECT A2: USE OF RESOURCES		
General Disclosure	Policies on the efficient use of resources including energy, water and other raw materials	SR Protecting Our Environment
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	SR Protecting Our Environment
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	SR Protecting Our Environment
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	SR Protecting Our Environment
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	SR Protecting Our Environment
KPI A2.5	The total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	This does not apply to the Group. We do not use packaging material.
ASPECT A3: ENVIRONMENT AND NATURAL RESOURCES		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	SR Protecting Our Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	SR Protecting Our Environment

APPENDIX E:

HKEX ESG REPORTING GUIDE CONTENT INDEX

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	DESCRIPTION	REFERENCE AND REMARKS
ASPECT A4: CLIMATE CHANGE		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact the issuer	SR Protecting Our Environment
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	SR Protecting Our Environment
B: SOCIAL		
EMPLOYMENT AND LABOUR PRACTICES		
ASPECT B1: EMPLOYMENT		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B1.2	Employee turnover rate by gender, age group and geographical region	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
ASPECT B2: HEALTH AND SAFETY		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B2.1	Number and rate of work-related fatalities that occurred in each of the past three years including the reporting year	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B2.2	Lost days due to work injury	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
ASPECT B3: DEVELOPMENT AND TRAINING		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B3.2	The average training hours completed per employee by gender and employee category	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
ASPECT B4: LABOUR STANDARDS		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B4.2	Description of steps taken to eliminate such practices when discovered	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities

APPENDIX E: HKEX ESG REPORTING GUIDE CONTENT INDEX

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	DESCRIPTION	REFERENCE AND REMARKS
OPERATING PRACTICES		
ASPECT B5: SUPPLY CHAIN MANAGEMENT		
General Disclosure	Policies on managing environmental and social risks of the supply chain	<ul style="list-style-type: none"> • SR Protecting Our Environment • SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities • SR Maintaining Good Corporate Governance Practices
KPI B5.1	Number of suppliers by geographical region	SR Maintaining Good Corporate Governance Practices
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	SR Maintaining Good Corporate Governance Practices
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	<ul style="list-style-type: none"> • SR Protecting Our Environment • SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities • SR Maintaining Good Corporate Governance Practices
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	SR Protecting Our Environment
ASPECT B6: PRODUCT RESPONSIBILITY		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	This does not apply to LHN Group as we do not provide any form of products. Services are tracked via customer satisfaction levels.
KPI B6.2	The number of products and service-related complaints received and how they are dealt with	SR Maintaining Good Corporate Governance Practices
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	This does not apply to LHN Group as we do not provide any form of products. Services are tracked via customer satisfaction levels.
KPI B6.4	Description of quality assurance process and recall procedures	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
ASPECT B7: ANTI-CORRUPTION		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	SR Maintaining Good Corporate Governance Practices
KPI B7.1	The 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	SR Maintaining Good Corporate Governance Practices
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	SR Maintaining Good Corporate Governance Practices
KPI B7.3	Description of anti-corruption training provided to directors and staff	SR Maintaining Good Corporate Governance Practices

APPENDIX E: HKEX ESG REPORTING GUIDE CONTENT INDEX

SUBJECT AREAS, ASPECTS, GENERAL DISCLOSURES AND KPIS	DESCRIPTION	REFERENCE AND REMARKS
COMMUNITY		
ASPECT B8: COMMUNITY INVESTMENT		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	SR Create Positive Social Impacts for Our Employees, Stakeholders and Communities

APPENDIX F:

TCFD RECOMMENDATIONS CONTENT INDEX

TCFD Recommendations Content Index

The TCFD Recommendation Content Index indicates our current implementation status for climate reporting.

TCFD THEMATIC AREAS	RECOMMENDED DISCLOSURES	REFERENCE AND REMARKS
GOVERNANCE		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	SR Protecting Our Environment
	Describe management's role in assessing and managing climate-related risks and opportunities	SR Protecting Our Environment
STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	SR Protecting Our Environment
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	SR Protecting Our Environment
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Group currently does not employ scenario analysis in identifying climate risks and opportunities. However, there are plans to integrate scenario analysis into our assessment of climate risks and opportunities in the future.
RISK MANAGEMENT		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	SR Protecting Our Environment
	Describe the organisation's processes for managing climate-related risks	SR Protecting Our Environment
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	SR Protecting Our Environment
METRICS AND TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SR Protecting Our Environment
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	The Group has disclosed Scope 1 and Scope 2 GHG emissions. The Group plans to include Scope 3 GHG emissions in the total carbon emissions in the future.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	SR Protecting Our Environment



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