

SUSTAINABILITY REPORT 2018





CONTENTS

ABOUT THIS REPORT	2
OUR BUSINESS.....	3
CHAIRMAN'S MESSAGE	4
SUSTAINABILITY AT LHN	5
(A) Sustainability Governance	5
(B) Stakeholder Engagement	6
(C) Overview of LHN's Sustainability Approach	7
PERFORMANCE AND HIGHLIGHTS	9
Protecting Our Environment.....	9
Safeguard Health and Safety	12
Cultivating Strong Business Values.....	14
Create A Fair Workplace	18
APPENDIX A. ENTITIES INCLUDED IN THE GROUP'S SUSTAINABILITY REPORT	22
APPENDIX B. GRI CONTENT INDEX	23
APPENDIX C. HKEX ESG REPORTING GUIDE INDEX	25

ABOUT THIS REPORT

REPORTING SCOPE

This is LHN Limited's (the "Company", and together with its subsidiaries, collectively the "Group" or "LHN") second sustainability report for the financial year ended 30 September 2018 ("FY2018"). The report is prepared in compliance with the Environmental, Social and Governance ("ESG") Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX") and Practice Note 7F Sustainability Reporting Guide of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

Corporate governance is addressed separately in the Report on Corporate Governance of the annual report for the financial year ended 30 September 2018.

The report covers the management approach and performance of material ESG factors of headquarter and operations of our subsidiaries in the three major business segments in Singapore; namely, Space Optimisation Business, Facilities Management Business and Logistics Services Business. The subsidiaries as set out under Appendix A represent 85% of the Group's revenue for FY2018. More details about our business can be found on page 3 of this report.

REPORTING STANDARDS

The report is prepared in accordance to Global Reporting Initiatives ("GRI") Standards: Core option. The GRI standards is an internationally recognised framework and was selected for its universal application for reporting on a range of economic, environmental and social performance.

ADOPTED GRI REPORTING PRINCIPLES FOR DEFINING LHN'S SUSTAINABILITY REPORTING CONTENT AND QUALITY	
STAKEHOLDER INCLUSIVENESS	The report addresses what matters most to our key stakeholders. Please refer to page 6 for identified stakeholders and LHN's response to their expectations and interests.
SUSTAINABILITY CONTEXT	In developing our sustainability approach, LHN takes into consideration: <ol style="list-style-type: none"> 1. International commitment on climate change and unique local environmental concerns 2. Sustainability concerns relevant to the industries that the Group operates in 3. Changes in tenants' perception on value of space and the increasing demand for healthier and greener working environment
MATERIALITY	Our material ESG factors as listed on pages 7 to 8 were determined based on the significance of the impact on our business and expectations of both external and internal stakeholders.
COMPLETENESS, BALANCE, ACCURACY, COMPARABILITY, RELIABILITY AND CLARITY	This report aims to present accurate, unbiased, reliable and consistent data that can be easily understood by all and serves as a way for us to monitor our performance progressively.
TIMELINESS	Our sustainability report is published within five months from the financial year end, in compliance to both SGX and HKEX Reporting Rules.

Please refer to Appendix B. GRI Content Index on pages 23 to 24 which summarises our data and information disclosed, as per GRI Standards requirements. For any enquiry related to this report, please contact enquiry@lhngroup.com.sg.

OUR BUSINESS

Incorporated and headquartered in Singapore, we are a real estate management service provider and logistics service provider with longstanding experience of more than 26 years. In 2015, the Group was listed on Catalist of the SGX-ST, followed by a dual primary listing on the Main Board of HKEX in 2017. LHN with its three core business segments – Space Optimisation Business, Facilities Management Business and Logistics Services Business; now has operations in Singapore, Indonesia, Thailand, Myanmar, Hong Kong and Malaysia.

Overall, our integrated supply chain includes more than 800 suppliers; comprising both government agencies as well as private companies. With commitments to build a sustainable supply chain, we establish mutually beneficial relationships with trusted and credible suppliers to ensure high quality, cost-effective and reliable services and products.



VISION

We Create Productive Environments



MISSION

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



CORE VALUES

- ✓ Prudence
- ✓ Efficiency
- ✓ Accountability



SPACE OPTIMISATION	LOGISTICS SERVICES	FACILITIES MANAGEMENT
S\$67.6M of revenue generated in FY2018	S\$22.2M of revenue generated in FY2018	S\$19.5M of revenue generated in FY2018
4 owned and 29 leased industrial, commercial and residential properties	Owns a fleet of over 40 prime movers, over 10 road tankers and over 170 trailers	Certified as Grade A security service provider by Police Licensing & Regulatory Department
Total net lettable area of approximately 3.6M sqft managed	Approximately 2.2M km distance travelled by our logistics vehicles	Managing more than 10,000 car park lots island-wide in Singapore & Hong Kong

CHAIRMAN'S MESSAGE

Dear Stakeholders,

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

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

CREATING A FAIR AND INCLUSIVE WORKPLACE

The Group believes that human capital is the most valuable asset to our company. We ensure that our employees have access to a fair, collaborative and engaging workplace that is built upon a strong foundation – one that wholly embraces and celebrates diversity. Also, by investing in talent development, LHN is well-placed with a competitive edge in the countries we operate in.

ESTABLISHING STRONG CORPORATE GOVERNANCE

The crux of a sustainable business begins with having the right business values - good corporate governance and risk management. The Group is committed to conduct business operations in an ethical and responsible manner. We urge our employees to act with integrity and accountability for the activities that we undertake, even beyond the parameters of our organisation. Moreover, we have in place internal review processes to ensure that we stay compliant with the applicable laws and regulations set out by the competent local authorities in the respective countries or jurisdictions that we operate in.

TRANSITIONING TO A LOW CARBON FUTURE

Over the years, we have implemented several initiatives to improve energy efficiency across our business segments, such as the use of energy-saving LED lightings and water saving taps under the Space Optimisation Business. As we expand our Logistics Services Business, all new prime movers satisfy Euro 4 and 5 Standards to ensure optimum fuel-efficiency and low emissions. The Group is also proud to share that we have embarked on our journey towards renewable energy by conducting feasibility study on the installation of solar panels on selected buildings' rooftops. We are excited to share the progress in our subsequent sustainability report for the financial year ending 30 September 2019.

As a Group, we will continue to sustain our efforts as well as to identify areas for further improvements. We ask of your continued support in our sustainability journey.

Mr. Kelvin Lim

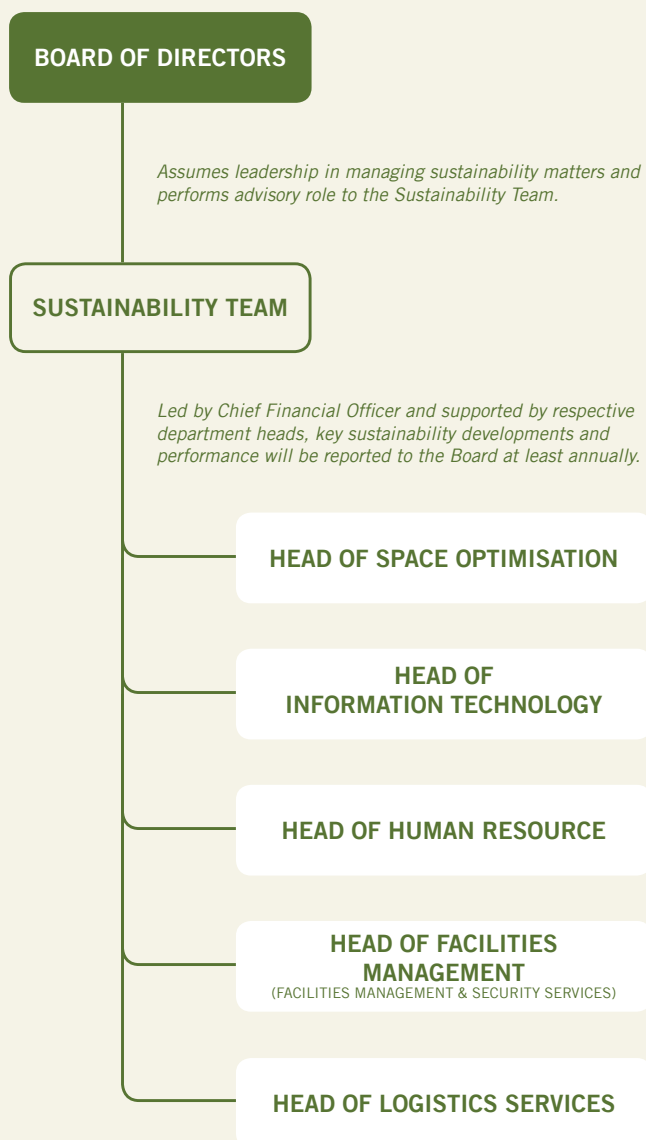
Executive Chairman,
Executive Director & Group Managing Director



SUSTAINABILITY AT LHN

(A) SUSTAINABILITY GOVERNANCE

Our Sustainability Team is instrumental in building a culture of sustainability within LHN and overseeing the implementation of various sustainability initiatives throughout the Group's operations. They also track and report the performance of the various sustainability initiatives at least annually to the board of directors of the Company (the "Board").



BOARD STATEMENT

The Board considers sustainability issues as part of its strategic formulation and places strong emphasis in aligning our business strategies to our sustainability objectives. As the Group continues to grow, it is crucial for us to focus on our core values. The Board has reviewed the material environmental, social and governance factors and deem that the existing factors remain relevant. LHN is committed to high quality standards, maintaining a well-engaged workforce, creating an inclusive and safe working environment for all, and to do our part in preserving the environments that we operate in. The Board works closely with the management to monitor the performance of the material ESG matters. The sustainability performance is reviewed by the Board at least annually or as and when significant developments arise.

SUSTAINABILITY AT LHN

(B) STAKEHOLDER ENGAGEMENT

At LHN, we strive to address ESG issues that are material to our business and stakeholders, whilst taking into account any key developments within the industry. Through various channels, key stakeholders' concerns are identified and addressed appropriately. From our re-evaluation and stakeholders' feedback, LHN's existing seven material ESG topics which were first identified in November 2017 continue to remain relevant in FY2018. There were no new material ESG factors identified for FY2018.

Table 1: Our approach on stakeholder engagement

STAKEHOLDERS	MAIN INTERESTS/ CONCERNS	ENGAGEMENT METHODS AND FREQUENCY	OUR RESPONSE
OUR EMPLOYEES	<ul style="list-style-type: none"> Occupational health and safety Fair employment practices 	<ul style="list-style-type: none"> Online feedback channel system accessible throughout the year Annual performance appraisal conducted Employee handbook accessible throughout the year 	<ul style="list-style-type: none"> LHN established a robust Health and Safety management system to ensure a safe working environment and various policies/ practices to promote a fair workplace respectively for all our employees. Please refer to pages 13, 18 and 20 of this report for more information on our policies and initiatives on the topic.
GOVERNMENT AND REGULATIONS	<ul style="list-style-type: none"> Compliance with regulatory requirements 	<ul style="list-style-type: none"> Business model awareness sessions when required Calls and meetings when required 	<ul style="list-style-type: none"> Non-compliance negatively impacts our business, both reputationally and financially. We are committed to adhere to all regulatory requirements, and where necessary, to seek feedback or clarifications from regulatory bodies in guiding our business forward.
INVESTORS	<ul style="list-style-type: none"> Timely updates on financial performance and business strategies and opportunities 	<ul style="list-style-type: none"> Annual and quarterly financial and sustainability reports Networking sessions with shareholders when required Annual General Meeting ("AGM") 	<ul style="list-style-type: none"> We aim to provide timely updates on key developments and action plans via our various engagement methods. Our networking sessions and AGM provide an interactive platform between both management and investors, and for investors to gain a better understanding of LHN's overall business strategy.
SUPPLIERS	<ul style="list-style-type: none"> Fair and transparent business conduct Continued engagement 	<ul style="list-style-type: none"> Annual supplier performance review Day-to-day communications 	<ul style="list-style-type: none"> At LHN, we work with reliable and creditable suppliers. We aim to form a long-standing and trusting relationship with such suppliers.
CUSTOMERS	<ul style="list-style-type: none"> Quality of products and services Innovativeness of products and services 	<ul style="list-style-type: none"> Social media platform updated when required Networking sessions Company announcements accessible throughout the year Feedback channel accessible throughout the year 	<ul style="list-style-type: none"> Please refer to pages 14 and 15 of this report for our customer satisfaction survey results and initiatives.

SUSTAINABILITY AT LHN

(C) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	PROTECTING OUR ENVIRONMENT		SAFEGUARD HEALTH AND SAFETY
MATERIAL MATTER	ENERGY	WATER CONSUMPTION	HEALTH & SAFETY
IMPACT BOUNDARY	Space Optimisation Business and Logistics Services Business	Space Optimisation Business	All our employees under three business segments and tenants of our properties
SUSTAINABILITY CONTEXT	Contributing to the collective effort to reduce Singapore's overall Greenhouse Gas ("GHG") emissions by the targeted 36% by 2030 (with 2005 being the base year)	As a Singapore – born company, we are aware of the country's endeavor in water security and aim to play our part in preserving water resources	Strive towards creating a culture where all our staff value individual commitment towards safe work practices and further, to create spaces that are safe and conducive for our tenants to work in
MANAGEMENT APPROACH	Space Optimisation Business <ul style="list-style-type: none"> Installation of energy-saving LED light fittings in the properties we manage Installation of motion sensors and timers in common areas where energy consumption is discontinuous Consider installation of solar panels on the rooftops of buildings Logistics Services Business <ul style="list-style-type: none"> Vehicle selection in accordance to Euro 4 and 5 Standards Regular servicing of our fleet for optimum fuel efficiency Route analysis prior to each trip to find the most efficient route Monitoring of fuel consumption to encourage fuel-efficient driving and drivers are required to turn off engine when idle 	Space Optimisation Business <ul style="list-style-type: none"> Our water is currently supplied from a municipal source, managed by SP Group. We have no issue in sourcing water that fits for purpose Installation of water-saving taps in the properties we manage 	Group-wide Health and Safety Policy and certified BizSAFE Level 3 Space Optimisation Business <ul style="list-style-type: none"> Adherence to Standard Operating Procedures for maintenance of lift licences and fire equipment Maintain compliance with relevant fire safety regulations required of all buildings Established platform for tenants' feedback. We aim to rectify any negative feedback received and propose corrective action to prevent reoccurrence. Logistics Services Business <ul style="list-style-type: none"> Mandatory Safety Induction Program (SIP) for all drivers All vehicles are installed with safety kits, which includes fire extinguishers and first aid box Conducting breathalyzer tests based on a random selection process Company emergency response vehicle on standby in the events of accidents or breakdowns Driver training on road safety Monitoring of speed limits with GPS system installed in all our trucks Mobileye technology installed to prompt drivers of pre-collision warnings Facilities Management Business <ul style="list-style-type: none"> Enforce security requirements for our security guardhouse offsite (e.g. placement of safety cones and a sheltered guard house) Well-ventilated rest and eating area for our security and cleaning professionals Inculcate a 'safety-first' culture in all our employees working off-site
PERFORMANCE INDICATORS	<ol style="list-style-type: none"> Energy consumption across business units Emissions and fuel consumption intensity 	<ol style="list-style-type: none"> Volume of water consumption Water consumption intensity 	<ol style="list-style-type: none"> Work-related injury rate, lost day rate, absentee rate Work-related fatalities Number of regulatory fines or warnings related to customer health and safety External audits to review internal processes

SUSTAINABILITY AT LHN

(C) OVERVIEW OF LHN'S SUSTAINABILITY APPROACH

	CREATE A FAIR WORKPLACE	CULTIVATING STRONG BUSINESS VALUES		
MATERIAL MATTER	FAIR EMPLOYMENT PRACTICES	CORPORATE GOVERNANCE	SECURITY OF INFORMATION	CUSTOMER SATISFACTION
IMPACT BOUNDARY	All our employees under Space Optimisation Business, Logistics Services Business and Facilities Management Business	Space Optimisation Business, Logistics Services Business and Facilities Management Business	Business partners, employees, suppliers and customers of Space Optimisation Business, Logistics Services Business and Facilities Management Business	Customers of Space Optimisation Business, Logistics Services Business and Facilities Management Business
SUSTAINABILITY CONTEXT	We have pledged our commitment to adopt the five key principles defined by the Tripartite Guidelines on Fair Employment Practices ("TGFEF") and we believe in developing in-house talents for the continued growth and success of the Group.	High ethical standards in accordance with Code of Corporate Governance 2012 is integral to LHN's corporate identity and how we conduct our business.	Security of information is critical in maintaining our stakeholders' trust in the business.	Our businesses thrive on mutually beneficial and strong relationships formed with our customers.
MANAGEMENT APPROACH	Group-wide <ul style="list-style-type: none"> Human Resource Policy Commitment to no child labor and no forced labor Employee Grievance Policy Training Policy Performance Appraisal Policy Employment <ul style="list-style-type: none"> The Group has complied with all Ministry of Manpower guidelines All eligible job applications, internal transfers and promotions are merit-based regardless of race, ethnicity, religion, age and gender. Performance & Career Development <ul style="list-style-type: none"> Provide sponsorships to employees to encourage lifelong learning Feedback is garnered after every training programme to measure relevance and usefulness of subjects covered to employees Performance appraisals are conducted for all employees and evaluated with the individual through open discussions Benchmarking exercise are conducted against market's best practices in ensuring that adequate and quality trainings are provided to our employees 	Group-wide <ul style="list-style-type: none"> Robust internal control Whistle-blowing Policy Conflict of Interest Policy Ensure compliance with all relevant laws and regulations in countries we operate in Stringent adherence to policies set in maintaining good corporate governance Maintain transparency and accountability for all matters within our organisation 	Group-wide <ul style="list-style-type: none"> Personal Data Protection Policy Website Privacy Policies Established a Data Protection Committee to monitor compliance to Personal Data Protection Act and matters related to customers' data protection and privacy All confidential data is securely stored in a robust Information Systems which undergoes an annual audit carried out by an accredited party 	Group-wide <ul style="list-style-type: none"> Annual customer satisfaction surveys* to gather feedback on our products and services. All complaints received will be logged in our system and responded to in a timely manner. Three days for general customer's queries and feedback and half day for urgent queries for Space Optimisation Business. Whereas for Logistics Services Business, all matters will be addressed by the next working day.
PERFORMANCE INDICATORS	Employment <ol style="list-style-type: none"> Employee breakdown by gender and employee type Recruitment and turnover rates Performance & Career Development <ol style="list-style-type: none"> Average training hours by gender and employment category 	<ol style="list-style-type: none"> Number of non-compliance cases Number of incidents of corruption 	<ol style="list-style-type: none"> Number of substantiated complaints, identified leaks, theft or losses of customer data privacy 	<ol style="list-style-type: none"> Customer satisfaction survey results

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

PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

In view of the recent occurrences of extreme weather surrounding climate change and water being a precious resource, the Group recognises that it needs to do its part as a responsible corporate in reducing its overall GHG footprint and improve its water conservation efforts.

2020 Target

- To achieve a 5% reduction in electrical consumption intensity by 2020 with FY2017 as base year.



Improvement required

- Maintain fuel consumption intensity with FY2017 as base year.



Met

Our Year's Progress: Energy

Energy • Space Optimisation Business

In FY2018, our electricity consumption² was 4,514 MWh. The increase in electricity consumption by approximately 16% from FY2017 to FY2018 was attributed to the increase in the occupancy rates for Work+Store units. At the same time, our gross floor area covered within this report was reduced due to the property renewal process carried out this year. As a result, energy intensity³ of Space Optimisation Business for FY2018 increased by 30% from 0.10 MWh/m² in FY2017 to 0.13 MWh/m² and emission intensity increased by 25% from 0.04 TCO₂e/m² in FY2017 to 0.05 TCO₂e/m².

Energy • Logistics Services Business

The energy consumed has increased in FY2018; corresponding to the increase in distance travelled (FY2018: 2.2 million km; FY2017: 1.9 million km). Our emissions are partly mitigated by the high percentage of euro 4 and 5 standards prime movers within our fleet which are of higher energy efficiency. Our fuel consumption intensity⁴ on the other hand, has remained unchanged at 0.0011 TCO₂e/km in FY2018.

about **48%**
of the properties we managed¹
utilised energy-saving LED
lighting

100%
of our prime movers are
Euro 4 and 5 standards

INITIATIVES LAUNCHED IN FY2018 AND FUTURE ACTION PLAN

Investment in renewable energy

In progressing towards a low carbon economy, we have begun our transition towards renewable energy generation. In FY2018, we conducted feasibility study of installation of solar panels on our rooftop space of buildings with longer tenures. We look forward to share more details on the project in our report for the financial year ending 2019.

Group wide Environment Policy

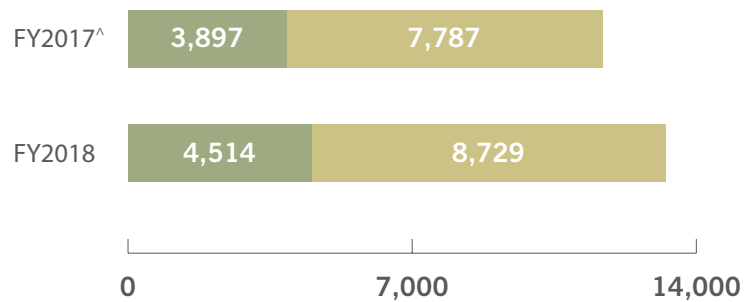
Besides various sustainability practices that are currently in place, LHN is looking forward to formalising our environmental management system in the Group Environment Policy.

1. Pertains to electricity consumption and water consumption in the common areas that is within the Group's control.
2. The electricity consumption excludes Greenhub properties and the Headquarter as the energy consumption for those properties was immaterial.
3. While the total electricity consumption includes the usage in common areas for both inside the buildings and outside the buildings (e.g. decorative light fixtures and lamp posts in surrounding areas), except for Work+Store which includes the tenanted area. Whereas, our energy intensity is calculated based on common floor areas within the building only because the lighting for outside the building is not attributable to any floor area. The energy intensity is therefore more conservative.
4. The fuel intensity is estimated at 2.5 km travelled per liter for GHG emission intensity calculation purpose.

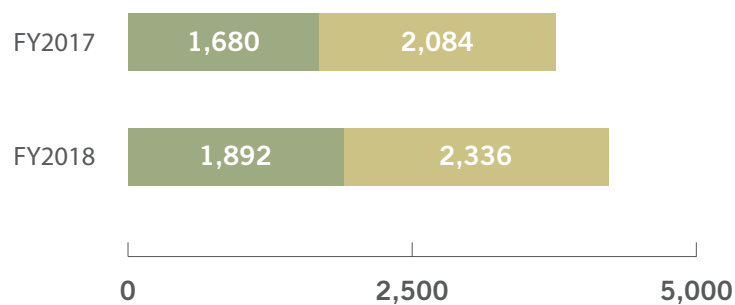
PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

ENERGY CONSUMPTION (MWh)



EMISSION AMOUNT (TCO₂e)



Space Optimisation
 Logistics Services

[^] Restatements made to FY2017 data due to improved data collection procedures.

PERFORMANCE AND HIGHLIGHTS

Protecting Our Environment

In view of the recent occurrences of extreme weather surrounding climate change and water being a precious resource, the Group recognises that it needs to do its part as a responsible corporate in reducing its overall greenhouse gas footprint and improve its water conservation efforts.

2020 Target

- To achieve a 5% reduction in water consumption intensity by 2020 with FY2017 as base year



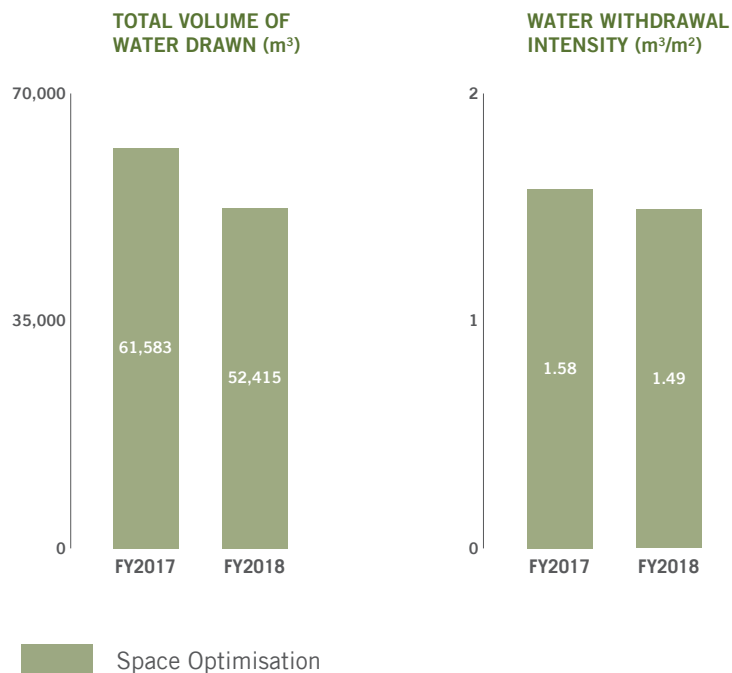
Our Year's Progress: Water Consumption

Water • Space Optimisation Business

In FY2018, the water used⁵ for common toilet facilities and landscaping purposes amounted to 52,415m³, a decrease of approximately 15% from 61,583m³ in FY2017. This is largely attributed to the installation of water saving taps for the properties we managed, which has increased from 65% in FY2017 to 73% of the portfolio in FY2018. We are committed to adopt water saving features for 100% of newly acquired properties. We will continue the close monitoring of water consumption at existing properties to detect any water leakages and implement further water conservation initiatives as necessary to improve our performance.

We do not have any concerns in sourcing water that is fit for our purposes.

about **73%**
of the properties we managed⁵
are installed with water saving
taps




5. The water consumption excludes the consumption at GreenHub properties and the Headquarter as the consumption was immaterial. It also excludes water used for washing of our vehicle fleet as the washing is not conducted at our property, hence, the consumption data is not available.

PERFORMANCE AND HIGHLIGHTS

Safeguard Health and Safety

The safety and well-being of our employees and tenants are of utmost importance to us as we believe everyone deserves to work in a safe and conducive environment. We constantly strive to inculcate a culture where individuals commit in practicing 'safety first' habits.

Annual Targets

- Zero work-related fatalities
 *Met*
- Less than 5 work-related injuries a year within LHN's premises
 *Met*
- Less than 5 work-related injuries a year offsite
 *Met*
- Zero fines⁶ or penalties relating to customer health and safety for Space Optimisation Business
 *Met*

Our Year's Progress: Health and Safety

OUR EMPLOYEES	FY2017 [^]	FY2018
Work-related fatalities	0	0
Injury rate (per million hours worked)		
Male	3	3
Female	0	18
Lost day rate (per million hours worked)		
Male	29	135
Female	0	152
Work-related Absenteeism rate		
Male	1.39%	1.33%
Female	1.47%	1.82%

INJURY TYPES	NUMBER OF INCIDENTS	PREMISES WHERE INCIDENTS OCCURED
Fractures and twists	2	1 within premises, 1 offsite
Abrasions and bruises	2	1 within premises, 1 offsite
Vehicle related accidents	3	1 within premises, 2 offsite

ISO 9001:2015

certification for LHN's Logistics Services Business and Facilities Management Business⁷

[^] Restatements made to FY2017 data due to improved data collection procedures.

⁶ Fines less than S\$500 are considered immaterial.

⁷ ISO9001:2015 certification has been achieved by Hean Nerng Logistics Pte. Ltd., Industrial & Commercial Security Pte. Ltd. and Industrial & Commercial Facilities Management Pte. Ltd. in FY2017 and FY2018.

PERFORMANCE AND HIGHLIGHTS

Safeguard Health and Safety

Key measures to prevent reoccurrence of work-related incidents include:

Slip and falls within premises

- Employees are regularly reminded to have appropriate footwear and safety shoes, where necessary.
- Walkways are to be kept clear and free of clutter as part of the shared responsibility between all employees and buildings' management team.
- Checks are performed to ensure lightings and floorings are in good condition and signage are strategically placed to caution employees.

Vehicle related accidents

- Email periodic reminders on the importance of taking necessary precautions on the road; especially, during rainy season.
- Enforce employees' attendance for trainings on road safety
- Ensure that safety cones or signs are put at a good distance or with great visibility to warn other drivers of ongoing repair and maintenance works in the vicinity

INITIATIVES LAUNCHED IN FY2018 AND FUTURE ACTION PLAN

Space Optimisation Business

- From FY2019, the Space Optimisation Business team will establish an in-house Fire Safety Management team in compliance with Singapore Civil Defence Force's requirement for buildings with occupancy load of more than 1000.

Logistics Services Business

- Establish partnership in FY2019 with the Land Transport Authority of Singapore to deliver talks on safe driving and roll out additional refresher courses for our drivers under Logistics Services Business.
- Conduct ongoing talks with vendors to implement gas leakage detectors for our Logistics Services Business vehicles by FY2019.

Facilities Management Business

- As part of our BizSafe certification process, we carry out the annual in-house training for our security personnel-in-charge at each respective site. Training materials, which includes SGSECURE materials and information will subsequently be disseminated to the security team post-training.
 - We will continue to ensure that our security and cleaning related services maintain full compliance with laws and regulations set under the Private Security Industry Act and National Environmental Agency respectively.
-

PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

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

Annual Targets

Satisfaction result score of:

- Space Optimisation Business: 70%



Met

- Facilities Management Business (including security services): 70% and above



Met

- Logistics Services Business: 90%

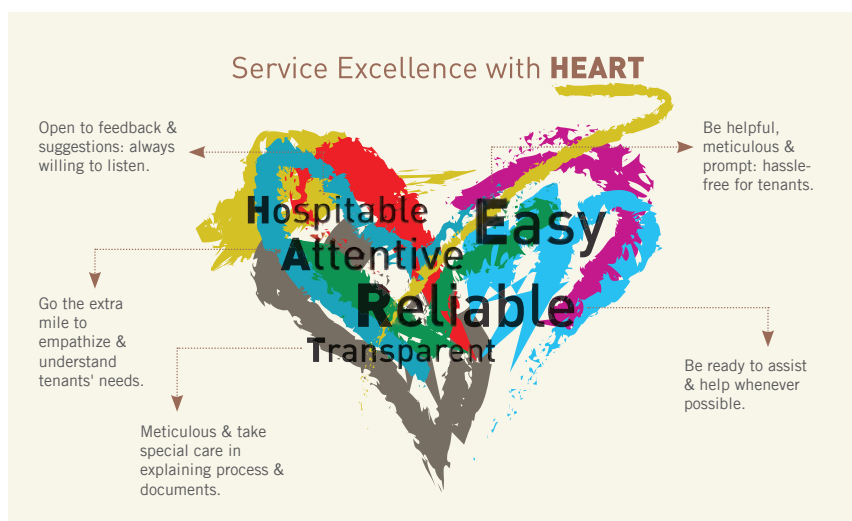


Improvement required

Our Year's Progress: Customer Satisfaction



With the positive survey results, it motivates us as a Group to continue delivering a high standard of service quality and work across our operations. Our Logistics Services Business team, albeit falling slightly short in meeting the internal target of achieving 90% customer satisfaction rating, has done better than the expected target of 70% as per ISO9001 quality objectives. Furthermore, with the establishment of our Service Excellence Committee ("SEC"), all divisions will continue to work closely towards service quality improvement by solidifying LHN's service DNA – HEART value and translate these values into better experiences for our customers.



Service Excellence Committee

Established since 2017

8. Refers to Industrial & Commercial Facilities Management Pte. Ltd.

9. Refers to Industrial & Commercial Security Pte. Ltd.

PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

In cascading the HEART values throughout the organisation, the SEC developed a four-pronged approach:

1. **INFORMATION** – Spreading awareness on HEART values to employees via town halls and meetings.
2. **TRAINING** – Training employees on service standards, service vision and service excellence.
3. **GOODWILL GESTURES** – Strategic discounts to be considered for long-term customers and sponsorship of customers' events in building relationships.
4. **REWARD AND RECOGNITION** – Recognising and rewarding the best performing service employees.



INITIATIVES LAUNCHED IN FY2018 AND FUTURE ACTION PLAN

Spreading of HEART values to our blue-collar workers

This year, the SEC went the extra mile to reach out to our blue-collar employees who are often not at LHN's premises and are typically not accustomed to formal corporate town halls and meetings.

The members of SEC travelled to various work sites to hold casual but intimate sharing lunches with employees on LHN's HEART values. At the end of these sessions, a short video was produced to encapsulate key messages with keen participation from our employees. The video serves as a reminder for all employees to deliver genuine and reliable service from the heart. This video was subsequently shared to the public on YouTube.



Service Excellence with **HEART**



PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

CASE STUDY 1:

Tenant engagement at GreenHub

Besides provision of a productive space, LHN GreenHub works closely with our tenants to build a thriving entrepreneur community. Greenhub's biannual networking events are good opportunities for the tenants to showcase their products and services to other potential buyers.

Various workshops such as Etiquette Training and Public Speaking are run throughout the year for our tenants' benefit.

“**Appreciate the effort for organising talks and workshops which are beneficial to our business.”**

Angela Mak,
Audit Partner
Cogent Audit and Assurance

“**GreenHub provides good platform for networking via social events. Look forward to attending more events this year.”**

Christopher Joshua Smith,
General Manager
Q8 Pte Ltd

CASE STUDY 2:

24hour support and new carpark management application introduced by carpark management services to boost customer satisfaction levels

Our operation officers regularly patrol all of our carpark locations in Singapore to mitigate any potential service disruption. They are available 24 hours a day and are immediately deployed when technical issues arise on a day-to-day basis.

The technical issues at car parks are monitored through handheld devices of each operation officer. The tracking ensures technical issues are resolved on a timely basis. Any recurring problems will be flagged out by the system for improvement.



PERFORMANCE AND HIGHLIGHTS

Cultivating Strong Business Values

Annual Targets

- Zero substantiated complaints or identified leaks, thefts or losses of customer data



Met

- Zero confirmed incidents of corruption



Met

- Zero non-compliance cases with applicable laws and regulations



Improvement required

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

Security of Information

In assuring that all personal data entrusted to LHN remains private and is properly stored, used and disseminated without being subjected to third party abuse, we have since developed a Personal Data Protection ("PDP") policy which abides by the Singapore Personal Data Protection Act 2012 ("PDPA") in overseeing that we meet the necessary requirements.

To implement and monitor compliance with the PDP policy, the Group has established a Data Protection Committee ("DPC") led by a designated Data Protection Officer ("DPO") to oversee matters relating to data protection and privacy. The DPC spreads awareness to employees via email on prevalent security risks such as malware attacks or phishing emails that may affect the organisation.

Anti-Corruption and Compliance

LHN has put in place the appropriate corporate policies and guidelines, targeting the improprieties in relation to bribery, extortion, fraud and money laundering, which are aligned with Code of Corporate Governance 2012, Rules of the Catalist and other applicable laws and regulations in all operating countries. This is in line with the Group's stance to maintain high ethical standards which are integral to our corporate identity and business.

Whistle-blowing policy and procedures

Our whistle-blowing policy aims to provide an avenue for employees and any external parties to report and raise, in good faith and in confidence, their concerns about possible improprieties in matters of financial reporting or other matters and offer re-assurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith. All whistle-blowing reports are directed to the audit committee chairman via a dedicated email address (gary.chan@lhngroup.com.sg).

There were no whistleblowing reports received via our whistleblowing channels during this reporting period. We also managed to maintain our unblemished records of zero confirmed incidents of corruption. However, there was one fine imposed in FY2018 relating to overladen container by our Logistics Services Business in Singapore. Since the incident, we have improved on our internal procedures in requiring total cargo weight to be confirmed before any exports to prevent re-occurrence.

We will continue to work toward attaining our target of zero non-compliance cases with applicable laws and regulations that have a significant impact on the financials, business or operations of the Group in the subsequent years to come.

PERFORMANCE AND HIGHLIGHTS

Create A Fair Workplace

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

Annual Targets

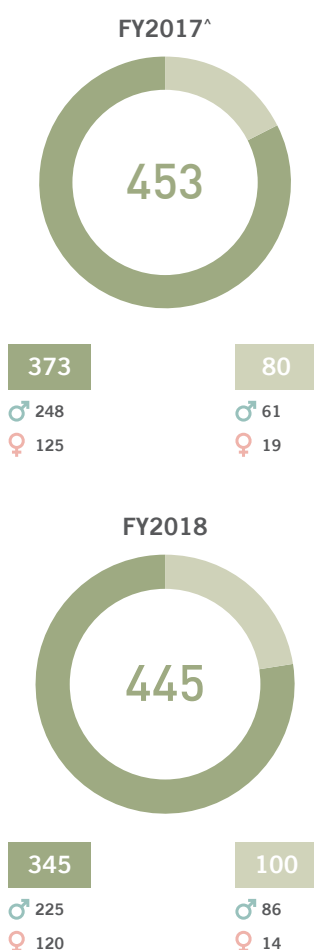
- No confirmed cases of discriminations
● Met
- Organise town halls for blue-collar employees at least once a year
● Met

Employee Profile

Full Time

Part Time

1. Total number of employees by employment type:



Our Year's Progress: Fair Employment Practices

We strongly believe that allowing our employees to have equal opportunities and fair treatment is crucial as it builds the confidence of our employees and their respect towards the Company. LHN is committed to the Tripartite Alliance for Fair Employment Practices (TAFEP) 5 Principles, which promotes the adoption of fair, responsible and progressive employment practices among employers, employees and the general public. All LHN's job applications, internal transfers and promotions are merit-based regardless of race, ethnicity, religion, age and gender.

An established Employee Grievance Policy allows employees to raise any potential mistreatment or violations of Labour Laws to supervisors and management of LHN. We conduct town halls twice a year to receive employee's feedback, and provide employee feedback boxes in office. All feedback are reviewed immediately for improvement actions.

The Group has complied with all relevant Ministry of Manpower ("MOM") guidelines for FY2018. We also strictly enforce no child labour or forced labour policy, no keeping of passports and no loans provided to foreign workers in return to be bonded for a specific time.

In FY2018, our workforce consisted of 445 employees; including 311 males and 134 females. Our headcount includes more male employees due to the physical requirements of our labour-intensive operations; particularly in the Facilities Management Business and Logistics Services Business. The significant portion of our operations are conducted by our employees; although, we engage contractors occasionally for miscellaneous tasks such as compound cleaning, transportation of chemical or oil related products, landscaping, lift maintenance and fire alarm maintenance works.

Fair Employment Practices • New Hires and Employee Turnover Rates[^]

In FY2018, there were 315 new hires (FY2017: 171 new hires). The recruitment is to mostly replace resignees which amounted to 323 employees (FY2017: 139 resignees). Our turnover rate for the year averages at 72.6% (FY2017: 30.7%) largely due to the high turnover within the Facilities Management Business, in particular security services as well as the termination of many inactive part-time staff. The security industry in recent years have been plagued with a lack of resources and high turnover. We also appreciate the challenge to keep offsite staff engaged due to limited interaction. To address this problem, in 2019, we look forward to holding two town halls; specifically for blue-collar workers so that they could share any feedback/ comments on the work environment. It also provides an opportunity for management to communicate the business initiatives to keep the staff informed and engaged.

[^] Restatements made to FY2017 data due to improved data collection procedures.

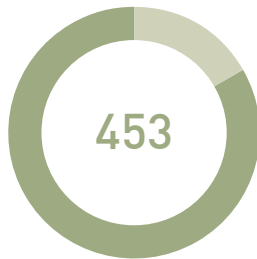
PERFORMANCE AND HIGHLIGHTS

Create A Fair Workplace

Permanent

Temporary

2. Total number of employees by employment contract:

FY2017[^]

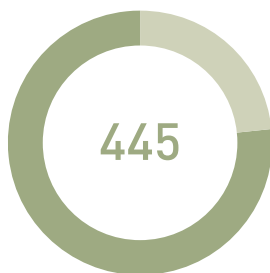
377

 ♂ 249
 ♀ 128

76

 ♂ 60
 ♀ 16

FY2018



341

 ♂ 221
 ♀ 120

104

 ♂ 90
 ♀ 14

FY2018			
New employees hired	Number of new employees hired in respective category	Total number of employees in respective category	Percentage of new employees hired in respective category
New employees hired by age group	315	445	70.8%
New employees hired – less than 30 years old	76	108	70.4%
New employees hired – between 30 to 50 years old	142	195	72.8%
New employees hired – more than 50 years old	97	142	68.3%
New employees hired by gender	315	445	70.8%
New employees hired – Female	91	134	67.9%
New employees hired – Male	224	311	72.0%

FY2018			
Employee turnover	Employee turnover in respective category	Total number of employees in respective category	Percentage of employee turnover in respective category
Employee turnover by age group	323	445	72.6%
Employee turnover – less than 30 years old	52	108	48.1%
Employee turnover – between 30 to 50 years old	153	195	78.5%
Employee turnover – more than 50 years old	118	142	83.1%
Employee turnover by gender	323	445	72.6%
Employee turnover – Female	101	134	75.4%
Employee turnover – Male	222	311	71.4%

[^] Restatements made to FY2017 data due to improved data collection procedures.

PERFORMANCE AND HIGHLIGHTS

Create A Fair Workplace

Fair Employment Practices • Average Training Hours by gender and employee category[^]

At LHN, the investment in learning and development is strongly emphasised as it ensures that the Group stays competitive in driving growth. In encouraging lifelong learning, LHN's Training Policy allows for training sponsorship that targets at the development needs of our employees. In FY2018, we have achieved total training hours of 3,601 hours, which means 8.09 hours on average per employee (FY2017: total 5,289 hours, which means 11.68 hours on average per employee). The training courses covers a wide range of subjects from business related courses such as financial reporting and business analytics to health and safety trainings, and other subject matters relevant to our operations.

In addition, LHN is committed to the practice of meritocracy. Our reward and compensation system is based solely on employees' performance, in which the Performance Appraisal Policy sets out clear procedures for the evaluation of performance. To ensure a fair and just evaluation, employees are judged not only on the results attained, but also on the process which led to the overall outcome. Beyond that, LHN dedicates itself to open discussions with employees on their development and performance conducted by managerial levels and above.

FY2018			
Training hours	Headcount	Training hours	Average training hours
Average training hours by gender	445	3,601	8.09
Average training hours – Female	134	1,240	9.25
Average training hours – Male	311	2,361	7.59
Average training hours by employee category	445	3,601	8.09
Average training hours – Staff	315	2,246	7.13
Average training hours – Assistant & Executive	74	640	8.65
Average training hours – Assistant Manager & Manager	35	288	8.23
Average training hours – Senior Management	21	427	20.33

INITIATIVES LAUNCHED IN FY2018 AND FUTURE ACTION PLAN

- In the coming year, we will identify competency requirements and establish corresponding training programs for staff in our core business segments. The training will aim to cover the necessary technical and soft skillsets, including on-the-job training.
- To strengthen our efforts in improving talent retention, we are working towards implementing employee engagement programmes to boost staff-wellness and keep them motivated.

[^] Restatements made to FY2017 data due to improved data collection procedures.

PERFORMANCE AND HIGHLIGHTS

Create A Fair Workplace

CASE STUDY

"We are one"

Due to the nature of the Group's business, many of our employees are stationed offsite (e.g. our cleaning and security staff) or are continuously on the move (e.g. our drivers). LHN's social events are scheduled around their working schedule to ensure the highest participation from all staff.

A separate town hall is held for staff who could not attend the company's regular town hall due to their job requirements. The town hall allows the management to receive feedback and to keep the staff updated on key developments of the Group.



Dinner on Ola Beach, Sentosa on Saturday, 7 July 2018 with water sports, stage games and lucky draw.

APPENDIX A.

Entities included in the Group's sustainability report

LHN LIMITED		
LHN GROUP PTE. LTD.		
SPACE OPTIMISATION BUSINESS	FACILITIES MANAGEMENT BUSINESS	LOGISTICS SERVICES BUSINESS
<ul style="list-style-type: none"> • Soon Wing Investments Pte. Ltd. 	<ul style="list-style-type: none"> • Industrial & Commercial Security Pte. Ltd. ("ICS") 	<ul style="list-style-type: none"> • Hean Nerng Logistics Pte. Ltd. ("HNL")
<ul style="list-style-type: none"> • LHN Energy Resources Pte. Ltd. (formerly known as Hean Nerng Corporation Pte. Ltd.) 	<ul style="list-style-type: none"> • Industrial & Commercial Facilities Management Pte. Ltd. 	
<ul style="list-style-type: none"> • Work Plus Store Pte. Ltd. 	<ul style="list-style-type: none"> • LHN Parking Pte. Ltd. 	
<ul style="list-style-type: none"> • LHN Space Resources Pte. Ltd. 		
<ul style="list-style-type: none"> • Singapore Handicrafts Pte Ltd 		
<ul style="list-style-type: none"> • PickJunction Pte. Ltd. 		
<ul style="list-style-type: none"> • Work Plus Store (Joo Seng) Pte. Ltd. (formerly known as LHN Industrial Space Pte. Ltd.) 		
<ul style="list-style-type: none"> • GreenHub Suited Offices Pte. Ltd 		
<ul style="list-style-type: none"> • LHN Facilities Management Pte. Ltd. 		
<ul style="list-style-type: none"> • Chua Eng Chong Holdings Pte Ltd 		
<ul style="list-style-type: none"> • LHN Properties Investments Pte. Ltd. 		
<ul style="list-style-type: none"> • Hean Nerng Facilities Management Pte. Ltd. 		

APPENDIX B.

GRI Content Index

GRI STANDARD	DISCLOSURE	SECTION	PAGE NUMBER ("NO.")
102-1	Name of the organization	About this report	2
102-2	Activities, brands, products and services	Our business	3
102-3	Location of headquarters	Our business	3
102-4	Location of operations	Our business	3
102-5	Ownership and legal form	Our business	3
102-6	Markets served	Our business	3
102-7	Scale of the organization	Our business	3
102-8	Information on employees and other workers	Create a fair workplace	18-21
102-9	Supply chain	Our business	3
102-10	Significant changes to the organization and its supply chain	Chairman's message	4
102-11	Precautionary Principle or approach	Chairman's message	4
102-12	External initiatives	Sustainability at LHN: Overview of LHN's sustainability approach	7-8
102-13	Membership of associations	Singapore Business Federation HNL: Singapore Logistics Association ICS: Security Association (Singapore)	–
102-14	Statement from senior decision-maker	Chairman's message	4
102-16	Values, principles, standards, and norms of behaviour	Our Business	3
102-18	Governance structure	Sustainability at LHN: Sustainability governance	5
102-40	List of stakeholder groups	Sustainability at LHN: Stakeholder engagement	6
102-41	Collective bargaining agreements	Not applicable	–
102-42	Identifying and selecting stakeholders	Sustainability at LHN: Stakeholder engagement	6
102-43	Approach to stakeholder engagement	Sustainability at LHN: Stakeholder engagement	6
102-44	Key topics and concerns raised	Sustainability at LHN: Stakeholder engagement	6
102-45	Entities included in the consolidated financial statements	Appendix A	22
102-46	Defining report content and topic boundaries	Sustainability at LHN: Overview of LHN's sustainability approach	7-8
102-47	List of material topics	Sustainability at LHN: Overview of LHN's sustainability approach	7-8

APPENDIX B.

GRI Content Index

GRI STANDARD	DISCLOSURE	SECTION	PAGE NUMBER ("NO.")
102-48	Restatements of information	Restatements were made to FY2017 data under the following sections as a result of improved data collection procedures adopted. Protecting our environment; Safeguard health and safety; Create a fair workplace	9-11 12-13 18-21
102-49	Changes in reporting	No significant changes were made to list of material topics and topic boundaries for FY2018.	–
102-50	Reporting period	About this report	2
102-51	Date of most recent report	About this report	2
102-52	Reporting cycle	Annual	–
102-53	Contact point for questions regarding the report	enquiry@lhngroup.com.sg	2
102-54	Claims of reporting in accordance with the GRI Standards	About this report	2
102-55	GRI content index	Appendix B	23-24
102-56	External assurance	While the report has not undergone independent verification, the disclosures have been prepared in good faith.	–
103-1	Explanation of the material topic and its boundary	Sustainability at LHN: Overview of LHN's sustainability approach	7-8
103-2	The management approach and its components	Sustainability at LHN: Overview of LHN's sustainability approach	7-8
103-3	Evaluation of the management approach	Sustainability at LHN: Overview of LHN's sustainability approach	7-8
205-3	Confirmed incidents of corruption and actions taken	Cultivating strong business values	14-17
302-1	Energy consumption within the organisation	Protecting our environment	9-11
302-3	Energy intensity	Protecting our environment	9-11
303-1	Water withdrawal by source	Protecting our environment	9-11
307-1	Non-compliance with environmental laws and regulation	Cultivating strong business values	14-17
401-1	New employee hires and employee turnover	Create a fair workplace	18-21
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safeguard health and safety	12-13
404-1	Average hours of training per year per employee	Create a fair workplace	18-21
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Safeguard health and safety	12-13
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cultivating strong business values	14-17
419-1	Non-compliance with laws and regulations in the social and economic area	Cultivating strong business values	14-17
–	Results of surveys measuring customer satisfaction	Cultivating strong business values	14-17

APPENDIX C.

HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
ENVIRONMENTAL				
ASPECT A1: EMISSIONS				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Cultivating strong business values	14-17	
KPI A1.1	The types of emissions and respective emissions data	Protecting our environment	9-11	Our logistics business uses ultra-low sulphur diesel 10 ppm which significantly reduces the sulphur dioxide (SO _x), nitrogen oxides (NO _x) and particulate emissions. The usage of AdBlue substances further reduces harmful NO _x . For FY2018, the estimated SO _x emission is 0.0217 tons. NO _x emission is negligible with the use of Adblue.
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity	Protecting our environment	9-11	Our GHG emissions are principally from the electricity and fuel consumed, and are measured in tonnes carbon dioxide equivalent (TCO ₂ e).
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	–	–	LHN produced no hazardous waste in FY2018.
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	–	–	Disposal bins placed at various locations at our properties are cleared by vendors daily. LHN does not monitor the operation of the vendors, and therefore has no data on the total disposed waste for the reporting period.
KPI A1.5	Description of measures to mitigate emissions and results achieved	Protecting our environment	9-11	Our initiative to transit towards renewable energy generation is expected to begin in 2019. As such, there has been no measurable result achieved for the reporting period.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved	–	–	All wastes are collected and disposed by authorised vendors. Our waste includes mainly general waste from tenants' activities. Recycling bins are available at all our commercial properties and are placed at common areas for tenants to segregate waste and recycle.

APPENDIX C.

HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
ASPECT A2: USE OF RESOURCES				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Protecting our environment	9-11	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas, or oil) in total (kWh in '000s) and intensity	Protecting our environment	9-11	–
KPI A2.2	Water consumption in total and intensity	Protecting our environment	9-11	–
KPI A2.3	Description of energy use efficiency initiatives and results achieved	Protecting our environment	9-11	–
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Protecting our environment	9-11	–
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	–	–	This is not applicable to LHN. We do not have any packaging material.
ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Protecting our environment	9-11	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	Protecting our environment	9-11	–
SOCIAL				
EMPLOYMENT AND LABOUR PRACTICES				
ASPECT B1: EMPLOYMENT				
General Disclosure		Sustainability of LHN: Overview of LHN's sustainability approach	7-8	–
		Cultivating strong business values	14-17	
		Create a fair workplace	18-21	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	Create a fair workplace	18-21	–
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Create a fair workplace	18-21	–

APPENDIX C.

HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
ASPECT B2: HEALTH AND SAFETY				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Safeguard health and safety	12-13	
		Cultivating strong business values	14-17	
KPI B2.1	Number and rate of work-related fatalities	Safeguard health and safety	12-13	–
KPI B2.2	Lost days due to work injury	Safeguard health and safety	12-13	–
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Safeguard health and safety	12-13	–
ASPECT B3: DEVELOPMENT AND TRAINING				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Create a fair workplace	18-21	
KPI B3.1	The percentage of employees trained by gender and employee category	Create a fair workplace	18-21	–
KPI B3.2	The average training hours completed per employee by gender and employee category	Create a fair workplace	18-21	–
ASPECT B4: LABOUR STANDARDS				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Cultivating strong business values	14-17	
		Create a fair workplace	18-21	
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	–	–	The risk of non-compliance for LHN is extremely low. LHN continues to work with our recruitment agency to ensure our full compliance with any applicable labour law and regulations. There was no non-compliance in FY2018.
KPI B4.2	Description of steps taken to eliminate such practices when discovered	–	–	This is not applicable to LHN. There is no such practice identified within the Group.

APPENDIX C.

HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
OPERATING PRACTICES				
ASPECT B5: SUPPLY CHAIN MANAGEMENT				
General Disclosure		Our Business	3	–
KPI B5.1	Number of suppliers by geographical region	Our Business	3	–
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Our Business	3	–
ASPECT B6: PRODUCT RESPONSIBILITY				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Cultivating strong business values	14-17	
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	–	–	This is not applicable to LHN.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	Cultivating strong business values	14-17	–
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	–	–	This is not applicable to LHN.
KPI B6.4	Description of quality assurance process and recall procedures	–	–	This is not applicable to LHN.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Cultivating strong business values	14-17	–
ASPECT B7: ANTI-CORRUPTION				
General Disclosure		Sustainability at LHN: Overview of LHN's sustainability approach	7-8	–
		Cultivating strong business values	14-17	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	Cultivating strong business values	14-17	–
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Cultivating strong business values	14-17	–

APPENDIX C.

HKEx ESG Reporting Guide Index

GENERAL DISCLOSURES AND KPIS	DESCRIPTION	SECTION	PAGE NO.	REMARKS
COMMUNITY				
ASPECT B8: COMMUNITY INVESTMENT				
General Disclosure		–	–	Please refer to our annual report FY2018.
KPI B8.1	Focus areas of contribution	–	–	Please refer to our annual report FY2018.
KPI B8.2	Resources contributed to the focus area	–	–	S\$21,000

