LHT HOLDINGS LIMITED

BEING PART OF THE SUSTAINABLE EFFORT

SUSTAINABILITY REPORT 2025

CONTENTS

1. BOARD STATEMENT

Dear Stakeholders,

This Sustainability Report outlines LHT Holdings Limited's environmental, social and governance (**ESG**) approach and performance for the financial year ended FY2025. The Board views sustainability as integral to long-term resilience – particularly for a business that relies on wood-based materials, and is subject to evolving expectations around traceability, legality and responsible resource use.

FY2026 will mark a period of transition for the Group as we realign our operating footprint and refine our production strategy. Following the expiry of our lease at Sungei Kadut in March 2026, a portion of our pallet production activities in Singapore will be consolidated at our Tuas facility and, primarily, relocated to our facilities in Malaysia. In addition, the woodchips production business is scheduled to cease in February 2026. Consequently, general horticultural wood waste collection in Singapore will be discontinued, although the collection of used pallets for recycling will continue. These operational changes have been carefully considered in the setting and revision of selected sustainability targets for FY2026.

Throughout this transition, the Board remains focused on ensuring that our sustainability commitments remain aligned with operational realities. This includes upholding responsible sourcing practices, strengthening waste minimisation through reuse and recycling initiatives, and maintaining robust safety and governance standards as operations are reconfigured across locations.

From an ***environmental*** perspective, our approach continues to emphasise resource efficiency and responsible material use. We utilise engineered wood products such as Laminated Veneer Lumber, where appropriate, to improve material consistency and reduce waste, while maintaining the structural performance required for industrial packaging applications. While wood waste management has historically been an important aspect of our Singapore operations, our near-term priority is to manage the planned cessation of woodchips production in a responsible and transparent manner, including clear communication on what will change, what will continue, and how performance will be monitored during and after the transition.

On ***social*** matters, we remain guided by a practical commitment to workplace safety, competence and operational readiness. Our operating environment involves inherent risks, particularly in the handling of wood products and the operation of heavy equipment. The Board expects management to sustain a strong safety culture through effective hazard identification, training, and preventive controls – especially as teams, workflows and operating sites evolve. Safety is embedded as a baseline expectation that requires continuous attention and discipline.

In terms of ***governance***, the Board continues to emphasise ethical conduct, transparency, and accountability. We maintain policies and mechanisms, including whistleblowing channels and anti-corruption measures, to safeguard stakeholder trust and reinforce integrity in decision-making. As the Group navigates a period of change, robust governance remains essential to ensuring that operational transitions do not dilute our standards and that oversight remains effective across locations and business lines.

Looking ahead, we will continue to strengthen the quality and relevance of our sustainability reporting. While this report focuses primarily on our Singapore operations, we are progressively building readiness to reflect a broader regional operating model which may include our operations in Malaysia in future disclosures. This reflects our commitment to providing stakeholders with a fair and balanced representation of the Group's sustainability impacts and performance as our footprint evolves.

We thank our employees, customers, business partners, and shareholders for their continued support. We welcome feedback on this report and on our sustainability approach as we navigate this period of change, with a focus on responsible execution and long-term resilience.

2. OUR BUSINESS

LHT Holdings Limited (**LHT** or the **Company**), together with its subsidiaries (the **Group**), is a leading Singapore-based manufacturer of wooden pallets, boxes and crates, recognised for its focus on quality and environmentally responsible production. Established in 1977 and headquartered in Singapore, the Group has progressively expanded its operational footprint across strategic regional markets, including Malaysia and Vietnam. LHT has been listed on the Mainboard of the Singapore Exchange Limited (**SGX**) since 26 July 1999, underscoring its long-standing presence and standing within the industry.

Since its inception, the Group has remained committed to supplying reliable and high-quality packaging solutions, underpinned by a strong emphasis on environmental sustainability. LHT provides an integrated range of services encompassing product design, manufacturing, industrial moving, packaging and packing and pallet rental services. This end-to-end service model enables the Group to deliver efficient, customised solutions while offering customers convenience, reliability and operational assurance. The key attributes that differentiate LHT within the industry include:

Our green innovation sets us apart. By producing Innovative Processed Product Conversion (**IPPC**) wood pallets, we significantly lower carbon emissions compared to conventional pallets, helping our clients achieve a smaller carbon footprint. As a frontrunner in eco-friendly pallet and crate manufacturing, we are dedicated to sustainability, transforming waste wood into durable, sustainable pallets that embody our motto: “Green Pallet for Green Packaging.”

We are dedicated to developing innovative products and services that push industry boundaries while promoting sustainability. As an essential business, we continuously enhance our operations to deliver a seamless and efficient packaging and delivery experience for our customers. Our commitment to continuous improvement is strengthened through collaborations with esteemed partners like SIMTech and other technology experts. These partnerships give us the confidence that our solutions will not only meet but exceed the long-term expectations of our community.

We have revolutionised our traditional industry by embracing technologies in our processes. Our commitment to innovation enables us to deliver superior, eco-friendly products to our loyal customers while improving efficiency and sustainability. In 2010, the success of our RFID Pallet Leasing & Tracking system marked a turning point, driving us to further explore and implement emerging technologies. This journey has allowed us to produce greener products while optimising operations. Our dedication to technological progress is matched by the unwavering support and collaboration of our trusted partners.

3. ABOUT THE REPORT

Scope of the Report

This Sustainability Report focuses on LHT's non-financial performance, with an emphasis on sustainability-related practices, outcomes and management approaches. The reporting period covers the financial year from 1 January 2025 to 31 December 2025, unless otherwise stated. Where relevant and available, comparative historical data for FY2023 and FY2024 has been included to provide additional context and trend analysis.

The report is intended to address key sustainability matters arising from the Group's principal business activities in Singapore. These activities include industrial packaging, heat treatment, pallet design and testing, pallet rental and waste disposal. The selection of business operations within the scope of this report is determined based on the level of control exercised by the Group over these activities.

In previous Sustainability Reports, the Group included disclosures on water consumption as part of its broader environmental reporting. As water consumption has not been identified as a material topic for the Group's operations, these disclosures have been omitted from this report to ensure alignment with the Group's material ESG priorities. The Group will continue to review its disclosures to ensure they remain relevant, focused and reflective of the sustainability matters most significant to its business and stakeholders.

As part of the Group's longer-term strategy to optimise operations and expand the utilisation of its facilities in Malaysia to benefit from more competitive labour costs, LHT intends to progressively include its Malaysian subsidiaries within the scope of future Sustainability Reports.

A detailed list of entities covered in this report can be found in **Appendix A**.

Reporting Standards

The preparation of this report is in accordance with Chapter 7: Continuing Obligations of SGX Rulebooks, specifically 711A and 711B (**SGX Listing Rules**), drawing guidance from Practice Note 7.6 Sustainability Reporting Guide. In addition to complying with the relevant listing rules, this report is crafted with reference to the Global Reporting Initiative (**GRI**) Standards, recognised as a comprehensive and globally accepted framework for sustainability reporting. Our report aligns with the GRI's principles for determining report content and ensuring report quality, which involves a thorough consideration of our activities, their associated impacts, and the significant expectations and interests of our stakeholders. The content was established by the following four GRI Standard reporting principles:

01 To identify LHT's stakeholders and explain how it has responded to their reasonable expectations and interests.

02 To present LHT's performance in the wider context of sustainability.

03 To reflect LHT's significant economic, environmental and social impacts or substantively influence the assessments and decisions of stakeholders.

04 Provide thorough coverage of material topics, reflecting significant economic, environmental and social impacts for stakeholders to assess LHT's annual performance.

For the GRI content index, please refer to **Appendix D**.

Furthermore, this Report has been prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (**TCFD**). In line with SGX-ST Practice Note 7.6 Sustainability Reporting Guide, the Group has adopted a phased approach to strengthening its climate-related disclosures, which includes progressively working towards alignment with the requirements of IFRS S2 Climate-related Disclosures. This approach enables the Group to focus on areas most relevant to our operations and business activities, while enhancing governance frameworks, reporting processes, and data collection capabilities to support compliance over time. For the TCFD recommendations content index, please refer to **Appendix E**.

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.lht.com.sg) 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:

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4. KEY SUSTAINABILITY HIGHLIGHTS

1,510.7 TONNES

of Laminated Veneer Lumber (**LVL**) were received during the year, accounting for 34% of total raw material consumption. LVL is a sustainable and cost-effective alternative to traditional timber, reducing material waste, improving operational efficiency, and maintaining strong structural performance and reliability.

10,345.3 TONNES

of horticultural and industrial wood waste were collected for recycling, successfully meeting the established target. This achievement reflects our commitment to sustainability by actively reducing waste and supporting the circular economy through recycling initiatives.

10,502.4 TONNES

of woodchips were produced from horticultural and industrial wood waste and utilised as biomass fuel for power generation, contributing to renewable energy use and waste diversion.

86%

of the total available pallets were rented out, exceeding the target of at least 70%. This achievement demonstrates our commitment to reducing wood waste and lowering carbon emissions through the reuse and recycling of pallets.

423 TRAINING MAN-HOURS

were provided to production employees on fire safety and workplace health and safety topics, exceeding the annual target of 300 manhours of continuous training and safety briefings.

0 FATALITY CASES

were recorded for every 100,000 manhours worked in 2025. The Group has maintained a zero-fatality record for every 100,000 manhours worked since the publication of its Sustainability Report.

Memberships

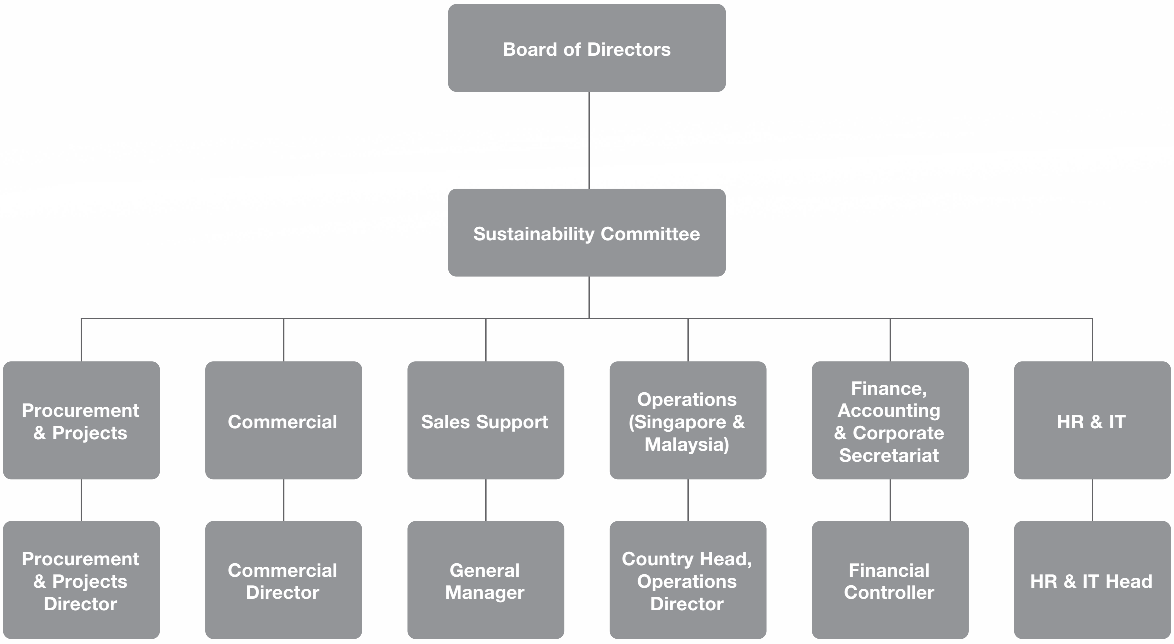
Memberships
• Waste Management & Recycling Association of Singapore (**WMRAS**) • Singapore Timber Association • Singapore Manufacturing Federation (**SMF**) • Singapore Business Federation (**SBF**)

Awards

Association	Awards
2020	
Dun & Bradstreet	Business Eminence Awards 2020
AI Acquisition International	Business Excellence Awards 2020 – Leader in Multi-Purpose Pallet Packaging Manufacturer 2020 – Asia
The Leaders Globe	The 10 Most Renowned Brands to watch in 2020
World Packaging Organisation	WorldStar 2020 Award for Packing Excellence – RFID Green Pallet for Green Packaging
2021	
Brands for Good	2021-2022 Honouree Award Winner In recognition of businesses for doing good and embodying social responsibility in business and operations
Malaysia International Business Awards 2021	Materials Award – LHT Gpac Technology (M) Sdn Bhd In recognition of outstanding initiatives of international firms in Malaysia
2022	
CSR Works	Asia's Best Sustainability Awards – SME Category (Bronze)
Singapore Business Review	SBR National Business Awards 2022 – Manufacturing – Efficient Consumer Response (ECR) RFID Pallets Management System
D&B (Dun & Bradstreet)	D&B Business Eminence Awards 2022
Singapore Business Review	SBR Made In Singapore Awards 2022 – Packaging Category
2023	
World Packaging Organisation (WPO)	WorldStar Global Packaging Awards 2023 – ISO Pest-free Pallet
CSR Works 2022 Asia Sustainability Reporting Awards (ASRA)	Asia's Best Sustainability Awards 2022 – SME category – Finalist
2024	
Singapore Packaging Star Award 2024	Eco Attachable Pallet

5. SUSTAINABILITY STRATEGY

Sustainability Organisation Structure



Sustainability remains a core pillar of LHT's long-term growth strategy and is fundamental to the value we create for our stakeholders, including our people, the environment and society. This focus continues to influence our financial performance and strategic decision-making. Oversight of ESG matters rests with the Board of Directors (the **Board**), which provides direction and accountability for the Group's sustainability agenda. Following refinements to the Sustainability Committee (**SC**) structure, governance arrangements have been strengthened to support more effective coordination and execution, while maintaining our commitment to high sustainability standards.

The SC is responsible for shaping the Group's sustainability strategies, policies and initiatives, working closely with department heads to ensure effective implementation across operations. The Committee also monitors sustainability performance and reports progress regularly to management and the Board, supporting transparency and informed oversight of ESG priorities.

LHT places strong emphasis on responsible governance and ethical conduct as the foundation of a sustainable organisation. Material ESG considerations are incorporated into the Group's strategic objectives and internal policies to ensure risks and opportunities are managed in a balanced and responsible manner. The Group operates in accordance with applicable legal and regulatory requirements across its markets, supported by established grievance mechanisms and clear ethical standards. These expectations are articulated through a Code of Conduct that applies to both employees and relevant parties across the value chain.

To further reinforce a culture of integrity and transparency, LHT maintains a whistleblowing framework that enables concerns relating to misconduct or unethical behaviour to be raised in confidence and without fear of retaliation. Governance and ethics-related policies are reviewed periodically to ensure they remain robust and aligned with evolving expectations.

Sustainability considerations are integrated into LHT's business activities, from product development to service delivery. The Group adheres to stringent environmental and safety standards, while fair labour practices are upheld across operations. This approach supports the consistent delivery of reliable, high-quality products and services, strengthens long-term customer relationships, and reflects LHT's continued commitment to responsible and sustainable business practices.

Stakeholder Engagement

Stakeholders	Engagement Channels	Frequency	Value Created
Employees	• Employee appraisals • Informal one-to-one sessions • Managers' and seniors' open-door policy	• Semi-annually • Ad-hoc • Ad-hoc	LHT is committed to fostering continuous engagement with our employees through both formal and informal channels, seeking to genuinely understand their thoughts and concerns. Recognising that employees are the driving force behind LHT's operations, this ongoing engagement is crucial to supporting operational efficiency and achieving overall business excellence.
Customers	• Hotline • Email queries • Customer visits • Face-to-face meetings • Telephone follow-ups • Annual review and feedback sessions	• Ad-hoc • Ad-hoc • Ongoing • Ad-hoc • Ad-hoc • Annually	LHT is dedicated to building enduring relationships with our customers, investing in the delivery of the highest quality products and services. In addition to this commitment, the Group actively collects reviews and feedback to ensure continuous improvement in our operations, aligning with the evolving expectations of our valued customers.
Suppliers and Service Providers	• Day-to-day communications • Face-to-face meetings • Annual review and feedback sessions • Email queries • Supplier audits • Telephone follow-ups	• Ongoing • Ad-hoc • Ongoing • Ad-hoc • Ad-hoc • Ad-hoc	LHT strives to cultivate cooperative and enduring relationships with our value chain partners. This goal is accomplished by fostering close collaboration while ensuring strict adherence to regulations, safeguarding the integrity and continuity of these valuable partnerships.
Investors/ Shareholders	• Group Annual Report • Annual General Meeting • Extraordinary General Meeting • Group Results Announcement on a half-yearly basis • Informal discussion	• Annually • Annually • Ad-hoc • Semi-annually • Ad-hoc	LHT is committed to maximising returns for investors and shareholders, coupled with a dedication to enhancing transparency. This commitment is realised through comprehensive financial and sustainability reporting, supplemented by timely and active communication to keep stakeholders well-informed.
Government and Regulators	• Face-to-face meetings • Regular inspections/ visits by various agencies • Monthly/yearly reporting • Regular audits	• Ad-hoc • Ad-hoc • Ongoing • Ongoing	LHT is committed to achieving full compliance and endeavours to elevate the standards of our sustainability practices through regular inspections, audits, and frequent reporting. This proactive approach ensures ongoing adherence to established guidelines and fosters continuous improvement in sustainability efforts.

LHT regards stakeholder engagement as a key enabler of its sustainability efforts and long-term value creation. Our employees, customers, suppliers, investors, government bodies and regulators play an important role in shaping the Group's strategy and operations. Through ongoing engagement across various communication channels, LHT maintains open dialogue, shares sustainability priorities and incorporates stakeholder feedback into decision-making. This collaborative approach strengthens mutual understanding, supports the effective management of economic, environmental and social considerations, and reinforces LHT's commitment to responsible business practices and positive contributions to the communities in which it operates.

Materiality Assessment

LHT conducts periodic materiality reviews to identify ESG factors that are most relevant to its business activities and stakeholders. This process considers both the impact of ESG matters on the Group's operations and performance, as well as their importance to stakeholders. The assessment also examines how the Group's activities influence these ESG factors.

The evaluation draws on the knowledge and insights of personnel closely involved in relevant operational areas. Based on this review, the material ESG factors identified in the previous materiality assessment remain relevant in FY2025.

Material Topics and Disclosure Mapping

The material topics identified through the Group's materiality assessment are disclosed across various sections of this report. While certain section headings reflect programme or initiative titles, the table below maps each material topic to its corresponding disclosure section to provide clarity and ensure consistency with the materiality assessment.

Material Topics	Corresponding Disclosure Section	Location
Materials	Timber Ties to Tomorrow	Protecting Our Earth
Carbon Emissions	GHG Emissions Management	Protecting Our Earth
Energy	Energy Efficiency	Protecting Our Earth
Waste Management	Waste Management	Protecting Our Earth
Environmental Compliance	Protecting the Environment through Strict Compliance	Protecting Our Earth
Occupational Health and Safety	Occupational Health and Safety	Empowering Communities
People and Employment	People and Employment	Empowering Communities
Diversity and Opportunity	Diversity and Equal Opportunity in the Workforce	Empowering Communities
Training and Development	Training and Education	Empowering Communities
Employee Wellness and Benefits	Employee Wellness and Benefits	Empowering Communities
Local Communities	Local Communities	Empowering Communities
Customer Privacy	Customer Privacy	Empowering Communities
Product Quality and Safety	Product Quality and Safety	Empowering Communities
Economic Performance	Economic Performance	Ethical Operations and Responsible Practices
Procurement Practice	Procurement Practice	Ethical Operations and Responsible Practices
Anti-corruption	Anti-corruption	Ethical Operations and Responsible Practices

SUSTAINABILITY REPORT

Supporting United Nations Sustainable Development Goals (UN SDGs)

To enhance the effectiveness of our sustainability initiatives, we regularly review the commitments underpinning each strategic focus area. Our sustainability framework is aligned with the UN SDGs, ensuring that our objectives support broader global sustainability priorities. These commitments are integrated into our sustainability programme to address environmental, social and economic challenges, while creating long-term value for the Group and its stakeholders. Through this approach, we remain focused on delivering positive impact and contributing to global sustainability efforts.

Goals	How we support
	LHT is dedicated to maintaining a steadfast commitment to health and safety practices, prioritising the well-being of all individuals on our premises. This dedication encompasses both our employees and others, seeking to ensure their welfare and shield the Group from potential legal liabilities related to safety lapses. We strongly emphasise that complete adherence to health and safety measures is essential for managing the overall well-being of everyone in the workplace. For our commitment, please refer to the **Occupational Health and Safety** section.
	LHT remained dedicated to our commitment to societal enrichment and engagement in various educational events. For our commitment, please refer to the **Local Communities** section.
	Recognising the environmental impact of our energy use, we are fully committed to adopting energy-efficient practices that reduce our ecological footprint. This dedication reflects our strong commitment to environmental stewardship while also addressing the financial challenges posed by rising fuel costs. For more details, please refer to the **Energy Efficiency** section.
	We are deeply committed to fostering fair employment practices and supporting local economic development, reflecting our dedication to promoting decent work and economic growth. By investing in employee development and collaborating with local stakeholders, we aim to make a positive and lasting impact on the communities and economies where we operate. For further details, please refer to the **Employee Wellness and Benefits** section.
	LHT's commitment to environmental protection is exemplified by our innovations in waste wood recycling, which transforms wood wastes into woodchips, which can then be used as biomass fuel for the generation of electricity.
	We recognise the critical need for climate action and are dedicated to minimising our greenhouse gas emissions through energy-efficient building designs and sustainable operational practices. By regularly assessing our emissions and refining our environmental strategies, we demonstrate a strong commitment to combating climate change. These efforts align with our goal of fostering a sustainable future for our business, stakeholders, and the planet. For more details, refer to the **Greenhouse Gas Emissions Management** section.

6. SUSTAINABILITY APPROACHES

Protecting our Earth

Demonstrating our commitment to reducing our environmental footprint, we actively participate in initiatives aimed at combating climate change. For instance, our efforts made in climate related risks and opportunities management, timber tie tomorrow, greenhouse gas emissions management, waste management and energy efficiency.

Please refer to **Section 8** for more details.

Empowering Communities

Demonstrating our commitment to fostering a holistic approach to corporate responsibility, emphasising the empowerment of communities. For instance, our efforts made in social performance, occupational health & safety, people & employment, training and education, diversity & equal opportunity in the workforce, employee wellness & benefits, local communities, customer privacy and socially responsible procurement.

Please refer to **Section 9** for more details.

Ethical Operations and Responsible Practices

Demonstrating our commitment to recognising the pivotal role that ethical decision-making and responsible business conduct play in shaping a sustainable future. For instance, our efforts made in economic performance, procurement practice, anti-corruption, operating business with integrity and ethically, whistleblowing.

Please refer to **Section 10** for more details.

Sustainability Pillars

Our sustainability approach is guided by three core pillars that underpin the Group's ESG initiatives. Material topics are organised within these pillars to provide stakeholders with a clear and structured view of our sustainability priorities. As the Group's sustainability efforts progress, the ESG framework will continue to evolve to reflect changing expectations and business needs.

How we measure our performance

Our sustainability strategy is integrated across the Group's operations, with dedicated teams overseeing specific focus areas under the direction of departmental heads. Performance is assessed through two complementary approaches: monitoring results against defined metrics and evaluating progress against established commitments. Together, these methods provide a balanced view of both quantitative performance and qualitative progress.

Metrics and targets

Key performance indicators (**KPIs**) have been established for each material topic identified through the Group's materiality assessment. Metrics and targets are reviewed periodically and may be updated or expanded to ensure continued alignment with strategic priorities.

At present, the Group's quantitative targets are primarily set on a short-term basis. Given the ongoing transition of production activities and the evolving operational footprint across Singapore and Malaysia, management considers it premature to establish medium – or long-term targets until greater operational stability is achieved. The Group will reassess the appropriateness of longer-term targets once the operational optimisation for the Group is substantially completed and performance baselines are more stable.

As the Group transitions a significant portion of production activities to Malaysia, certain intensity-based metrics presented in this report may not fully reflect overall Group-wide performance. While this report focuses on Singapore operations where the Group exercises direct operational control, we are progressively preparing to expand reporting boundaries to better reflect the Group's evolving regional footprint.

Commitments

To support the effective delivery of our sustainability programme, key commitments have been defined for each focus area. Progress against these commitments is reflected using the symbols presented in the table below:

Symbol	Meaning
Ⓝ	New commitment this year
◉	Not started
◑	In progress
●	Complete
⟳	Ongoing commitment: no end date

Regular monitoring and periodic reviews are undertaken to maintain oversight of the sustainability programme and ensure alignment with the Group's strategic objectives.

7. SUSTAINABILITY PERFORMANCE

Progress Against Targets

FY2026 marks a significant transformation phase for the Group, driven by changes to its operational footprint and production strategy. As a result, selected sustainability targets for FY2026 have been revised to reflect these operational changes, while the Group remains committed to advancing sustainability initiatives across its regional operations.

The table presented below provides a comprehensive overview of the Group's progress against its ESG targets, including performance achieved in FY2025 and several revised targets for FY2026.

Use of LVL as Raw Material	FY2025 target	FY2025 performance	Progress	FY2026 target
	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured and received for pallet production.	The Group received 1,510.7 tonnes of LVL, accounting for 34% of total raw material received. During the year, a higher proportion of pallet production activities was relocated to Malaysia, resulting in increased direct shipments of LVL to that location. As such, the LVL utilisation ratio recorded in Singapore may not be fully representative of overall Group-wide performance.	◑	The Group will maintain the LVL usage target at 40%, reflecting its continued commitment to resource efficiency and the reduction of material wastage in pallet manufacturing.

	FY2025 target	FY2025 performance	Progress	FY2026 target
GHG Emissions Management	To reduce total emissions intensity by 1% against the FY2023 baseline.	Total emissions intensity increased to 0.0055 tCO_2e per pallet, (FY2023: 0.0039; FY2024: 0.0049). Although overall emissions declined during the year, the reduction was not proportionate to the decrease in pallet production in Singapore, resulting in higher emissions intensity per pallet. This indicates that energy consumption and operational emissions did not decrease at the same rate as output. As such, the target was not achieved during the reporting period.	◐	As FY2025 was a year with much operational changes, the 1% reduction target was not met in FY2025. The Group has therefore revised its FY2026 target to maintain total emissions intensity at FY2025 levels (0.0055 tCO_2e per pallet). The Group will continue implementing initiatives to improve operational efficiency and strengthen emissions management in support of its longer-term sustainability objectives.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Energy Efficiency	To consume less than 176,000 ℓ of diesel.	The Group recorded diesel consumption of 152,135 ℓ.	●	The Group will maintain its target to consume less than 176,000 ℓ of diesel.
	To consume less than 1,600,000 kWh of electricity.	The Group recorded electricity consumption of 981,777 kWh.	●	The Group will maintain its target to consume less than 1,600,000 kWh of electricity.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Collection of horticulture wood waste and industrial wood waste	To collect 8,400 tonnes of horticulture and industrial wood waste.	The Group collected 10,345.3 tonnes of horticultural and industrial wood waste, exceeding the FY2025 target. This performance reflects our continued commitment to sustainable waste management practices and effective resource recovery.	●	Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchip production in February 2026, waste wood collection activities in FY2026 will be limited to collections undertaken in January and February 2026. In view of this, the Group has set a revised FY2026 target to collect 1,000 tonnes of horticultural and industrial wood waste.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Production of woodchips	To produce 8,400 tonnes of woodchips.	The Group produced 10,502.4 tonnes of woodchips during the year, exceeding the FY2025 target.	●	Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchips production in February 2026, production activities in FY2026 will be limited to January and February 2026 only. In view of this, the Group has set a revised FY2026 target to produce 1,000 tonnes of woodchips.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Reusing pallets as rental pallets	To rent out at least 70% of pallets available for rental.	The Group rented out 86% of total available pallets during the year, exceeding the FY2025 target. This reflects our continued efforts to minimise wood wastage and reduce carbon footprint through the reuse and recycling of pallets for rental purposes.	●	The Group will continue to promote pallet reuse as part of its carbon reduction efforts. The FY2026 target will remain unchanged at 70%.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Protecting the Environment through strict compliance	To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations.	No fines related to non-compliance were recorded.	●	As regulatory expectations and sustainability standards continue to evolve, LHT remains focused on strengthening its compliance framework and operational controls. The Group will maintain its target of achieving zero fines for non-compliance with environmental regulations, anti-competitive laws, and health and safety requirements.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Hosting educational plant tours to promote environmental awareness	To host promotional and educational plant tours, including a plant visit or study mission for delegates, to promote environmental awareness and highlight the Group's progressive and responsible environmental practices.	No plant tours were conducted during the year. With the majority of production activities relocated to Malaysia and the planned cessation of woodchips production from waste wood collections after February 2026, the Group did not receive visitors during FY2025.	–	The Group will permanently discontinue this target from FY2026 onwards following the operational changes.
Workplace injury rate	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	The Group recorded an injury rate of 1.57 per 100,000 manhours worked during FY2025, successfully remaining below the target threshold.	●	In line with the Group's continued strong emphasis on workplace safety, the FY2026 target to maintain an injury rate not exceeding 2.00 per 100,000 manhours worked will be upheld.
Workplace fatalities case	To maintain zero fatality cases.	The Group maintained zero workplace fatality cases during the year, consistent with its safety objectives since the publication of its Sustainability Report.	●	The Group will continue to prioritise workplace safety, with the FY2026 target of maintaining zero workplace fatality cases remaining unchanged.
Training and briefing manhours for production employees	To provide 300 training and briefing manhours on fire safety, workplace health and safety topics.	A total of 423 training and briefing manhours were provided to production employees during the year, exceeding the FY2025 target. The training and briefing focused on fire safety and workplace health and safety, reinforcing the Group's commitment to maintaining a safe working environment.	●	With most production activities relocated to Malaysia and the cessation of woodchips production from waste wood collections after February 2026, the Group has revised its FY2026 target to 50 training and briefing manhours.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Safekeeping of information is vital to ensure customer assurance and trust	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	●	Protecting customer data remains a key governance priority for the Group. Accordingly, the Group will maintain its target of zero cases of substantiated concerns related to breaches of customer privacy.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Ensuring Personal Data and Privacy Protection	To maintain zero cases of major breaches.	The Group recorded zero cases of major breaches.	●	Maintaining a strong data governance framework remains a priority for the Group. The Group will maintain its target of zero cases of major breaches.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Anti-corruption	To maintain zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.	●	Upholding ethical conduct and compliance remains a core governance priority for the Group. The Group will maintain its target of zero corruption or bribery cases.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Operating Business Ethically and with Integrity	To maintain zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.	●	The Group remains committed to conducting its business with integrity and accountability. The Group will maintain its target of zero incidents of fraud and bribery.

	FY2025 target	FY2025 performance	Progress	FY2026 target
Whistleblowing	To maintain zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.	●	The Group continues to promote a transparent reporting culture supported by a formal whistleblowing framework. The Group will maintain its target of zero whistleblowing incidents.

8. PROTECTING OUR EARTH

Task Force on Climate-related Financial Disclosures

The Group continues to align its climate-related disclosures with the recommendations of the TCFD. Our reporting approach reflects ongoing efforts to enhance transparency and ensure climate-related considerations are appropriately addressed within the Group's sustainability framework. We remain focused on engaging relevant stakeholders to better understand climate-related challenges and their broader implications. By embedding sustainable practices across our operations, the Group seeks to strengthen resilience to climate-related risks while contributing to positive environmental and social outcomes.

Our approach to climate change is centred on the proactive management of climate-related risks, alongside the identification of opportunities that support environmentally responsible operations. This report includes a dedicated section outlining the Group's approach to managing climate risks and highlights climate-related opportunities arising from our sustainability initiatives. Through continued collaboration with stakeholders, the Group aims to mitigate the impacts of climate change on both the environment and society, while supporting sustainable business practices.

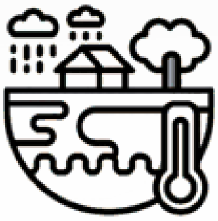
Governance

In FY2025, the Group continued to strengthen its climate governance framework, building on measures implemented in prior years. Efforts during the year are mainly clarifying roles and responsibilities, and enhancing internal capabilities. The Board recognises climate-related risks and opportunities as integral to the Group's operations and oversight processes, reflecting the integration of climate considerations into governance and decision-making.

Strategy

Climate change presents both risks and longer-term strategic opportunities for the Group. The climate-related risks and opportunities previously identified continue to remain relevant in FY2025, and climate considerations remain embedded within the Group's ESG strategy, informing the management of environmental impacts and strategic planning.

For assessment and planning purposes, climate-related matters are considered across defined time horizons: **short-term (0 to 3 years)**, **medium-term (3 to 5 years)**, and **long-term (5 to 30 years)**. These time horizons are intended to broadly reflect the Group's operational planning cycles, capital investment considerations, and the longer-term nature of climate-related physical and transition risks.

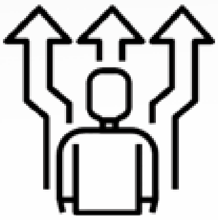


Climate-related Risks

In FY2025, the key risks previously identified in Singapore continue to remain relevant across the short-, medium- and long-term horizons. We have maintained our focus on monitoring these risks and assessing their potential implications for the Group's operations and performance, together with the effectiveness of existing and planned mitigation measures. The table below summarises these risks, their impacts on the Group, and the corresponding strategies or actions in place or under consideration.

Risks	Why This Is Important	Implications For Us	Mitigation Measures
Evolving Regulations	Immediate impacts of changes in environmental regulations or policies, including the disclosure requirements. There is increased enforcement of the regulation of the obligations of operators who place timber and timber on the market. **Category**: Policy and Legal **Significance**: High **Timeline**: Short Term	• Increasing compliance costs are incurred to meet new regulatory requirements.	• Engaging managers and senior management in ESG-related affairs. Implementing a structured escalation process for addressing any ESG-related concerns. • Engaging the outsourced internal audit function to review the company's internal sustainability reporting process, ensuring that adequate controls are in place to ensure compliance with regulatory requirements.
Energy Intensity	Risks associated with escalating energy prices impacting operational expenses. **Category**: Policy and Legal **Significance**: Medium **Timeline**: Short Term	• Increase in operational costs due to surge in electricity price.	• Sourcing and implementing alternative renewable energy sources, such as replacing traditional fuel-powered forklifts with electrically powered forklifts in daily operations. • Installing a Green Heat Treatment system in the heat treatment room to diminish the reliance on non-renewable energy sources.
Shift in Consumer Preferences	As awareness about environmental issues grows, consumers are increasingly making choices based on sustainability. Increasing stakeholder scrutiny on material sustainability may influence customer preferences. **Category**: Market **Significance**: Medium **Timeline**: Long Term	• Gradual increases in production costs as more climate-resilient materials become necessary for the long-term durability of packaging. • Reduction in revenue due to product obsolescence.	• Utilising LVL as a raw material in the construction of wooden pallets and cases. This material boasts a high strength-to-weight ratio, contributing to energy savings during transportation and thereby aiding in the reduction of fuel consumption.

Risks	Why This Is Important	Implications For Us	Mitigation Measures
Deforestation Concerns	If the Group sources wood for pallets from unsustainable forestry practices or contributes to deforestation, we can attract negative attention. Consumers and environmental activists may criticise the company for contributing to habitat destruction, loss of biodiversity, and climate change. **Category**: Reputation **Significance**: Low **Timeline**: Long Term	• Reduced revenue due to loss of customers as a result of reputational damage.	• The Group's Procurement Policy is to give priority to supplies from sustainable sources. • Sourcing from suppliers in origin countries such as New Zealand, Vietnam, Malaysia, and China to mitigate the risk of unintentionally purchasing wood from illegal logging activities.
Supply Chain Disruptions – Resource Depletion	Depletion of natural forest resources to meet the market demand. **Category**: Deforestation **Significance**: Low **Timeline**: Medium Term	• Reduced production output and revenue due to disruption to production.	• Engaging suppliers from more countries, increasing the geographical diversity of the supply chain. • Broadening the sources from which materials are obtained, both in terms of geographic locations and types of suppliers to enhance its flexibility in sourcing, potentially finding more cost-effective and sustainable options.
Supply Chain Disruptions – Extreme Weather	Immediate disruptions in the supply chain due to extreme weather affecting transportation routes. Serious flooding disasters reported in China, Vietnam and Malaysia caused temporary closures of key transportation routes used for raw material delivery. Damage to the Facility Extreme weather events can result in damage to the Group's assets, including factory buildings and production equipment. Safety of Employee Extreme weather events have the potential to cause harm and pose risks to the well-being of our employees. Such events may lead to casualties, encompassing injuries or even fatalities among our workforces. **Category**: Extreme Weather Event **Significance**: Low **Timeline**: Short Term	• Reduced production output and revenue due to disruption to production • Cost of repair and replacement of assets • Rise in medical costs and insurance expenses.	• Establishing locations, such as warehouses or distribution centres in Singapore and Malaysia to mitigate the risk of supply chain disruptions caused by extreme weather events damaging the Group's properties. • Enhancing forecasting capabilities when sourcing of raw materials to better manage risks against supply chain disruptions, demand fluctuations, or unforeseen challenges, ensures that the Group can continue operations smoothly.



Climate-related Opportunities

Climate change is expected to drive increasing demand for environmentally sustainable products and services. The Group recognises the opportunities to invest in, develop or enhance its offerings in support of climate action, while also identifying potential improvements to operational policies that could contribute to a reduced emissions footprint. The table below sets out examples of climate-related opportunities, together with their respective time horizons and the significance of their potential impacts.

Opportunities	Why This Is Important	Implications for the Group	Mitigation Measures
Product Lifecycle Impact in terms of pest-free, weight and durability	Develop and promote sustainable pallet solutions, incorporating innovative materials and environmentally friendly design. **Category**: Products and Services **Significance**: Medium **Timeline**: Short Term	• Capture market share in the growing sustainable packaging sector, positioning as an industry leader in green pallet solutions.	• Utilising LVL and sustainable wood, eg. engineered wood as raw materials in the construction of IPPC pallets. These materials enhance productivity by streamlining the wooden pallet manufacturing processes.
Green Technology Adoption	Incorporate advanced green technologies in manufacturing processes to improve efficiency and reduce environmental impact. **Renewable Energy Integration (Heat Treatment)** Explore the integration of renewable energy sources into heat treatment processes to reduce the carbon footprint. **Category**: Resource Efficiency **Significance**: Medium **Timeline**: Medium Term	• Capital investments in technology development have an impact on cashflow.	• Utilising LVL and engineered wood as raw materials in the construction of IPPC pallets.

Risk Management

Identifying and assessing climate-related risks

LHT's enterprise risk management framework provides a structured approach to managing climate-related risks across the full risk lifecycle, from identification and assessment to mitigation and ongoing monitoring. This framework is applied across key business functions, including strategy, risk management, business continuity and investment activities, supporting a consistent and integrated approach to climate risk management. Relevant metrics used to monitor these risks are outlined in the Metrics and Targets section.

In assessing climate-related risks and opportunities, the Group considers publicly available climate research and regulatory guidance relevant to its operating environment. Impact assessments take into account potential financial, operational, reputational and compliance implications, and risks are evaluated based on likelihood and severity within the Group's enterprise risk management framework.

The assessment of climate-related risks and opportunities incorporates qualitative analysis of the Group's sustainability performance, including greenhouse gas (**GHG**) emissions and energy efficiency. It also considers the exposure of revenue streams and assets to the transition towards a low-carbon economy, potential asset impairment, vulnerability of operations and assets to extreme weather events and temperature changes, as well as the current and anticipated costs associated with managing identified risks.

Managing climate-related risks

Management is responsible for overseeing climate-related risks and ensuring that environmental risk thresholds and response measures remain aligned with the Group's risk appetite and environmental objectives. Identified climate-related risks are addressed through established governance processes, which may include management-level discussions, escalation to the Board where appropriate, and the implementation of corrective actions. This approach ensures that climate-related risks are managed consistently within the Group's overall risk management framework.

Integration of climate-related risks into the organisation's overall risk management

For each identified climate-related risk and opportunity, action plans are developed to address near-term challenges while strengthening long-term resilience. Progress against sustainability objectives is supported by ongoing monitoring mechanisms that enable performance tracking, impact measurement and timely adjustments to strategies as conditions evolve.

The Group remains committed to enhancing its climate risk management practices through the use of internationally recognised research and scenario analysis methodologies. This supports the continued relevance and effectiveness of climate risk assessments and reinforces LHT's proactive approach to managing climate-related risks in support of sustainable business practices.

SUSTAINABILITY REPORT

Timber Ties to Tomorrow

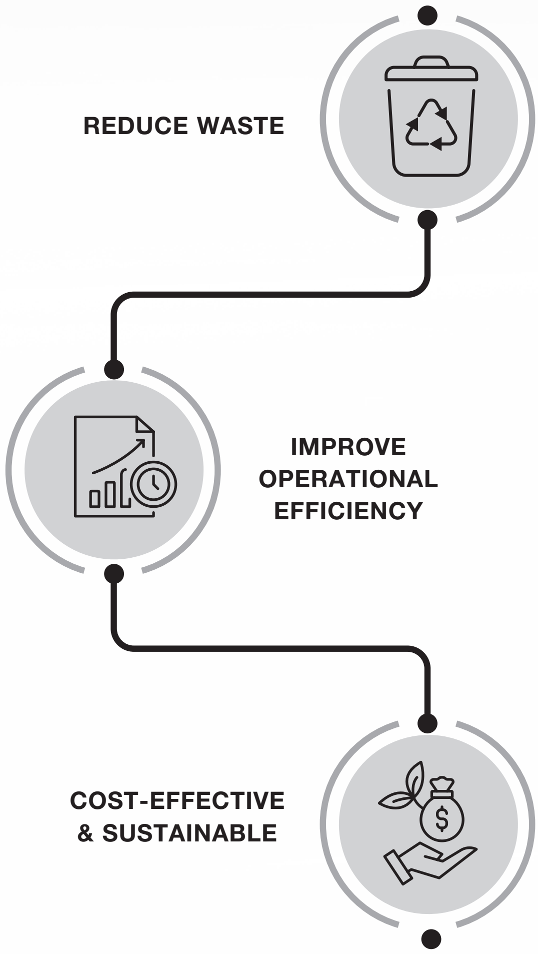
Use of Laminated Veneer Lumber as Raw Material

LHT is committed to reducing the environmental and climate-related impacts associated with deforestation by managing material use responsibly across its operations. In view of Singapore's limited natural resources, the Group places strong emphasis on the recycling and reuse of materials. As part of this approach, LHT has adopted LVL as a key raw material in the production of wooden pallets and cases, supporting efforts to reduce deforestation and land degradation.

LVL is an engineered wood product manufactured by bonding thin layers of wood veneers under controlled conditions. It offers a high strength-to-weight ratio and consistent quality, making it suitable for a wide range of industrial applications. The use of LVL helps reduce material waste, improve operational efficiency and provide a more cost-effective and sustainable alternative to conventional solid timber, while maintaining the structural integrity and performance required for LHT's products.

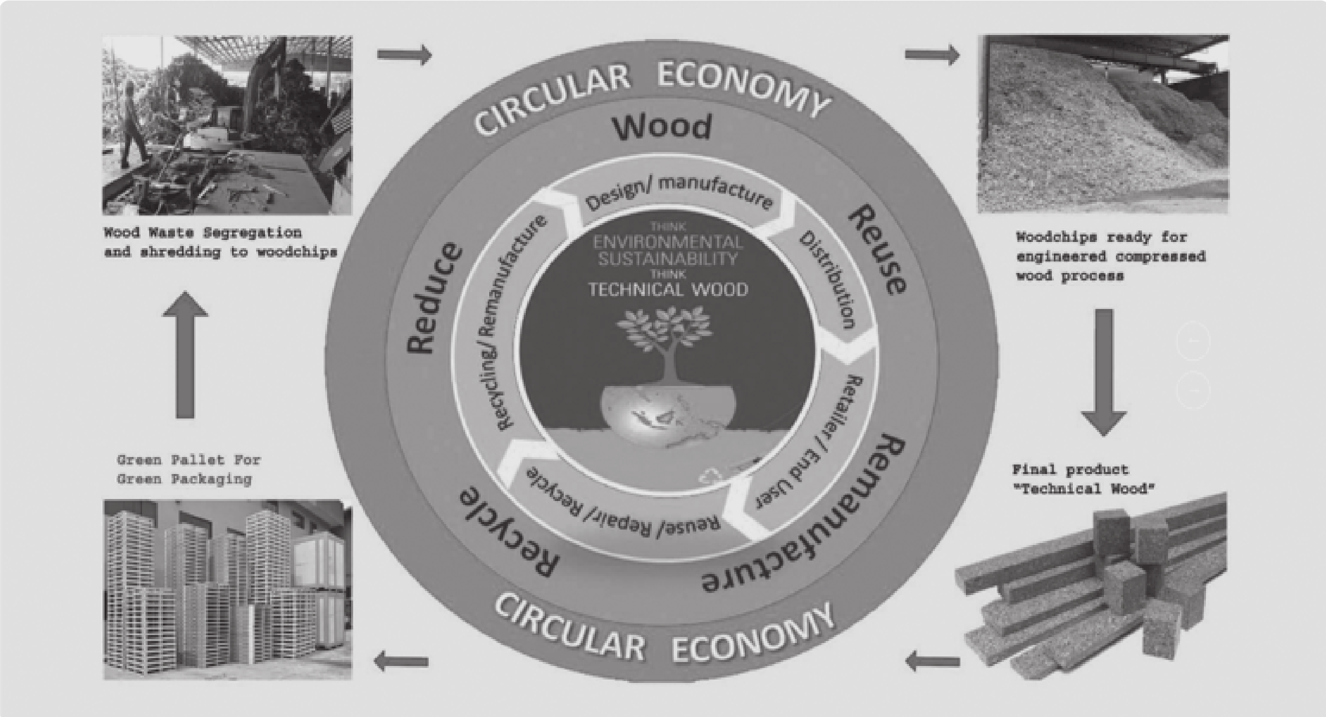
The ongoing use of LVL reflects LHT's commitment to responsible resource management and sustainable production practices. By incorporating engineered timber into its manufacturing processes, the Group supports efficient use of forest resources while continuing to deliver durable and reliable products to its customers.

In FY2025, the proportion of LVL received relative to total raw materials declined compared to the previous year. This reflects changes in production scale and material requirements within Singapore operations following the relocation of certain pallet production activities to Malaysia. During the year, LVL receipts in Singapore decreased more significantly than total raw materials received, resulting in a lower reported proportion of LVL relative to overall material intake. The shift in operational activities therefore affected the material mix within Singapore, leading to the reduction in the reported ratio.



	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To achieve a minimum of 60% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 50% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured for pallet production.	To achieve a minimum of 40% LVL usage as a proportion of total raw materials procured for pallet production.
Performance	LVL accounted for 59% of total raw materials purchased for pallet production.	LVL accounted for 59% of total raw materials purchased for pallet production.	LVL accounted for 55% of total raw materials purchased for pallet production.	LVL accounted for 34% of total raw materials purchased for pallet production.	Performance will be disclosed in the FY2026 Sustainability Report.

Green Pallets for Green Packaging



LHT integrates environmental considerations into the design and manufacture of its pallets to reduce the overall environmental footprint of its products and operations. As a leading pallet manufacturer in Singapore, the Group focuses on developing pallet solutions that result in lower carbon emissions when compared to conventional wooden pallets.

The Group's sustainability approach is supported by a circular business model that guides ongoing product improvement and resource optimisation. Renewable and recyclable materials are prioritised where feasible, enabling LHT to reduce reliance on conventional timber while maintaining product performance and durability.

LHT is an approved wood waste collection centre under the National Environment Agency and manages wood waste through recovery and reuse processes. Collected wood waste is processed into by-products such as woodchips, which are used as biomass fuel for power generation. These practices are embedded across the Group's value chain through the application of the **Reduce, Reuse** and **Recycle (3R)** principles, supporting emissions reduction and reinforcing LHT's commitment to sustainable and responsible operations.

Following the cessation of the Group's lease at Sungei Kadut in March 2026, woodchips production will be discontinued in February 2026.

GHG Emissions Management

Metrics

The Group uses a defined set of metrics and targets to assess and monitor climate-related risks and opportunities. These metrics support the setting of clear decarbonisation objectives across both operational activities and production processes. In Singapore, climate-related metrics are tailored to align with the Group's business strategies and environmental risk management approach.

In line with recognised industry practices, the Group applies the GHG Protocol as the primary framework for measuring and managing carbon emissions. The GHG Protocol aligns with the GRI Standards and provides a consistent and widely accepted basis for emissions tracking and informed decision-making.

Since 2021, LHT has implemented measurable performance indicators and targets to track progress against sustainability objectives. These metrics are monitored by relevant governance committees to support accountability and oversight. To further reinforce environmental risk management, selected sustainability objectives are embedded within incentive structures, linking performance outcomes to remuneration. This approach promotes responsible behaviour, strengthens accountability, and supports the consistent integration of sustainability considerations across the organisation.

Scope 1

The Group's Scope 1 emissions are derived from fuel consumption across its operations in Singapore. In FY2025, total fuel consumption amounted to 1,521.3 megawatt-hours (**MWh**), resulting in Scope 1 emissions of 410.8 tonnes of carbon dioxide equivalent (**tCO_2e**).

Scope 2

Scope 2 emissions arise from electricity purchased from the grid. In FY2025, total electricity consumption was 981.8 MWh, resulting in Scope 2 emissions of 409.4 tCO_2e.

Scope 3

The Group's Scope 3 emissions cover both upstream and downstream activities across the value chain. As these emissions rely largely on data from external parties, the Group continues to assess the availability, completeness and reliability of relevant information. In FY2025, efforts remained focused on identifying material Scope 3 categories and evaluating the feasibility of collecting consistent and timely data.

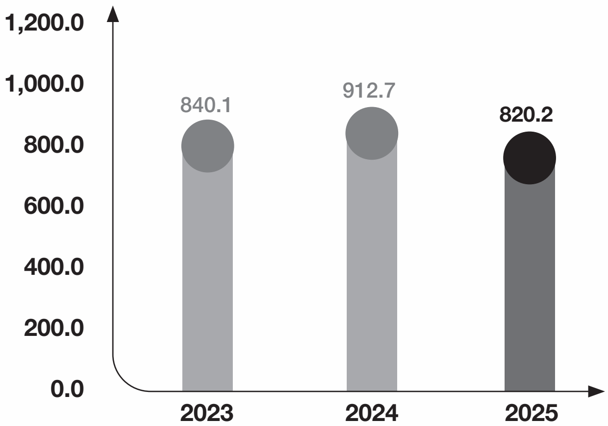
Total Intensity

As disclosed in last year's report, preparations for the new facility at 6 Tuas South Street 10, managed by LHT Ecotech Resources Pte Ltd, began in FY2024. As the facility is still undergoing renovation and repair works and is not yet operational, utilities consumption during this preparatory phase has been excluded from the scope of this report, as it is not attributable to production activities. The facility's utilities consumption will be included in future reporting once operations commence.

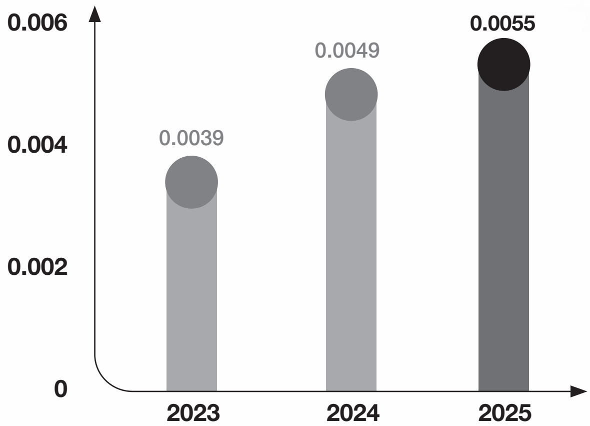
In FY2025, total Scope 1 and Scope 2 emissions amounted to 820.2 tCO_2e, representing a 10% reduction from 912.7 tCO_2e in FY2024. Carbon emissions intensity increased 12% to 0.0055 tCO_2e per pallet produced, compared to 0.0049 tCO_2e/pallet in the previous year. While total emissions declined due to the relocation of a greater proportion of production to Malaysia, carbon emissions intensity per pallet increased as emissions did not decrease in direct proportion to the reduction in production output in Singapore. This was mainly due to the presence of fixed and baseline energy consumption (e.g. facility utilities and essential operational systems) that remained relatively stable despite lower production volumes. As a result, per-pallet emissions intensity increased during the year.

Looking ahead, the Group remains committed to implementing energy-efficient initiatives and sustainable operational practices in FY2026 to support effective emissions management and the gradual reduction of its overall carbon footprint over time.

Total Emissions (tCO_2e)



Total Emissions Intensity (tCO_2e/pallet)



Targets

In FY2025, total emissions intensity increased to 0.0055 tCO_2e per pallet, compared against the FY2023 baseline of 0.0039 tCO_2e per pallet. Although overall emissions declined during the year, the reduction was not proportionate to the decrease in pallet production in Singapore, resulting in higher emissions intensity per pallet. This indicates that energy consumption and operational emissions did not decrease at the same rate as output. As such, the target was not achieved during the reporting period.

In view of the significant operational changes undertaken in FY2025, the Group has revised its FY2026 target to maintain emissions intensity at 0.0055 tCO_2e per pallet. The Group will continue to implement operational and behavioural initiatives aimed at improving energy efficiency and strengthening emissions management performance, with a view to pursuing reductions once operational stability is achieved.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	No target was set.	No target was set.	To reduce total emissions intensity by 1% against the FY2023 baseline.	To reduce total emissions intensity by 1% against the FY2023 baseline.	To maintain total emissions intensity at (0.0055 tCO_2e/ pallet).
Performance	Total emissions intensity was maintained at 0.0053 tCO_2e/ pallet.	Total emissions intensity was maintained at 0.0039 tCO_2e/ pallet.	Total emissions intensity increased to 0.0049 tCO_2e/ pallet.	Total emissions intensity increased to 0.0055 tCO_2e/ pallet.	Performance will be disclosed in the FY2026 Sustainability Report.

Energy Efficiency

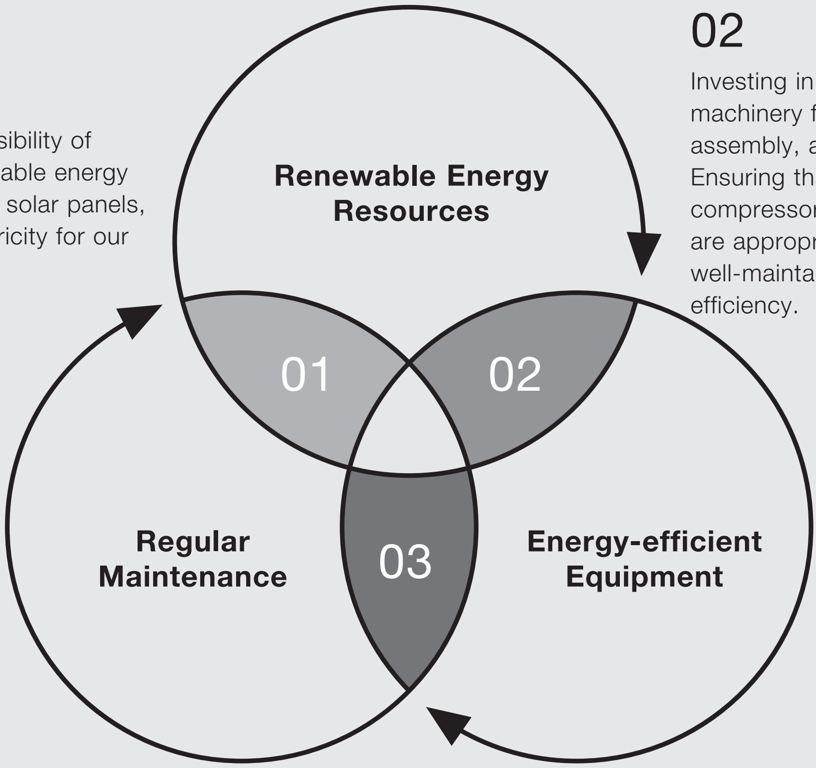
Total energy consumption is derived primarily from diesel and electricity usage, accounting for 61% and 39% respectively. In FY2025, the Group consumed 152,135 litres (**ℓ**) of diesel and 981,777 kilowatt-hours (**kWh**) of electricity.

As a Singapore-based manufacturer of wooden pallets, boxes, crates and woodchips, the Group's operations are inherently energy-intensive, with production activities dependent on both electricity and diesel to support manufacturing and logistics processes. Recognising the environmental and cost implications associated with energy consumption, the Group continues to place emphasis on improving energy efficiency to manage its carbon footprint and exposure to fuel-related cost fluctuations. These efforts are aligned with broader environmental objectives while supporting operational cost discipline.

Our energy-efficiency initiatives include the following strategies:

01

Exploring the feasibility of integrating renewable energy sources, such as solar panels, to generate electricity for our operations.



02

Investing in energy-efficient machinery for wood processing, assembly, and heat treatment. Ensuring that motors, compressors, and other equipment are appropriately sized and well-maintained for optimal efficiency.

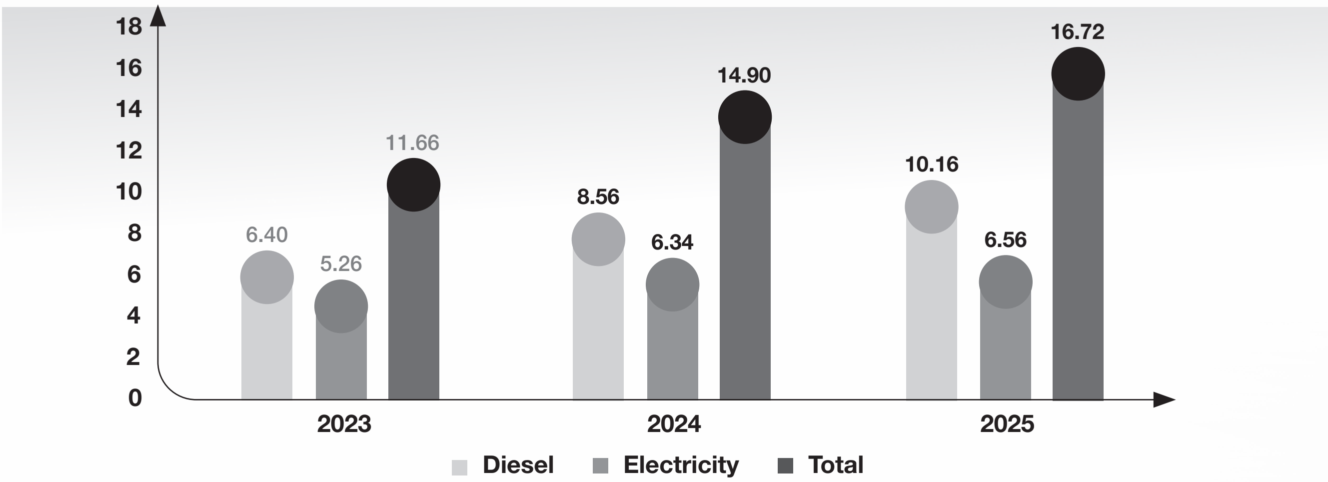
03 Prioritising the regular maintenance and tuning of our machinery and equipment to ensure peak operating efficiency. By keeping our equipment in excellent condition, we minimise fuel requirements for operations.

Total energy consumption in FY2025 amounted to 2,503.1 MWh, with an energy intensity of 16.72 kWh per pallet produced. This represents a reduction in total energy consumption from 2,744.4 MWh in FY2024. However, energy intensity increased from 14.90 kWh per pallet in FY2024 to 16.72 kWh per pallet in FY2025.

The decrease in total energy consumption was primarily attributable to the relocation of a greater proportion of production to our plants in Malaysia. However, the reduction in energy use in Singapore was not proportional to the decline in production output. This was mainly due to fixed and baseline energy consumption (e.g. facility utilities and essential operational systems) that remained relatively stable despite lower production volumes. Consequently, energy intensity per pallet increased during the year.

For consistency in year-on-year comparisons, energy consumption associated with the preparation and renovation of the property at 6 Tuas South Street 10 has been excluded from this report, as operations have not yet commenced.

Energy Consumption Intensity (kWh/pallet)



Diesel plays a critical role in supporting LHT's operations, including the use of forklifts, specialised machinery, and the Group's fleet of delivery lorries and trucks. While diesel remains necessary for operational continuity, the Group actively manages fuel consumption to minimise its environmental impact. This is guided by our broader commitment to maintaining a clean and sustainable operating environment, supported by the adoption of more responsible and efficient operating practices where practicable.

Electricity is similarly integral to LHT's day-to-day activities, powering production machinery, lighting across work areas, and other essential operational processes. In line with our sustainability objectives, the Group places strong emphasis on optimising electricity usage through prudent energy management practices. These efforts contribute to environmental conservation while supporting the long-term sustainability of our operations.

Looking ahead, the Group plans to enhance its energy management approach by shifting from absolute fuel and electricity consumption targets to intensity-based metrics measured against production volumes. As a larger proportion of production activities gradually transitions to Malaysia, these operations will be incorporated into future sustainability reporting in stages. While overall energy consumption is expected to increase as operations expand, intensity-based tracking will provide a more meaningful assessment of energy efficiency, enabling clearer performance monitoring and reinforcing the Group's commitment to responsible resource management.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	No target was set.	To consume less than 176,000 ℓ of diesel.	To consume less than 176,000 ℓ of diesel.	To consume less than 176,000 ℓ of diesel.	To consume less than 176,000 ℓ of diesel.
Performance	The Group recorded diesel consumption of 176,662 ℓ.	The Group recorded diesel consumption of 137,061 ℓ.	The Group recorded diesel consumption of 157,642 ℓ.	The Group recorded diesel consumption of 152,135 ℓ.	Performance will be disclosed in the FY2026 Sustainability Report.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	No target was set.	To consume less than 2,600,000 kWh of electricity.	To consume less than 1,600,000 kWh of electricity,	To consume less than 1,600,000 kWh of electricity.	To consume less than 1,600,000 kWh of electricity.
Performance	Electricity consumption totalled 2,433,531 kWh.	Electricity consumption totalled 1,126,999 kWh.	Electricity consumption totalled 1,168,029 kWh.	Electricity consumption totalled 981,777 kWh.	Performance will be disclosed in the FY2026 Sustainability Report.

Waste Management

Managing horticultural and industrial wood waste and woodchips

The Group manages horticultural and industrial wood waste as part of its broader commitment to reducing environmental impact and promoting resource efficiency. Horticultural wood waste is collected from activities such as post-forest clearings and the pruning of roadside trees and shrubs, while industrial wood waste is sourced from external companies, including used pallets and crates discarded after goods unloading. These materials are managed through controlled processes to ensure responsible disposal, recycling, or environmentally sound incineration where recycling is not feasible.

In line with the Group's sustainability objectives, suitable horticultural and industrial wood waste is repurposed into woodchips for use as biomass fuel. This approach supports waste diversion from landfill, reduces environmental pollution, and contributes to cleaner energy generation. Through the recovery and reuse of wood-based materials, the Group seeks to maximise resource value while minimising the generation of hazardous waste.

Collection and recycling of the horticultural and industrial wood waste

In FY2025, the Group collected a total of 10,345.3 tonnes of horticultural and industrial wood waste for recycling. This reflects the Group's continued focus on waste minimisation and effective waste management practices. Performance during the year was driven by operational demand and the availability of recoverable wood waste from both internal and external sources.

Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchip production in February 2026, waste wood collection activities in FY2026 will be limited to collections undertaken in January and February 2026. In view of this, the Group has set a revised FY2026 target to collect 1,000 tonnes of horticultural and industrial wood waste.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To collect 12,000 tonnes of horticulture and industrial wood waste.	To collect 12,000 tonnes of horticulture and industrial wood waste.	To collect 8,400 tonnes of horticulture and industrial wood waste.	To collect 8,400 tonnes of horticulture and industrial wood waste.	To collect 1,000 tonnes of horticulture and industrial wood waste.
Performance	The Group collected 13,166.3 tonnes of horticulture and industrial wood waste.	The Group collected 9,813.1 tonnes of horticulture and industrial wood waste.	The Group collected 11,665.3 tonnes of horticulture and industrial wood waste.	The Group collected 10,345.3 tonnes of horticultural and industrial wood waste	Performance will be disclosed in the FY2026 Sustainability Report.

Production of Woodchips

The Group produces woodchips by processing horticultural and industrial wood waste, supporting the recovery of materials and their use as biomass fuel for power generation. This process forms part of the Group's waste management strategy, contributing to resource efficiency and the reduction of environmental impact.

During the reporting period, total woodchip production amounted to 10,502.4 tonnes, meeting the production target established. This outcome reflects stable operational performance and the continued availability of suitable wood waste for processing.

Following the cessation of the Group's lease at 27 Sungei Kadut Street 1 and the planned discontinuation of woodchips production in February 2026, production activities in FY2026 will be limited to January and February 2026 only. In view of this, the Group has set a revised FY2026 target to produce 1,000 tonnes of woodchips.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To produce 12,000 tonnes of woodchips.	To produce 12,000 tonnes of woodchips.	To produce 8,400 tonnes of woodchips.	To produce 8,400 tonnes of woodchips.	To produce 1,000 tonnes of woodchips.
Performance	The Group produced 12,019.9 tonnes of woodchips.	The Group produced 8,946.4 tonnes of woodchips.	The Group produced 10,893.5 tonnes of woodchips.	The Group produced 10,502.4 tonnes of woodchips.	Performance will be disclosed in the FY2026 Sustainability Report.

Rental Pallets

LHT operates a dedicated pallet rental division that supports resource efficiency and circular use of materials. By extending the lifespan of pallets through repeated use, the rental model reduces reliance on single-use pallets and minimises waste generation. This approach contributes to lower material consumption and supports the Group's broader waste reduction and sustainability objectives.

In FY2025, 86% of available rental pallets were deployed, exceeding the internal utilisation target of 70%. This level of utilisation reflects strong demand for rental pallets and effective asset management. Looking ahead to FY2026, the Group will continue to target a 70% rental rate, maintaining a balanced approach between operational efficiency, asset availability, and environmental performance.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.	To rent out at least 70% of pallets available for rental.
Performance	The Group rented out 86% of total available pallets.	The Group rented out 89% of total available pallets.	The Group rented out 90% of total available pallets.	The Group rented out 86% of total available pallets.	Performance will be disclosed in the FY2026 Sustainability Report.

Protecting the Environment through Strict Compliance

Since 2001, the Group has maintained a consistent focus on responsible operations and environmental protection, guided by compliance with ISO 14001 standards. Our policies and operational practices are regularly reviewed to ensure continued alignment with ISO 9001 and BizSafe requirements, supporting a structured approach to risk management, quality control, and environmental performance.

Environmental protection is embedded into our day-to-day operations. One key initiative is the recycling of used wooden industrial packaging materials into woodchips, which supports resource efficiency and reduces waste sent for disposal. These practices are governed by the Group's Environment, Health and Safety (**EHS**) Policy, which sets clear expectations for environmental responsibility across the organisation.

To translate policy into action, EHS performance indicators are established and reviewed annually, taking into account regulatory developments, operational changes, and emerging environmental risks. Feedback from internal and external stakeholders also informs continuous improvements to our sustainability practices. Oversight is provided by the ISO 14001 and Fire, Health and Safety Committees, which monitor compliance, address gaps, and drive enhancements in safety and environmental management.

As regulatory expectations and sustainability standards continue to evolve, LHT remains focused on strengthening its compliance framework and operational controls. In FY2025, the Group recorded zero fines or penalties related to environmental or safety non-compliance, reflecting the effectiveness of our governance structure and our commitment to operating responsibly and in accordance with applicable regulations.

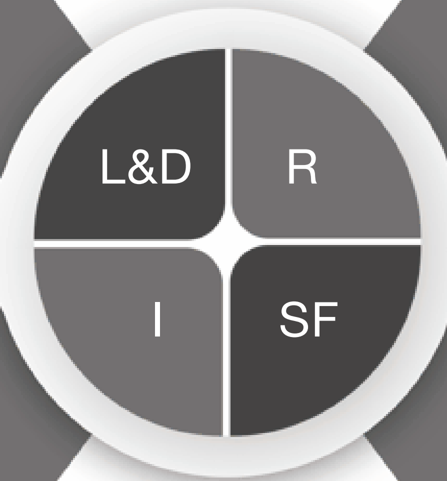
	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations.	To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations.	To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations.	To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations.	To achieve zero fines for non-compliance with environmental rules and regulations, as well as anti-competitive behaviour and health and safety rules and regulations.
Performance	Two minor fines related to non-compliance were recorded.	One minor fine related to non-compliance was recorded.	No fines related to non-compliance were recorded.	No fines related to non-compliance were recorded.	Performance will be disclosed in the FY2026 Sustainability Report.

9. EMPOWERING COMMUNITIES

Social Performance

LEARNING & DEVELOPMENT
To enhance work adaptation and productivity, the Group offers training courses tailored to the specific needs and requirements of each employee.

RECOGNITION
The Group recognises the contributions of its employees and offers competitive, merit-based remuneration. In FY2025, 9 employees in Singapore received Long Service Awards in recognition of their dedication and years of service.



IMPARTIALITY
LHT is dedicated to upholding fairness and equality for all employees. The Group fully adheres to its comprehensive HR policy, ensuring equal opportunities for everyone regardless of race, gender, religion, or nationality.

SAFE WORKPLACE
LHT's ISO committees regularly assess and improve quality management systems to boost operational efficiency. In addition to reinforcing safety and health through the Occupational Health and Safety policy, these reviews also contribute to enhanced employee productivity and competitiveness.

At LHT, our people are central to how the business operates and grows. We see employee development and well-being as long-term investments that support both operational stability and sustainable performance.

The Group is committed to maintaining a workplace that is safe, inclusive and fair. Diversity and equal opportunity are embedded across our employment practices, and we aim to ensure consistency and equity from hiring through to compensation. Any form of discrimination is not accepted.

Workplace safety and employee health remain key priorities. LHT applies structured safety management practices across its operations and monitors work-related incidents to identify risks and strengthen preventive controls. Through ongoing review and improvement, we seek to provide a work environment that supports employee safety and overall well-being.

Occupational Health and Safety

Safeguarding employees' health and safety

LHT is committed to providing a safe and healthy working environment for its employees and visitors. The Group maintains strict occupational health and safety standards across its operations, which are embedded into daily work practices to minimise operational and legal risks. Effective health and safety management is regarded as a core enabler of workforce productivity, operational stability, and long-term business continuity.

The table below sets out LHT's health and safety performance for FY2025 and the two preceding financial years:

	FY2023	FY2024	FY2025
Total production manhours	224,101	202,243	190,676
Number of work-related fatalities	0	0	0
Work-related fatalities rate (per 100,000 manhours worked)	0	0	0
Work-related fatalities rate (per 1,000,000 manhours worked)	0	0	0
Number of high-consequences work-related injury cases	0	0	0
High-consequences work-related injury rate (per 100,000 manhours worked)	0	0	0
High-consequences work-related injury rate (per 1,000,000 manhours worked)	0	0	0
Number of work-related injury cases	2	3	3
Work-related injury rate (per 100,000 manhours worked)	0.89	1.48	1.57
Work-related injury rate (per 1,000,000 manhours worked)	8.92	14.83	15.73
Lost days due to work-related injuries	5	8	35
Lost days due to work-related injuries rate (per 100,000 manhours worked)	2.23	3.96	18.36
Lost days due to work-related injuries rate (per 1,000,000 manhours worked)	22.31	39.56	183.56

In FY2025, the Group recorded three work-related injury incidents, while no work-related fatalities were reported. Although the number of incidents remained the same as the previous year, total production manhours decreased during the reporting period. As a result, the workplace injury rate increased to 1.57 per 100,000 manhours worked (FY2024: 1.48). Notwithstanding that, the rate remained below the Group's target threshold of 2.00.

Lost days arising from work-related injuries increased from 8 days in FY2024 to 35 days in FY2025. The increase was driven by the nature and severity of the individual incidents recorded during the year, including a pneumatic hose recoil injury, a bin closure injury, and a minor electric shock incident. While none of these incidents resulted in permanent injury, the recovery periods required were longer than those observed in the previous year.

The Group treats all workplace injuries seriously. Immediate investigations were conducted following each incident to identify root causes and strengthen preventive controls. Actions taken included reinforcing safe equipment handling procedures, reviewing bin operation practices, enhancing supervision during disposal activities, conducting inspections of electrical panels to address potential leakage risks, and delivering targeted safety refresher briefings to production employees.

Management acknowledges that the increase in lost days and injury rates highlights the need for continued improvement in hazard identification and control effectiveness. LHT remains committed to strengthening its safety management framework to reduce both the likelihood and impact of future incidents.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.	To not exceed an injury rate of 2.00 per 100,000 manhours worked.
Performance	The Group recorded an injury rate of 1.16 per 100,000 manhours worked.	The Group recorded an injury rate of 0.89 per 100,000 manhours worked.	The Group recorded an injury rate of 1.48 per 100,000 manhours worked.	The Group recorded an injury rate of 1.57 per 100,000 manhours worked.	Performance will be disclosed in the FY2026 Sustainability Report.

Routine Briefings, Training and Inspections

To manage workplace health and safety risks, LHT conducts regular safety briefings to reinforce compliance with internal policies and standard operating procedures. These briefings also reference relevant external requirements and contractor safety obligations where applicable. Fire & safety committee members attend monthly safety briefings covering key areas such as workplace safety, fire prevention, and basic first aid.

Routine inspections, including fire safety checks and fire drills, are carried out at LHT's premises to identify potential hazards, ensure corrective actions are taken in a timely manner, and to enhance operational preparedness. These practices form part of the Group's ongoing efforts to maintain a safe working environment.

People and Employment

Employees are LHT's asset

LHT relies on its employees to deliver day-to-day operations and execute the Group's business strategies. Their experience, skills, and commitment are essential to maintaining operational continuity and supporting long-term growth. The Group focuses on creating a stable and supportive work environment where employees can perform their roles effectively.

Employee well-being is addressed through a balanced approach that considers workplace safety, fair employment practices, and reasonable working conditions. LHT promotes equal opportunity across all stages of employment, including recruitment, development, and remuneration. Hiring decisions are based on role requirements, skills, and experience, without discrimination on the basis of race, gender, age, or nationality.

Human resource policies and remuneration frameworks are reviewed periodically by senior management to ensure alignment with business needs and prevailing market conditions. As business conditions continue to normalise post-pandemic, LHT remains focused on workforce retention and maintaining a consistent and engaged employee base.

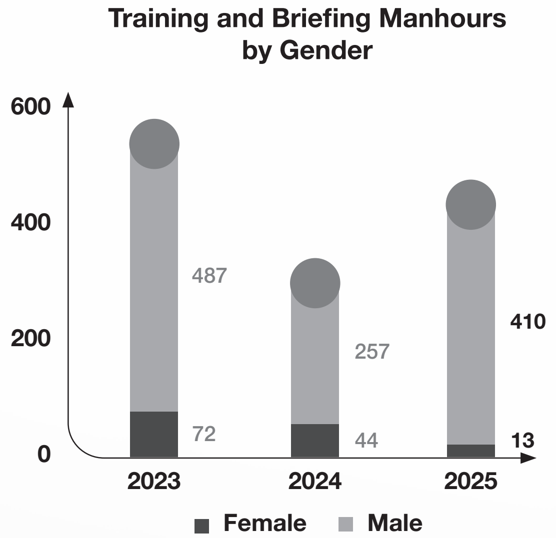
Training and Education

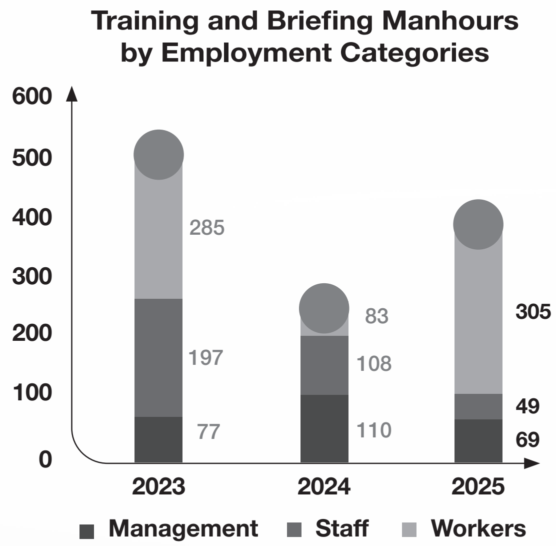
Empowering the workforce through career enhancement and skill development

LHT supports the ongoing development of its employees by providing training that strengthens technical skills, job performance and leadership capabilities. Employee development is viewed as a practical investment in operational effectiveness, workforce capability, and long-term business sustainability.

Training programmes are designed to meet operational needs, regulatory requirements, and ISO standards. Training needs are reviewed periodically, and structured plans are developed to cover areas such as workplace health and safety, governance, and role-specific competencies. This ensures employees remain adequately equipped to perform their duties effectively and in compliance with applicable standards.

Workplace health and safety training remains a key focus. The Group conducts monthly fire, health, and safety meetings and provides safety briefings and on-the-job training, including forklift certification and forklift refresher courses for relevant production employees. Additional training is arranged where necessary to support operational readiness, to address identified gaps or to respond to changes in industry and regulatory requirements. A total of 423 training and briefing manhours were provided to production and other employees during the year, exceeding the FY2025 target. With most production activities relocated to Malaysia and the cessation of woodchips production from waste wood collections after February 2026, the Group has revised its FY2026 target to 50 training manhours.





	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To provide 100 training manhours on fire safety, workplace health and safety topics.	To provide 300 training manhours on fire safety, workplace health and safety topics.	To provide 300 training manhours on fire safety, workplace health and safety topics.	To provide 300 training manhours on fire safety, workplace health and safety topics.	To provide 50 training manhours on fire safety, workplace health and safety topics.
Performance	A total of 554 training manhours were provided.	A total of 559 training manhours were provided.	A total of 301 training manhours were provided.	A total of 423 training manhours were provided.	Performance will be disclosed in the FY2026 Sustainability Report.

Diversity and Equal Opportunity in the Workforce

We cultivate a multi-diversified work environment to inculcate social harmony

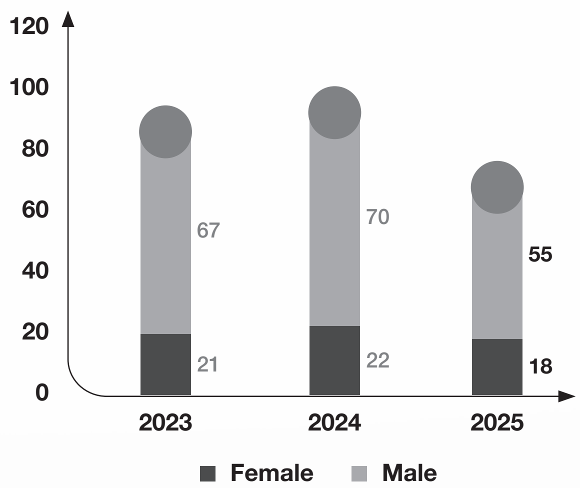
LHT is committed to providing a fair and inclusive workplace where employees are treated with respect and given equal opportunities regardless of gender, age, or background. The Group maintains a zero-tolerance approach to discrimination and seeks to embed diversity and inclusion across all levels of the organisation.

We recognise that diversity contributes to stronger decision-making, operational resilience, and long-term business performance. By fostering an inclusive working environment, LHT aims to attract, retain, and engage employees with a broad range of skills, experience, and perspectives.

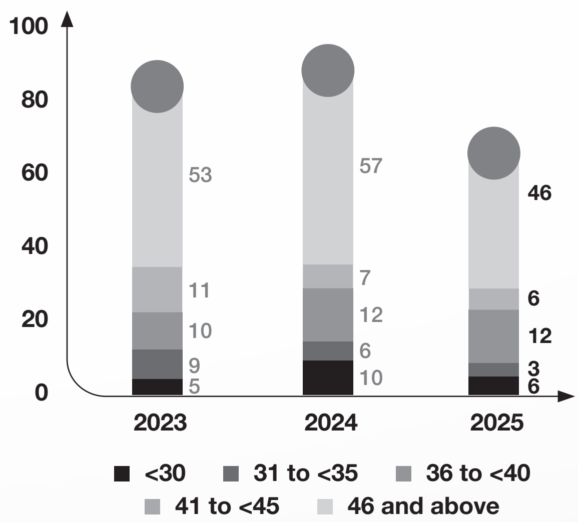
Gender diversity within the workforce reflects the structural characteristics of the wood and manufacturing industry, where roles such as production and warehouse operations typically have lower female representation. While this remains a practical constraint, the Group acknowledges opportunities for improvement and continues to support inclusive employment practices across all functions.

The Group's age profile reflects a balanced workforce with an emphasis on experience and continuity. Employees aged 46 and above represent the largest proportion of the workforce at 63%, providing operational stability and industry expertise. Younger employees under 30 and those aged 31 to 35 account for 12%, supporting talent development and succession planning. Employees aged 36 to 40 (17%) and 41 to 45 (8%) form a core mid-career segment, facilitating knowledge transfer and collaboration across experience levels.

Number of employees by gender



Number of employees by age group



LHT seeks to broaden its hiring practices over time to better reflect workforce diversity, while maintaining a merit-based approach to recruitment and progression. Employment decisions, including remuneration, are based on individual performance, skills, and role requirements. The Group remains committed to fair employment practices and to fostering a workplace culture built on respect, equity, and equal opportunity.

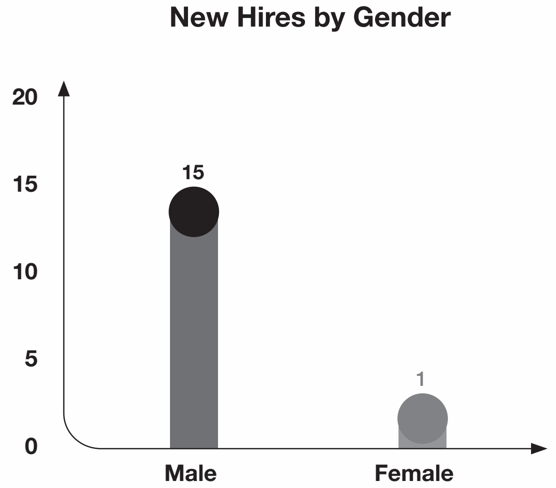
Attraction and Retention

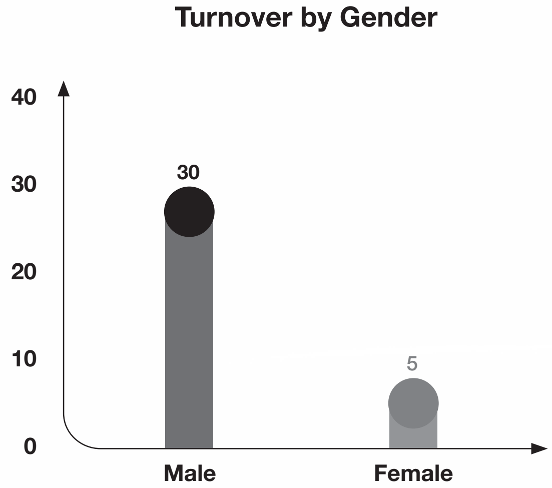
The Group's recruitment decisions are based on candidates' qualifications, relevant experience, and suitability for the role. We are committed to inclusive hiring practices and uphold non-discrimination principles across gender, age, and ethnicity, ensuring a fair and consistent recruitment process for all applicants.

In FY2025, the Group hired 16 new employees, comprising 1 female and 15 male hires. These additions supported ongoing operational and business needs while maintaining a merit-based and equitable hiring approach.

During the year, 35 employees exited the Group as part of normal workforce movements. Employee turnover is a natural aspect of workforce dynamics, and where feedback is available, the Group reviews insights from departing employees to identify opportunities to enhance workplace practices and the overall employee experience. Of the employees who exited during the year, 14% were female and 86% were male.

The charts below illustrate employee hiring and turnover trends in FY2025:





Employee Wellness and Benefits

A well-cared-for employee is paramount to a happy and stable work environment

Employee well-being is a key priority and an essential part of how we sustain a motivated and capable workforce. We recognise that when employees feel supported, they are better able to perform, grow, and contribute to the organisation's long-term success. To support this, we offer a comprehensive benefits package that goes beyond statutory requirements and reflects our commitment to caring for our people.

Our benefits extend beyond core medical and dental coverage to include childcare leave, meal allowances, and transport allowances. These provisions are intended to support employees in managing everyday responsibilities, enabling them to maintain balance between work and personal commitments.

We also provide leave entitlements to support employees during important life events. Marriage, maternity, and paternity leave allow employees the time and space to focus on family milestones, while compassionate leave ensures they receive understanding and support during challenging periods. These measures reflect LHT's belief in creating a workplace that is not only productive, but also considerate and humane.

By investing in employee welfare and creating a supportive work environment, LHT aims to strengthen engagement, foster loyalty, and retain talent over the long term. Our approach to employee benefits reflects our values and reinforces our commitment to building a workplace where employees feel respected, supported, and motivated to do their best work.

Local Communities

Engaging Our Local Communities through the 3R Programme

LHT actively supports community engagement by participating in outreach and educational initiatives that promote environmental responsibility. A key focus of these efforts is our 3R programme, through which we encourage responsible practices such as reducing waste, reusing materials, and recycling resources.

Working alongside government agencies, corporate partners, and educational institutions, LHT supports initiatives that raise awareness of sustainable waste management, particularly the recycling of wood waste. Throughout the year, we take part in community events and awareness programmes aimed at fostering practical understanding of the 3R principles and encouraging more sustainable behaviours. These activities reflect our ongoing commitment to environmental stewardship and responsible business practices.

Customer Privacy

Safekeeping of information is vital to ensure customer assurance and trust

Protecting data and customer information is a core responsibility. This commitment is supported by our Data Protection and Security Policy, which establishes controls and safeguards to reduce the risk of unauthorised access or data breaches. The policy applies to both customer and employee information, ensuring consistent standards of privacy and protection across the organisation.

As a business-to-business organisation, LHT recognises the importance of maintaining strong data protection practices, given the nature and sensitivity of information entrusted to us by our clients. Robust data security measures are therefore integral to maintaining trust and supporting long-term business relationships.

During the year, the Group recorded zero substantiated incidents relating to breaches of customer privacy. This outcome reflects the effectiveness of our data protection framework and reinforces our ongoing commitment to maintaining high standards of confidentiality, security, and responsible data management.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	No target was set.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.	To maintain zero cases of substantiated concerns related to breaches of customer privacy.
Performance	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	The Group recorded zero cases of substantiated concerns related to breaches of customer privacy.	Performance will be disclosed in the FY2026 Sustainability Report.

Ensuring Personal Data and Privacy Protection

LHT treats personal data protection as a key responsibility and safeguards all personal information through a dedicated Personal Data Protection Policy. This policy provides clear guidance to employees, supports ongoing awareness, and helps ensure compliance with applicable personal data protection laws and regulations.

To remain aligned with evolving requirements issued by the Personal Data Protection Commission (**PDPC**), LHT regularly reviews and updates its policies. In line with the Personal Data Protection Act (**PDPA**), employees are equipped with the necessary knowledge of regulatory requirements, standards, and industry practices through targeted training conducted in accordance with PDPC guidelines.

In FY2025, LHT recorded no incidents involving personal data breaches or losses. This outcome demonstrates the effectiveness of the Company's data protection framework and its continued commitment to safeguarding personal information.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.	To maintain zero cases of major breaches.
Performance	The Group recorded zero cases of major breaches.	The Group recorded zero cases of major breaches.	The Group recorded zero cases of major breaches.	The Group recorded zero cases of major breaches.	Performance will be disclosed in the FY2026 Sustainability Report.

LHT regularly reviews its data governance framework to strengthen the security measures in place for protecting personal data. Through continuous process improvements and proactive initiatives, we seek to reinforce the trust that stakeholders place in LHT to safeguard their personal information.

Product Quality and Safety

Heat treatment – Conforming to ISPM 15 Standard

In line with the standards set by the IPPC, including the ISPM 15 requirements, LHT has implemented measures to ensure compliance with the standards. Our facilities are equipped with heat treatment systems that effectively manage and control pests in wood materials, supporting both regulatory compliance and responsible environmental practices.

01 QUALITY CHECK

The conditions of wood products are visually inspected in the initial stage. Badly infested wood will be rejected and will not undergo heat treatment process.

02 HEAT TREATMENT PROCESS

The conditions of wood products are visually inspected in the initial stage. Badly infested wood will be rejected and will not undergo heat treatment process.

03 REPEAT HEAT TREATMENT PROCESS

Woods that do not attain a wood core temperature of 56 degree Celsius for a minimum of 30 minutes duration will repeat the Heat Treatment Process again.

04 COOLING PROCESS

On completion of the heat treatment process, woods that have maintained a wood core temperature of 56 degree Celsius for a minimum of 30 minutes duration are left for cooling.

05 STENCIL IPPC MARK

IPPC Mark and Lot ID Control are stenciled onto pallets. Reports are printed for verification by authorised operator.

06 STORAGE

The final products are stored in proper warehouse to avoid cross contamination.

ECR Pallet Rental Scheme

In 2009, LHT partnered with A*STAR's Singapore Institute of Manufacturing Technology (**SIMTech**) to develop a shared-use pallet system based on a leasing and tracking model. This collaboration led to the introduction of a pallet leasing solution that enables customers to lease pallets from LHT, thus delivering operational efficiencies and cost benefits for both the Group and its clients.

As part of the ECR pallet rental scheme, LHT incorporated Radio Frequency Identification (**RFID**) technology into each pallet to improve visibility and control across the supply chain. RFID tagging allows pallets to be tracked more accurately, enhancing asset utilisation, inventory management, and logistics planning.

The rental model removes the need for customers to invest in large upfront pallet purchases. Instead, customers can lease pallets on a monthly basis, with flexibility to scale usage up or down in line with operational requirements and seasonal demand. This approach supports cost optimisation while promoting more efficient use of shared resources.

Socially Responsible Procurement

LHT incorporates sustainability considerations into its procurement approach with the aim of supporting responsible business practices over the long term. Environmental, social, and ethical factors are taken into account across the supply chain, including the evaluation of new packaging technologies where these are feasible from a cost and operational perspective. This approach reflects an awareness of increasing stakeholder expectations around responsible sourcing and supply chain management.

The Group sources materials from several regions, including New Zealand, China, Vietnam, and Malaysia, while local sourcing includes horticulture and wood waste used in woodchip production. Sustainability considerations are applied throughout the sourcing process to ensure that supply chain activities remain consistent with LHT's broader sustainability objectives.

Sustainable procurement at LHT is supported through self-regulatory practices and supplier oversight, with an emphasis on compliance and ethical conduct. These practices are designed to align supply chain operations with applicable ISO standards and to promote responsible sourcing across the Group's operations.

10. ETHICAL OPERATIONS AND RESPONSIBLE PRACTICES

Economic Performance

LHT's objective is to strengthen its position as a manufacturer of wooden pallets, boxes, cases and crates, and also as a lessor of wooden pallets while maintaining sustainable and financially sound operations. The Group focuses on expanding its customer base in a disciplined manner to support long-term business continuity.

As part of its growth strategy, LHT continues to assess opportunities to extend its market presence where demand for quality and environmentally responsible packaging solutions remains stable. The Group's operations are centred on delivering products that meet customer requirements for quality, reliability and environmental considerations, supported by consistent service and delivery performance.

LHT remains committed to maintaining appropriate standards of corporate governance, which the Group considers essential for supporting sustainable growth and protecting shareholder value over the long term. For a detailed overview of our financial performance, please refer to the relevant sections in LHT's Annual Report 2025:

- Operating and Financial Review (pages 13-15)
- Financial Summary (pages 16-17)
- Financial Statements (pages 19-74)

Procurement Practice

LHT adopts a sustainable procurement approach that balances environmental considerations with sound financial and operational decision-making. The Group supports a business model that integrates sustainability into procurement processes and selectively adopts new packaging technologies where these are commercially viable and operationally appropriate.

As stakeholder expectations around environmental and social responsibility continue to evolve, LHT places emphasis on regulatory compliance and ethical supply chain practices. This includes aligning procurement and sourcing activities with sustainability objectives and relevant ISO standards.

LHT operates a global supply chain, with primary raw materials sourced from New Zealand, China, Vietnam and Malaysia. Horticultural waste and wood waste used for woodchip production are sourced locally.

Sustainability considerations are embedded within the Group's operating culture and guide its approach to supplier management and internal controls. LHT recognises the increasing importance of environmental and social safeguards and seeks to ensure that supply chain activities, from sourcing to delivery, are aligned with its sustainability management principles.

Anti-corruption

LHT has an anti-bribery and anti-corruption policy to support the conduct of business in a lawful, ethical and responsible manner. The policy requires all employees to comply with the Prevention of Corruption Act (Chapter 241 of Singapore) and applies across all levels of the organisation, including permanent, contract and temporary staff.

The Group adopts a structured risk management approach to identify, assess, prioritise and address risks that may affect its objectives, initiatives and day-to-day operations. Risk assessment exercises are carried out to evaluate key risks across the Group, with risk exposure assessed based on both likelihood and potential impact.

This approach supports LHT's broader governance framework and reinforces its commitment to ethical conduct and compliance with anti-bribery and anti-corruption requirements.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.	To maintain zero corruption or bribery cases.
Performance	The Group recorded zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.	The Group recorded zero corruption or bribery cases.	Performance will be disclosed in the FY2026 Sustainability Report.

Operating Business Ethically and with Integrity

LHT upholds integrity and accountability as fundamental principles guiding its business conduct and employee behaviour. Recognising that corruption poses material risks to both operations and reputation, the Group enforces a zero-tolerance approach towards all forms of corrupt practices, including fraud and bribery. Employees are regularly informed of their responsibilities through the Code of Conduct and business ethics guidelines, which outline expected standards of behaviour and are communicated across the organisation.

LHT's Whistleblowing Policy provides clear and confidential channels for raising concerns, including suspected misconduct or corruption. All reports are escalated to the ARC Chairman, NC Chairman and appointed Internal Auditor and subjected to appropriate review and investigation. Together, these measures support responsible business practices and reinforce a culture of ethical conduct, transparency and accountability across the Group.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.	To maintain zero incidents of fraud and bribery.
Performance	The Group recorded zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.	The Group recorded zero incidents of fraud and bribery.	Performance will be disclosed in the FY2026 Sustainability Report.

Whistleblowing

LHT has put in place a formal whistleblowing framework to support the timely identification, assessment and investigation of suspected misconduct, including bribery, fraud and other unethical practices. This framework forms an integral part of the Group's broader anti-corruption and governance approach, strengthening oversight in areas such as financial reporting and internal controls.

The whistleblowing procedures provide employees with confidential and anonymous channels to report concerns. Submissions are required to be made either in writing or verbally via a phone call, with sufficient details to allow proper assessment and investigation. All reports are handled with care, securely retained, and whistleblowers are protected against retaliation, reinforcing a safe environment for raising concerns.

A whistleblower who is an employee of the Group, can either choose to report via first level channel to his/her immediate Supervisor, Manager, Head of Finance or the CEO, or if he/she so chooses, may also report (like a member of the public) via email to a dedicated email account which will automatically re-direct all such reports to the ARC (Audit & Risk Committee) Chairperson, the RC (Remuneration Committee) Chairperson, Lead Independent Director and the appointed Internal Auditor.

The reporting channels are structured to ensure independence, confidentiality, and appropriate oversight. Full whistleblowing procedures are available on the Company's intranet and are communicated to employees as part of their onboarding process.

All information received is treated with strict confidentiality, and the identity of the whistleblower is safeguarded unless disclosure is required by law. In FY2025, no whistleblowing cases were reported, reflecting the Group's strong ethical culture and ongoing commitment to transparency, integrity and responsible business conduct.

	FY2022	FY2023	FY2024	FY2025	FY2026
Target	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.	To maintain zero whistleblowing incidents.
Performance	The Group recorded zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.	The Group recorded zero whistleblowing incidents.	Performance will be disclosed in the FY2026 Sustainability Report.

SUSTAINABILITY REPORT

APPENDIX A: LIST OF ENTITIES INCLUDED IN THIS REPORT

Name	Principal Activities	Location	Coverage
LHT Holdings Ltd	Manufacturing and trading of wooden pallets, boxes, crates, and other timber-related products	Singapore	All core metrics included
Kim Hiap Lee Company (Pte.) Limited	Timber merchandising, sawmilling, and pallet rental services	Singapore	All core metrics included
LHT Marketing Pte Ltd	Timber merchandising and commission agency services	Singapore	All core metrics included
LHT Ecotech Resources Pte Ltd[1]	Manufacturing of woodchips; wood waste recycling and recovery	Singapore	All core metrics included

[1] The facility located at No. 6 Tuas South Street 10, Singapore 636941 under LHT Ecotech Resources Pte Ltd was under renovation and not operational during FY2025. Accordingly, no operational, environmental, or utilities data for this site is included in this report.

APPENDIX B: SUSTAINABILITY SCORECARD

Environmental

Performance indicators	Units	FY2023	FY2024	FY2025
Energy consumption				
Diesel consumption	’000 ℓ	137.1	157.6	152.1
Diesel consumption	MWh	1,370.6	1,576.4	1,521.4
Electricity consumption	MWh	1,127.0	1,168.0	981.8
Total energy consumption	MWh	2,497.6	2,744.4	2,503.2
Energy consumption intensity				
Diesel consumption intensity	kWh/pallet	6.40	8.56	10.16
Electricity consumption intensity	kWh/pallet	5.26	6.34	6.56
Total energy consumption intensity	kWh/pallet	11.66	14.90	16.72
Carbon emissions				
Scope 1 emissions	tCO_2e	370.1	425.6	410.8
Scope 2 emissions	tCO_2e	470.0	487.1	409.4
Total carbon emissions	tCO_2e	840.1	912.7	820.2
Carbon emissions intensity				
Scope 1 emissions intensity	tCO_2e/pallet	0.0017	0.0023	0.0027
Scope 2 emissions intensity	tCO_2e/pallet	0.0022	0.0026	0.0028
Total carbon emissions intensity	tCO_2e/pallet	0.0039	0.0049	0.0055

SUSTAINABILITY REPORT

Social

Performance indicators	Units	FY2023	FY2024	FY2025
Proportion of LVL received				
LVL board	Tonnes	2,721.2	3,570.5	1,510.7
Pinewood	Tonnes	1,586.7	2,175.2	2,506.6
Plywood	Tonnes	339.4	475.7	380.5
Densified wood block	Tonnes	0.0	236.3	64.6
Total tonnes received	Tonnes	4,647.3	6,457.7	4,462.4
LVL over other raw materials	%	59	55	34
Wood waste collected and woodchips produced				
Waste wood collected	Tonnes	9,813.1	11,665.3	10,345.3
Total woodchips produced	Tonnes	8,946.4	10,893.5	10,502.4
Ratio of woodchips produced to waste wood collected	%	91	93	102[2]
Rental pallets				
Percentage of pallets rented out	%	89	90	86
Visitor plant tours				
Plant tour count	Number	1	0	0
Workforce Composition by Gender				
Male	Number (%)	67 (76%)	70 (76%)	55 (75%)
Female	Number (%)	21 (24%)	22 (24%)	18 (25%)
Total employees	Number (%)	88 (100%)	92 (100%)	73 (100%)
Workforce Composition by Age Group				
< 30	Number (%)	5 (6%)	10 (11%)	6 (8%)
31 to < 35	Number (%)	9 (10%)	6 (6%)	3 (4%)
36 to < 40	Number (%)	10 (11%)	12 (13%)	12 (17%)
41 to < 45	Number (%)	11 (13%)	7 (8%)	6 (8%)
46 and above	Number (%)	53 (60%)	57 (62%)	46 (63%)
Workforce Composition by Nationality and Ethnicity				
Singaporean	Number (%)	50 (57%)	51 (56%)	29 (40%)
Malaysian	Number (%)	25 (28%)	25 (27%)	30 (41%)
Chinese	Number (%)	13 (15%)	16 (17%)	14 (19%)
Indian	Number (%)	0 (0%)	0 (0%)	0 (0%)

2 The ratio may exceed 100% due to timing differences between collection and processing. Waste wood collected in one reporting period may only be processed into woodchips in a subsequent reporting period, resulting in higher production volumes relative to current-period collection.

Performance indicators	Units	FY2023	FY2024	FY2025
Workforce Composition by Disability Status				
Employees without disabilities	Number (%)	88 (100%)	92 (100%)	73 (100%)
Employees with disabilities	Number (%)	0 (0%)	0 (0%)	0 (0%)
Workforce Composition by Employee Category				
Executives	Number (%)	5 (6%)	5 (5%)	5 (7%)
Management	Number (%)	19 (22%)	20 (22%)	20 (27%)
Staff	Number (%)	16 (18%)	21 (23%)	17 (23%)
Workers	Number (%)	48 (54%)	46 (50%)	31 (43%)
Gender Composition of Executives and Management				
Male	Number (%)	18 (75%)	19 (76%)	20 (77%)
Female	Number (%)	6 (25%)	6 (24%)	6 (23%)
New hires by Gender				
Male	Number (%)	4 (100%)	8 (89%)	15 (94%)
Female	Number (%)	0 (0%)	1 (11%)	1 (6%)
Total new hires	Number (%)	4 (100%)	9 (100%)	16 (100%)
New hires by Age Group				
< 30	Number (%)	1 (25%)	5 (56%)	7 (44%)
31 to < 35	Number (%)	0 (0%)	2 (22%)	0 (0%)
36 to < 40	Number (%)	0 (0%)	0 (0%)	1 (6%)
41 to < 45	Number (%)	2 (50%)	0 (0%)	0 (0%)
46 and above	Number (%)	1 (25%)	2 (22%)	8 (50%)
Employee Turnover by Gender				
Male	Number (%)	20 (80%)	5 (100%)	30 (86%)
Female	Number (%)	5 (20%)	0 (0%)	5 (14%)
Total resigned employees	Number (%)	25 (100%)	5 (100%)	35 (100%)
Employee Turnover by Age Group				
< 30	Number (%)	3 (12%)	0 (0%)	10 (28%)
31 to < 35	Number (%)	3 (12%)	2 (40%)	1 (3%)
36 to < 40	Number (%)	5 (20%)	1 (20%)	2 (6%)
41 to < 45	Number (%)	5 (20%)	0 (0%)	1 (3%)
46 and above	Number (%)	9 (36%)	2 (40%)	21 (60%)

Performance indicators	Units	FY2023	FY2024	FY2025
Training				
Total training manhours	Manhours	559	301	423
Workplace Safety				
Total manhours worked	Manhours	224,101	202,243	190,676
Total work-related injury cases	Cases	2	3	3
Work-related injury cases per 100,000 manhours worked	Cases/100,000 manhours worked	0.89	1.48	1.57
Work-related injury cases per 1,000,000 manhours worked	Cases/1,000,000 manhours worked	8.92	14.83	15.73
Total lost days resulting from injury cases	Days	5	8	35
Lost day rate per 100,000 manhours worked	Days/100,000 manhours worked	2.23	3.96	18.36
Lost day rate per 1,000,000 manhours worked	Days/1,000,000 manhours worked	22.31	39.56	183.56
Total high-consequence work-related injury cases	Cases	0	0	0
Fatal injury cases per 100,000 manhours worked	Cases/100,000 manhours worked	0	0	0

Governance

Performance indicators	Units	FY2023	FY2024	FY2025
Number of environmental non-compliance cases	Cases	1	0	0

APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

This section details key definitions, methodologies and data boundaries applied to the 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 arising from climate change can be event-driven (acute), such as extreme weather events including cyclones, droughts, floods, and fires. They can also result from longer-term shifts (chronic) in precipitation and temperature, and increased variability in weather patterns, for example, sea-level rise.

Climate-related Transitional Risks

Transitional risks relate to the shift towards a lower-carbon global economy. Common examples include policy and legal changes, technological developments, market responses, and reputational considerations.

Climate-related Opportunities

Climate-related opportunities refer to potential positive impacts arising from climate change. Actions to mitigate or adapt to climate change can create opportunities, including improved resource efficiency and cost savings, adoption of low-emission energy sources, development of new products and services, and strengthened resilience across the supply chain.

Materials

LVL usage ratio is calculated as the total volume of Laminated Veneer Lumber (**LVL**) received in tonnes divided by the total raw materials received in tonnes during the reporting period. Total raw materials include LVL board, pinewood, plywood and densified wood block. This metric relates to materials received for Singapore operations only.

Woodchips production ratio is calculated as the total volume of woodchips produced during the reporting period divided by the total volume of waste wood collected during the reporting period. The ratio is expressed as a percentage and relates to Singapore operations only.

Rental pallet utilisation is calculated as the total number of pallets rented out (in pieces) divided by the total number of pallets available for rental (in pieces) during the reporting period. This metric relates to rental pallet operations in Singapore only.

Carbon Emissions

Scope 1: For this reporting period, Scope 1 emissions are generated from the direct consumption of fuels for the Group's Singapore operations. Fuel consumption is collected in litres (**ℓ**) and converted to kilowatt-hours (**kWh**) by multiplying litres consumed by a factor of 10. The resulting energy consumption in kWh is then converted to megawatt-hours (**MWh**) by dividing by 1,000. 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 (**tCO_2e**).

Scope 2: For this reporting period, Scope 2 emissions arise from the generation of purchased or acquired electricity consumed in Singapore operations. Scope 2 emissions are calculated using the location-based method. The Grid Emission Factor (**GEF**) used for calculating carbon emissions is obtained from Singapore Energy Market Authority (**EMA**). Carbon emissions are expressed in **tCO_2e**.

Carbon Emissions Intensity
Carbon emissions intensity is calculated as the total Scope 1 and Scope 2 carbon emissions (in tCO_2e) divided by the pallet production volume of the Company. For this reporting period, pallet production volume refers to pallets manufactured in Singapore. Production activities in Malaysia are excluded from the calculation. Carbon emissions intensity is expressed in tCO_2e per pallet produced (**tCO_2e/pallet**).

Energy Consumption
Energy consumption represents the total energy used, including fuels and electricity consumed by the Company. Energy consumption is expressed in MWh. Any percentage breakdown between diesel and electricity is calculated based on energy equivalence in MWh per pallet produced (**MWh/pallet**).

Energy Intensity
Energy intensity is calculated as total energy consumption divided by the pallet production volume of the Company. Total energy consumption (in MWh) is converted to kWh before calculating intensity. Energy intensity is expressed in kWh per pallet produced (**kWh/pallet**).

Social

Employee

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

New Hires and Turnover (rates)

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

Turnover is defined as all employees who have left the Group in Singapore 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.

Work-related incident

Injury incidents are non-fatal or fatal injuries or ill health arising out of, or in the course of, work in its Singapore operations.

Work-related injuries are defined as injuries sustained during work that require a medical certificate (**MC**) of one day or more.

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

Total production manhours refer to the cumulative manhours worked by production employees during the reporting period in Singapore.

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' work-related injuries per hundred thousand and per million manhours worked, relative to the total manhours worked by all employees/non-employee workers recorded as of year-end.

Fatalities and Rate

The rate of recordable work-related injuries for employees/non-employee workers is the total number of employees'/non-employee workers' work-related injuries per hundred thousand and per million manhours worked, relative to the total manhours worked by all employees/non-employee workers recorded as of 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 hundred thousand and per million manhours worked, relative to the total manhours worked by all employees/non-employee workers recorded as at year-end.

Lost Day Rate

Lost day rate is the total number of MC days resulting from work-related injury cases per hundred thousand and per million manhours worked, relative to the total production manhours worked during the reporting period.

Training

Training manhours disclosed in this report relate to production and operational employees only and include fire safety and workplace health and safety training and briefings conducted during the reporting period in Singapore.

APPENDIX D: GRI CONTENT INDEX

GRI Standards Content Index

The GRI Content Index references the Group's Sustainability Report 2025 ("**SR**") and the Annual Report 2025 ("**AR**").

Statement of use	LHT Holdings Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	2-1	Organisational 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
	2-6	Activities, value chain and other business relationships	SR About the Report
	2-7	Employees	SR Empowering Communities
	2-8	Workers who are not employees	Not Applicable
	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	AR Corporate Governance
	2-13	Delegation of responsibility for managing impacts	AR Corporate Governance
	2-14	Role of the highest governance body in sustainability reporting	AR Corporate Governance
	2-15	Conflicts of interest	AR Corporate Governance
	2-16	Communication of critical concerns	SR About the Report
	2-17	Collective knowledge of the highest governance body	AR Corporate Governance

GRI STANDARD	DISCLOSURE		LOCATION
	2-18	Evaluation of the performance of the highest governance body	AR Corporate Governance
	2-19	Remuneration policies	AR Corporate Governance
	2-20	Process to determine remuneration	AR Corporate Governance
	2-21	Annual total compensation ratio	AR Corporate Governance
	2-22	Statement on sustainable development strategy	SR Sustainability Approaches
	2-23	Policy commitments	• SR Protecting Our Earth • SR Empowering Communities • SR Ethical Operations and Responsible Practices
	2-24	Embedding policy commitments	
	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 Ethical Operations and Responsible Practices
	2-28	Membership associations	SR Key Sustainability Highlights
	2-29	Approach to stakeholder engagement	SR Sustainability Strategy
	2-30	Collective bargaining agreements	Not Applicable
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR Materiality Assessment
	3-2	List of material topics	SR Materiality Assessment
	3-3	Management of material topics	• SR Protecting Our Earth • SR Empowering Communities • SR Ethical Operations and Responsible Practices
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	SR Ethical Operations and Responsible Practices
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	SR Protecting Our Earth
	302-3	Energy intensity	

GRI STANDARD	DISCLOSURE		LOCATION
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR Protecting Our Earth
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	SR Protecting Our Earth
	306-2	Management of significant waste-related impacts	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR Empowering Communities
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	SR Empowering 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 an occupational health and safety management system	
	403-9	Work-related injuries	
	403-10	Work-related ill health	

GRI STANDARD		DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR Empowering Communities
	404-2	Programs for upgrading employee skills and transition assistance programs	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SR Empowering Communities
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	SR Empowering Communities
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	No child labour employed by the Company
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	No child labour employed by the Company
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SR Empowering Communities
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints were received.

APPENDIX E: 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 Earth
	Describe management's role in assessing and managing climate-related risks and opportunities	SR Protecting Our Earth
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 Earth
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	SR Protecting Our Earth
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Company currently does not employ scenario analysis in identifying climate risks and opportunities.
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 Earth
	Describe the organisation's processes for managing climate-related risks	SR Protecting Our Earth
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	SR Protecting Our Earth
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 Earth
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	The Company has disclosed Scope 1 and Scope 2 GHG emissions. The Company plans to include Scope 3 GHG emissions in the total GHG 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 Earth