



LUM CHANG HOLDINGS LIMITED

SUSTAINABILITY REPORT 2024

CONTENTS

Board Statement	2
About this Report	3
About Lum Chang	4
Performance Highlights FY2024	5
Sustainability at Lum Chang	7
Our Environment	15
Economic Impacts on the Organisation and Society	35
Our People	37
Social Responsibility	48
Responsible Business Practices	49
TCFD Content Index	53
GRI Content Index	54



BOARD STATEMENT

Dear Stakeholders,

On behalf of the Board of Directors (the Board), I am pleased to present the Sustainability Report (the Report) of Lum Chang Holdings Limited (hereafter referred to as Lum Chang, and collectively with its subsidiaries, the Group) for the period of 1 July 2023 to 30 June 2024 (FY2024).

Amid an increasingly complex business landscape marked by supply chain disruptions, geopolitical tensions, and macroeconomic uncertainties, the Group remains steadfast in its commitment to sustainability within the carbon-intensive construction and development industry. We are dedicated to contributing to the well-being of the planet and its people, upholding our position as an environmentally conscious and sustainable contractor. Our efforts are guided by five focus areas: Our Environment, Economic Impacts on the Organisation and Society, Our People, Social Responsibility, and Responsible Business Practices. We continue to engage with our stakeholders, harnessing resources to address their needs and expectations while acting in their best interests.

We continue to integrate sustainability considerations into our overall business strategy and maintain transparency in reporting our sustainability progress and the performance of our material sustainability factors. In response to the increasing global awareness of climate change, we have built on our progress last year by aligning with the Sustainability Committee on Climate-related Financial Disclosures (TCFD) recommendations to assess the physical and transitional climate-related risks relevant to our operations. This year, we conducted a climate scenario analysis to gain a deeper understanding of the potential impacts of climate risks and opportunities in the short, mid-, and long-term, along with identifying corresponding mitigation measures.

We made significant progress in FY2024, achieving reductions of 9.1% and 7.0% in both energy and emissions intensities. The health and safety of our employees continue to be our utmost priority. In our pursuit of an incident-free workplace, we recorded a Workplace Injury Rate of zero, outperforming the national rate. The well-being and development of our workforce remain one of our key priority areas, with our employees benefitting from 13,510 training hours, averaging at 14.3 per employee.

We have also continued to leverage advanced technologies to digitalise our processes, driving efficiency and innovation across our operations. Our unwavering commitment to compliance within our business activities is reflected in our achievement of zero non-compliance with all applicable laws and regulations. In line with our goal to contribute meaningfully to the communities where we operate, the Group has continued to give back to the community through donations and volunteering opportunities.

Acknowledging that sustainability requires enduring and long-term efforts, we are open to exploring new horizons and solutions in managing our sustainability efforts. We remain committed to bringing positive impacts to the economy, environment, and society at large.

I would like to take this opportunity to thank all stakeholders for their continued support throughout our sustainability journey.

Mr Raymond Lum Kwan Sung
Executive Chairman

ABOUT THIS REPORT

Reporting Framework

This Report has been prepared in accordance with the requirements of the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rules 711A, 711B and SGX-ST Listing Rules Practice Note 7.6 Sustainability Reporting Guide. We have referenced the Global Reporting Initiative 2021 Standards (GRI Standards), which are the most established, widely used standards internationally for reporting on environmental, social, and governance (ESG) factors. The TCFD recommendations have been considered and incorporated in this report to align with SGX's climate reporting requirements and demonstrate our resilience in the face of climate change and the associated risks and opportunities. We continue to support the United Nations Sustainable Development Goals (UN SDGs) and have aligned the Group's ESG factors with selected UNSDGs.

The TCFD Index and GRI Content Index are located on pages 53 to 60 at the end of this Report.

Reporting Period and Scope

This Report covers the Group's sustainability policies, practices, performance and targets for ESG factors material to our business and key stakeholders during the financial reporting period from 1 July 2023 to 30 June 2024. Unless otherwise stated, the scope of information and data disclosed includes all business segments of the Group, namely the Property Development and Investment, Construction and Interior contracting divisions. This report includes properties under joint ventures where the Group has joint operational control based on the operational control approach.

Restatements

There are restatements from previous reporting periods relating to energy intensity and Scope 2 emissions. Please refer to page 29 and 31 for more details.

Assurance

Our sustainability reporting process underwent an internal review by our internal auditors in line with the SGX-ST Listing Rules 711B (3). Internal verification processes and controls are in place to validate and ensure the accuracy of data and information disclosed in this Report. Independent external assurance has not been sought at this juncture; we will consider external assurance for our future sustainability reports as such a need arises.

Availability and Feedback

This Report is available on SGXNet and our website at <https://www.lumchang.com.sg/sustainability/our-sustainability-story/>. We welcome any queries or feedback in relation to this Report. Please contact us through the investor relations channel at https://investor.lumchang.com.sg/ir_contact.html.

ABOUT LUM CHANG

From a small sole proprietorship in the 1940s, Lum Chang has evolved into a prominent construction company publicly listed on the Singapore Exchange. Over its eight-decade journey, it has built an impressive portfolio of projects demonstrating its exceptional growth. Initially focused on the construction business, Lum Chang has since diversified into property development and investment, and interior contracting. The Group's extensive experience is reflected in various award-winning residential and commercial developments in Singapore and Malaysia.

Understanding the crucial role of sustainability in modern business, Lum Chang is committed to pursuing sustainable growth by integrating quality, health, safety, and environmental stewardship into its operations. The Group collaborates with key stakeholders to implement initiatives to minimise environmental impact and incorporate innovative solutions into its projects.

Underpinned by effective management strategies and robust corporate governance, Lum Chang has achieved steady and significant growth, earning a reputation for quality and excellence. Its strong track record, sharp acumen for investment opportunities, and strategic business partnerships enable the Group to deliver long-term value and optimal outcomes for all stakeholders.

Our Business Segments

Property Development and Investment

The Group's Property Development division has built a diverse portfolio of quality developments, including luxury homes, premium condominiums, prime commercial properties and integrated developments in Singapore and Malaysia.

The Group's currently-held real estate property development and investment portfolio is as follows:

Property	Type	Country
14 Kung Chong Road	Light industrial building, office building	Singapore
Tekka Place	Retail mall	Singapore
8 Kim Tian Road	Ground floor shop unit	Singapore
Twin Palms Sungai Long	Luxury gated residences	Malaysia

Construction

The Group's Construction division is a leading provider of building and construction services for industrial, commercial, residential and infrastructure projects in both the public and private sectors.

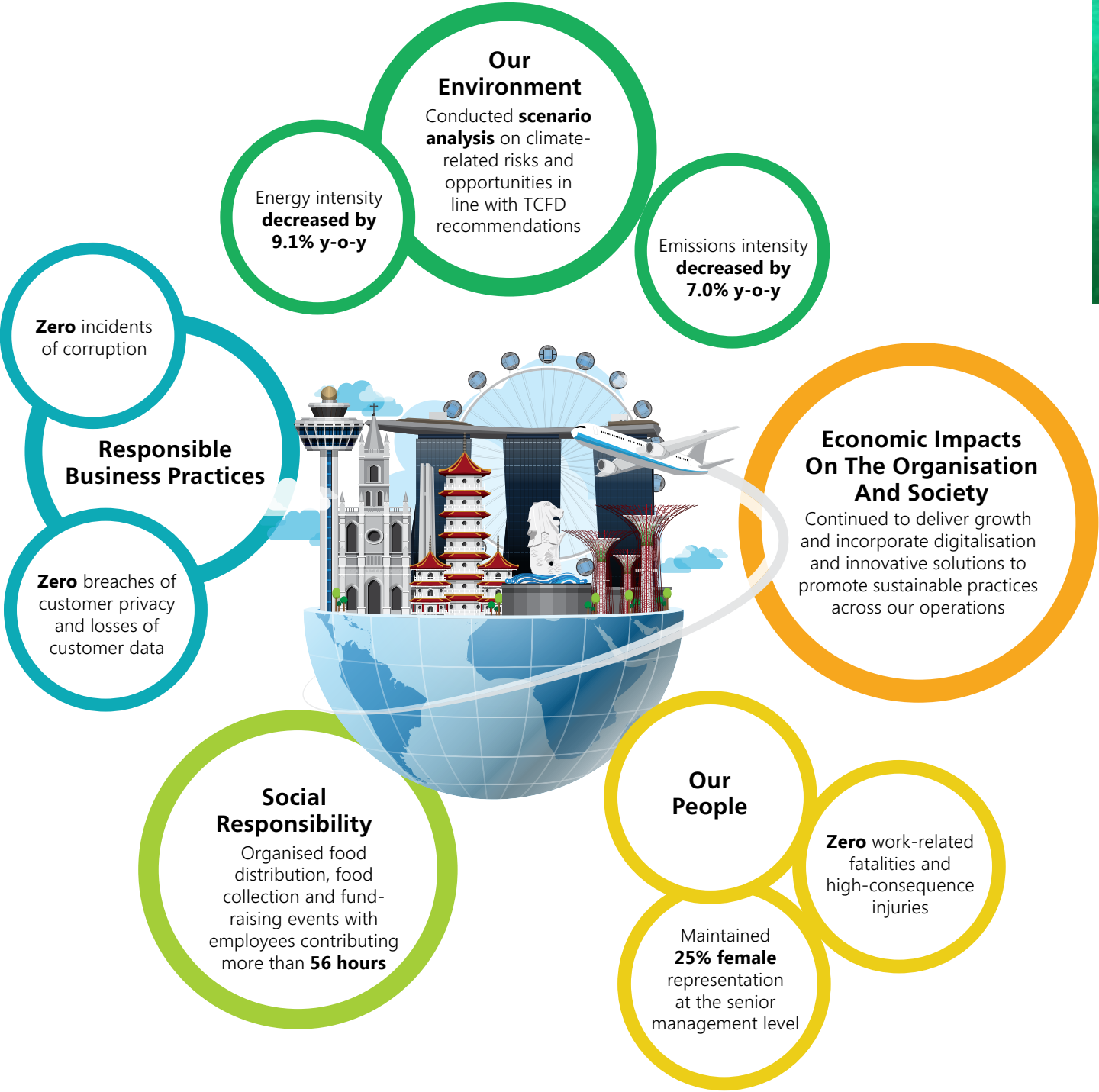
Interior Contracting

The Group's Interior contracting division provides high-end interior fit-out solutions, conservation project management, and addition and alteration services.

For more information on the Group's corporate structure and business activities, please refer to the Annual Report FY2024.

PERFORMANCE HIGHLIGHTS FY2024

During the year, the Group has made considerable progress in enhancing its sustainability initiatives and practices, as reflected in the following performance highlights:



Awards and Accreditations

Lum Chang’s Construction and Interior contracting divisions have been consistently recognised for excellence in health, safety and quality development across its infrastructure and interior projects. The following are the notable awards and achievements received by the Group in FY2024, including:

- **The Royal Society for the Prevention of Accidents (RoSPA) Awards 2024**
Award: Gold
- **Workplace Safety and Health (WSH) Awards 2024**
Award: Gold
- **Singapore Concrete Institute (SCI) Excellence Awards 2023**
Project: Woodlands North Coast
- **Building and Construction Authority (BCA) Covid-19 Appreciation Certificate 2024**
Pilot to Facilitate Entry of Workers in the Construction, Marine and Process Sectors



Our stringent management systems in quality, environment, health and safety are further validated by the following accreditations:

<p>ISO 9001:2015 Quality Management System</p>	<p>ISO 14001:2015 Environmental Management System</p>	<p>ISO 45001:2018 Occupational Health and Safety Management System</p>
<p>BizSAFE Star company</p>		<p>Certified BCA Green and Gracious Builder</p>

These awards and accolades underscore our unwavering commitment to excellence in our operations, aligning with our aim to consistently create and deliver sustainable, high-quality developments.

SUSTAINABILITY AT LUM CHANG

At Lum Chang, sustainability is an integral part of our business strategy as we make every effort to incorporate sustainability considerations in our business decisions, reflecting our commitment to operate in an environmentally and socially responsible manner. We endeavour to minimise our environmental impact while actively developing innovative solutions and sustainable practices across our operations. In line with Singapore's Green Plan and the increased demand for green infrastructure, we are dedicated to incorporating sustainable features and materials in our planning and design phases, ensuring that our projects support the broader goal of creating resilient and green communities.

Sustainability Framework

Our sustainability framework drives our overall strategy and channels our collective efforts towards achieving sustainable operations across our business activities. This year, we have reviewed our framework and streamlined our focus areas from seven to five. This enables us to focus on our business's most significant impacts on the environment, people, economy, and the wider community. Our refreshed sustainability framework now comprises five focus areas: Our Environment, Economic Impacts on the Organisation and Society, Our People, Social Responsibility, and Responsible Business Practices.

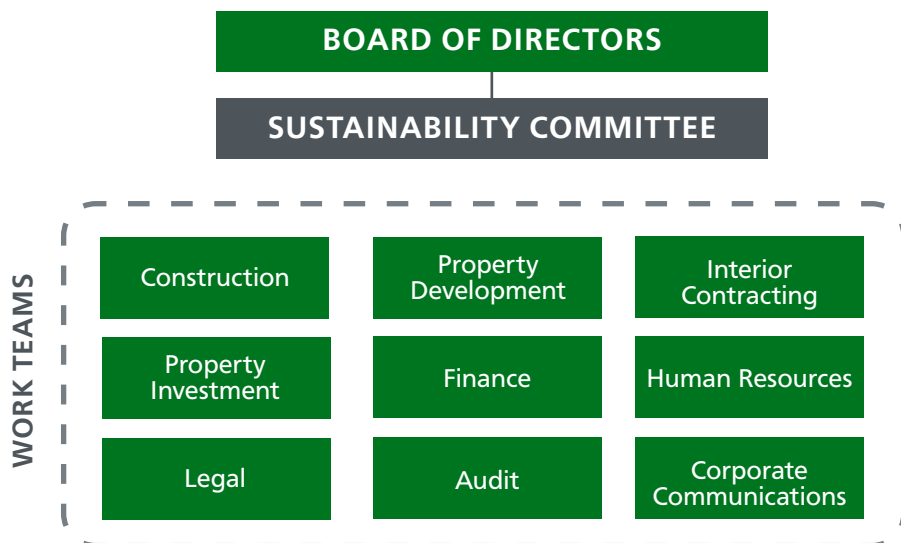


Sustainability Governance

Lum Chang acknowledges the importance of a robust and effective sustainability governance structure to provide oversight of the Group’s sustainability strategy and practices.

The Board is responsible for incorporating ESG considerations into the Group’s strategic formulation and providing direction on our sustainability agenda. Supported by the Sustainability Committee (SC), the Board sets the Group’s sustainability strategies, priorities and targets as well as oversees the management of material ESG factors and climate-related disclosures determined by the SC.

The SC, comprising key management personnel and representatives from different business units, identifies and assesses material ESG factors and climate-related disclosures. It also reviews the Group’s sustainability objectives, targets, performance against targets, and overall implementation and monitoring of sustainability initiatives and data.



The work teams from various divisions and departments primarily assist the SC in implementing sustainability initiatives and programmes across our operations. They also provide recommendations to further enhance sustainable practices within the organisation.

Stakeholder Engagement

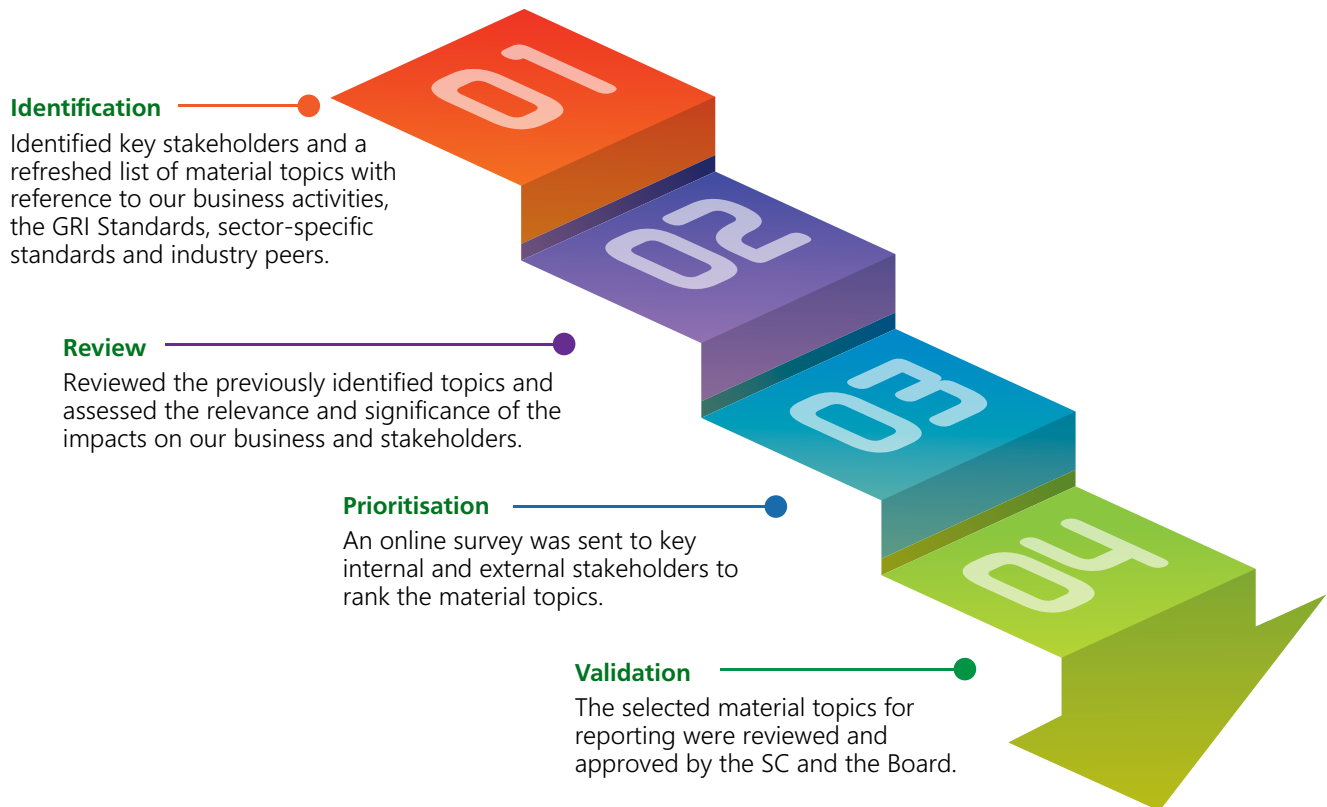
Lum Chang’s stakeholder engagement approach considers the various stakeholder groups and the nature of their influence on the Group’s business, as well as the impacts of our business activities on them. We regularly engage with our stakeholders through various channels to address their views and concerns effectively. The following table summarises the Group’s engagement methods, frequency, issues of concern, and our responses to their concerns.

Key Stakeholders	Issues of Concern	Frequency and Engagement Method	Our Response
Employees and workers	<ul style="list-style-type: none"> • Workplace health and safety among employees and workers • Remuneration and benefits • Training and development 	<ul style="list-style-type: none"> • Regular safety briefings and meetings to discuss safety measures • Regular fire drills • Regular trainings for safety and inspections • Open annual performance appraisal system 	<ul style="list-style-type: none"> • Implement comprehensive health and safety policies and practices • Keep abreast and remain agile in complying with the latest safety rules and regulations • Provide training and career development opportunities • Provide constructive performance appraisals and fair remuneration packages
Suppliers and Subcontractors	<ul style="list-style-type: none"> • Health and safety • Environmental compliance • Labour laws 	<ul style="list-style-type: none"> • Regular and ongoing assessment of contractors and suppliers 	<ul style="list-style-type: none"> • Continuous engagement and ongoing assessment of performance of contractors
Customers	<ul style="list-style-type: none"> • Product and service quality • Data privacy 	<ul style="list-style-type: none"> • Ongoing dialogue and engagement 	<ul style="list-style-type: none"> • Implement quality standards and ongoing dialogue with customers • Implement robust data management policies and cyber resilience
Government and Regulators	<ul style="list-style-type: none"> • Compliance with laws and regulations 	<ul style="list-style-type: none"> • Regulatory filings as required • Annual Report • Regular site inspections • Regular SGX announcements • Annual Sustainability Report • Ongoing dialogue 	<ul style="list-style-type: none"> • Implement robust policies and procedures to ensure compliance with regulatory requirements
Community	<ul style="list-style-type: none"> • Social development • Noise management • Vector controls 	<ul style="list-style-type: none"> • Ongoing community engagement activities 	<ul style="list-style-type: none"> • Evaluate and mitigate any negative impacts of our business operations on the surrounding community • Identify community needs and evaluate the available support from the Group
Shareholders and Investors	<ul style="list-style-type: none"> • Economic performance • Compliance with laws and regulations • Corporate governance and ethics 	<ul style="list-style-type: none"> • Annual General Meeting • Regular and timely financial results and company announcements • Annual Report • Ongoing investor relations management • Corporate Website 	<ul style="list-style-type: none"> • Publish timely and comprehensive Annual Reports, Sustainability Reports and announcements • Engage with shareholders through investor relation events

Materiality Assessment

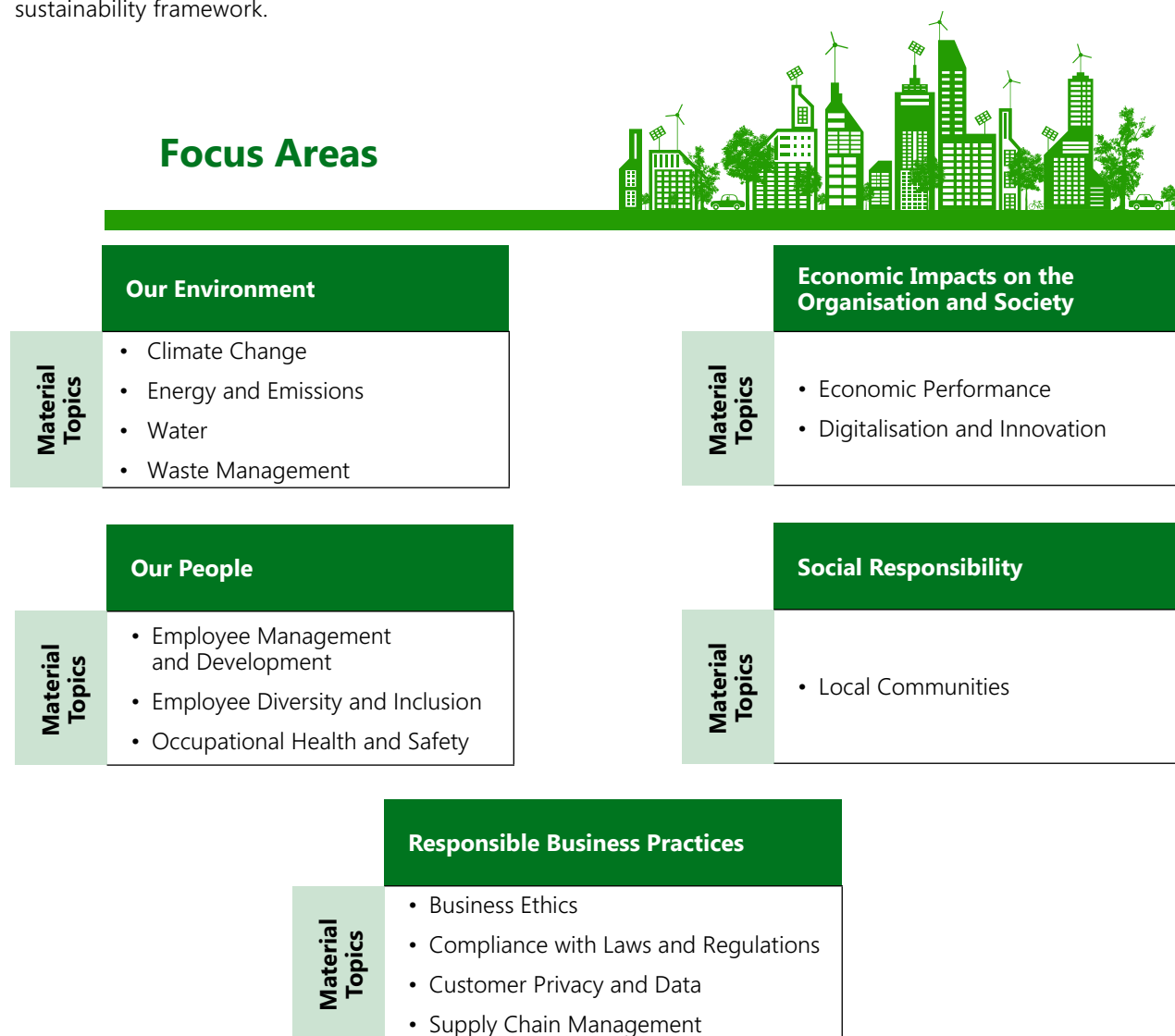
We conducted a review of our existing material topics through a refreshed materiality assessment with an external ESG consultant to identify and prioritise the most significant sustainability issues relevant to our business and industry.

Our materiality assessment process consists of a four-stage approach, enabling us to define the Group's material issues by considering the actual and potential negative and positive impacts as well as the significance of our impacts on the economy, environment, and people.



This year, we have introduced a new material topic, "Climate Change", to reflect the Group's enhanced alignment with the climate reporting requirements based on TCFD's recommendations and our ongoing efforts to understand, address, and mitigate climate-related risks and impacts on our business operations and the broader environment. While the issues covered by the material topics remain largely consistent with the previous year, several material topics have been renamed or regrouped.

The table below illustrates the material topics selected and their respective focus areas under our sustainability framework.



¹ “Energy” and “Emissions” have been combined into one material topic – “Energy and Emissions”.

² “Indirect Economic Impacts” has been removed as a standalone material topic and is subsumed under the “Digitalisation and Innovation” topic.

³ “Employment” and “Training and Education” have been combined into one material topic – “Employee Management and Development”. “Non-discrimination” is now subsumed under the “Employee Diversity and Inclusion” material topic.

⁴ “Tax Compliance” is removed as a standalone material topic and is subsumed under the topic “Compliance with Laws and Regulations”. “Anti-corruption” is removed as a standalone material topic and is now under the topic “Business Ethics”. “Materials”, “Supplier Environmental Assessment” and “Supplier Social Assessment” topics are now integrated into the broader “Supply Chain Management” material topic.

⁵ “Biodiversity” has been removed as a standalone material topic as it is relatively less relevant to our role as a main construction contractor, with responsibilities primarily determined by customer requirements. That said, we have disclosed our management approach to biodiversity in this Report and will continue to include it in future sustainability reports.

Our FY2024 Performance and Targets

Status: ● Met ● In Progress

Material Topic	FY2024 Targets	Status	FY2024 Performance	FY2025 Targets and Beyond
Climate Change (non-GRI)	Identify key climate-related risks and opportunities for the Group in accordance with the TCFD recommendations.	●	Identified key climate-related risks and opportunities and conducted a scenario analysis to assess the impacts of the risks and opportunities based on different climate scenarios.	Continue to review and assess the key climate-related risks and opportunities and their impacts for climate scenarios chosen.
Energy and Emissions (GRI 302 and GRI 305)	<p>Adopt green building strategies and technologies at the construction phase of development of new and ongoing significant projects.</p> <p>Continue to implement latest energy-saving features.</p> <p>Long-term: Design to achieve or maintain Green Mark (or equivalent) award for new significant projects and investment properties.</p>	●	Renewed the Green Mark certification for Tekka Place, looked into the installation of EV chargers in Lum Chang Building and encouraged the increased usage of renewable energy among employees.	<p>Continue to adopt green building strategies and technologies at the construction phase of development of new and ongoing significant projects.</p> <p>Continue to implement latest energy-saving features.</p>
Digitalisation and Innovation (GRI 203)	To continually increase efficiency, improve execution quality and enhance project control by harnessing technology and digitalisation.	●	Implemented thermographic mapping to identify defects in conservation façade walls and employed remote control electric robotic crusher to streamline operations and minimise environmental impact.	To continually increase efficiency, improve execution quality and enhance project control by harnessing technology and digitalisation.
Employee Management and Development (GRI 401 and GRI 404)	<p>To administer performance reviews for 100% of employees.</p> <p>To achieve at least 10 hours of training programs per employee for employees who require training to upgrade their professional competency.</p>	●	<p>Administered performance reviews for 100% of employees.</p> <p>Recorded average training hours per employee of 14.3 hours.</p>	<p>To administer performance reviews for 100% of employees.</p> <p>At least an average of 10 hours of training programs per employee.</p>

Material Topic	FY2024 Targets	Status	FY2024 Performance	FY2025 Targets and Beyond
Occupational Health and Safety (GRI 403)	<p>To achieve a Workplace Injury Rate (WIR) that is lower than the Singapore national average.</p> <p>To ensure all workers have received the appropriate safety trainings, in full compliance with laws and regulations.</p> <p>Zero incidents of work stoppage due to environmental non-compliance.</p>	●	<p>WIR is zero, lower than the Singapore National construction sector average fatal and major injury rate of 3.4 and 28.5 respectively.</p> <p>Zero incidents of work stoppage due to environmental non-compliance.</p>	<p>To achieve a WIR that is lower than the Singapore national average.</p> <p>To ensure all workers have received the appropriate safety trainings, in full compliance with laws and regulations.</p> <p>Zero incidents of work stoppage due to environmental non-compliance.</p>
Local Communities (GRI 413)	<p>To conduct at least two community engagements with social impact.</p> <p>To donate to at least two causes with social impact.</p>	●	<p>Partnered with Apex Singapore in a food distribution programme to help the elderly living in the Redhill and Kim Tian, and contributed to food collection and fund-raising for Food for Heart.</p> <p>Donated to various charity golf events (Chen Su Lan Methodist Children's Home, Singapore Heart Foundation, Kwong Wai Shiu Hospital and Singapore Island Country Club).</p>	<p>To conduct at least two community engagements with social impact.</p> <p>To donate to at least five causes with social impact.</p>
Business Ethics (GRI 205)	Zero incidents of corruption.	●	Recorded zero incidents of corruption.	Zero incidents of corruption.
Compliance with Laws and Regulations (GRI 2-27 and GRI 207)	Zero incidents of non-compliance with laws and regulations.	●	Recorded several non-compliance incidents, including exceeding noise levels. Corrective actions and mitigation plans have been implemented to prevent future occurrences.	Zero incidents of non-compliance with laws and regulations.
Customer Privacy and Data (GRI 418)	Zero complaints concerning breaches of customer privacy and losses of customer data.	●	Recorded zero complaints concerning breaches of customer privacy and losses of customer data.	Zero complaints concerning breaches of customer privacy and losses of customer data.
Supply Chain Management (GRI 301, GRI 308 and GRI 414)	Zero incidents of non-compliance with environmental and labour laws among suppliers.	●	Recorded zero incidents of non-compliance with environmental and labour laws among suppliers.	Zero incidents of non-compliance with environmental and labour laws among suppliers.

¹ The original FY2024 targets of "zero incidents of work stoppage due to environmental non-compliance" and "To ensure all workers have received the appropriate safety trainings, in full compliance with laws and regulations" have been placed under the overall target of "zero incidents of non-compliance with laws and regulations" to further streamline our compliance target.

² We are in the process of assessing and establishing feasible targets for Water, Waste Management, Economic Performance, and Employee Diversity and Inclusion, and will disclose them in future reporting years, where practicable.

Our Contribution to the UN SDGs

We have aligned our material topics with the relevant UN SDGs under the 2030 Agenda for Sustainable Development, as a supporting framework to shape and guide our sustainability strategy. The table below shows the Group's contributions to the SDGs:

SDG	Focus Areas	Material Topic	Contribution
  	Our Environment	<ul style="list-style-type: none"> Climate Change Energy and Emissions Water Waste Management 	<ul style="list-style-type: none"> Monitor emissions and continually seek ways to reduce it. Maintain water efficiency and monitor water usage in construction projects. Ensure that waste and effluents are managed in an environmentally sound manner. Engage in waste reduction, reuse and recycling whenever possible.
 	Economic Impacts on the Organisation and Society	<ul style="list-style-type: none"> Economic Performance Digitalisation and Innovation 	<ul style="list-style-type: none"> Provide work opportunities as well as a safe and conducive working environment to the community. Leverage technological developments to improve the efficiency of building functionality.
  	Our People	<ul style="list-style-type: none"> Employee Management and Development Employee Diversity and Inclusion Occupational Health and Safety 	<ul style="list-style-type: none"> Provide training, career appraisal and development opportunities for all our employees.
	Social Responsibility	<ul style="list-style-type: none"> Local Communities 	<ul style="list-style-type: none"> Implement initiatives with social impact and donate to community organisations. Develop expertise in sustainable human settlement planning by supporting students through built environment (BE) related tertiary education.
 	Responsible Business Practices	<ul style="list-style-type: none"> Business Ethics Compliance with Laws and Regulations Customer Privacy and Data Supply Chain Management 	<ul style="list-style-type: none"> Improve the efficiency of materials usage and increase the sourcing of building materials from sustainable sources. Comply fully with all socioeconomic and environmental laws and regulations.

OUR ENVIRONMENT

To create a sustainable future for our stakeholders and communities, we are committed to minimising our environmental impact by proactively enhancing the energy efficiency of our operations, utilising environmentally friendly materials, adopting green technologies, minimising waste generation and building a climate-resilient business strategy. Our environmental strategy is aligned with the Singapore Green Plan 2030, which anticipates a surge in demand for sustainable building practices and green projects.

Climate Change

Climate change poses significant long-term risks with far-reaching adverse impacts on the environment, economy, and society. It has become a pressing global concern as the consequences of extreme weather events, rising sea levels, and increasing temperatures underscore the need for immediate and effective action. Corporations play a pivotal role in addressing this challenge, with companies worldwide integrating climate action into their core business strategies and adopting sustainable practices to build resilience and contribute meaningfully to global climate efforts. Climate change is a material topic for Lum Chang. We are cognisant of the need for greater transparency and the integration of climate considerations into our core strategies. As the world transitions to a low-carbon economy and climate reporting requirements evolve, we are committed to aligning our practices with these global standards to ensure sustainable growth and resilience.

Recognising the importance of understanding and enhancing our management of climate-related risks and opportunities, we support the recommendations of the Financial Stability Board's TCFD and began integrating these recommendations through a phased approach. This year marks our second annual TCFD disclosure, which continues to build on previously identified climate risks and opportunities. We conducted a scenario analysis which involved engaging with internal stakeholders, particularly the SC, to assess the likelihood and short-, medium- and long-term impacts of the identified climate risks based on two potential climate-related scenarios. This analysis will form the basis of our subsequent assessments, reviews and updates as we advance in managing climate-related risks.

In this section, we present a detailed discussion of our approach to the eleven disclosure recommendations of the TCFD framework, organised under the four core elements: **Climate-related Governance, Strategy, Risk Management**, and **Metrics and Targets**.

Governance

Under our sustainability governance structure, the Board oversees climate-related risks and opportunities and provides direction on our sustainability agenda. The SC, comprising key personnel from Management and representatives from various business units, assists the Board in identifying climate-related risks and opportunities and the implementing mitigation strategies with the support of operational work teams within the Group. The climate risks and opportunities identified by the SC are ultimately reviewed and approved by the Board. The Board receives updates on progress of mitigation and strategy against identified climate risks and opportunities at least once a year or whenever necessary. The SC works closely with our operational leaders to regularly review the progress of our operational sites to ensure that the initiatives and practices are consistently implemented across the organisation. Critical decisions pertaining to sustainability that could pose risks or present opportunities to the Group are deliberated by the SC with the support of our work teams.

Please refer to the Sustainability Governance section on page 8 for more information.

Strategy

Lum Chang is committed to integrating climate considerations into our business strategy and financial planning across the short-, medium-, and long-term horizons. Our short-term efforts include improving the energy efficiency, reducing the carbon footprint of our operations, utilising eco-friendly materials, minimising waste, and strengthening our supply chain resilience. In the medium-term, we are looking to adopt renewable energy sources, increase the use of sustainable materials, and explore undertaking carbon offset projects. We aim to achieve carbon reduction targets in line with Singapore's Green Plan 2030 in the long-term.

The risk of escalating costs due to climate change is incorporated into our risk management framework as a key consideration. We intend to enhance our understanding and responses to the identified climate-related physical and transition risks and fully integrate climate risks into our matrix in the future.

In our assessment of climate-related risks, we have considered the following:

- Physical risks are risks that are event-driven, including the increasing frequency and severity of extreme weather events (acute), and long-term shifts in climate patterns such as rise in sea levels (chronic), which could disrupt our supply chain and operations.
- Transition risks include changes to policy and legal obligations, technological innovation, changing market demand, changing stakeholder expectations and carbon pricing that may impact our business operations and cost structures.

This year, we built on the previously identified climate-related risks and opportunities and incorporated scenario analysis in accordance with TCFD's recommendations. A climate scenario analysis helps us understand the strategic implications of climate-related risks and opportunities. We analysed the impact of climate-related risks and opportunities on our business activities based on the 2°C and 4°C warming scenarios for physical risks, and the 1.5°C and 1.8°C warming scenarios for transition risks, in the short- (1 to 5 years), medium- (5 to 7 years) and long- (more than 7 years) term.

	Low Emissions Scenario (below 2°C)	High Emissions Scenario (above 4°C)
Description	<p>This scenario represents a low greenhouse gas concentration trajectory aimed at limiting global warming to below 2°C above pre-industrial levels by the end of the century. This is aligned with the goals of the Paris Agreement.</p> <p>It reflects substantial changes policy, technology and behaviour, including introduction of climate policies and actions that are becoming more stringent.</p>	<p>This scenario represents a high greenhouse gas concentration trajectory, with global warming to more than 4°C above pre-industrial levels by the end of the century due to high population growth, slow income growth, and a high reliance on fossil fuels.</p> <p>It predicts high physical risks and policies that are deemed insufficient to mitigate the severe climate impacts. There is also limited policy changes, progress and investment in renewable energy, energy efficiency and climate change mitigation.</p>
Source	Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathway (RCP) 2.6	IPCC RCP 8.5
Used to analyse	Physical risks	

	Orderly Scenario – Net Zero by 2050 (1.5°C)	Disorderly Scenario – Delayed Transition (1.8°C)
Description	<p>This scenario aims to limit global temperature rise to 1.5°C above pre-industrial levels.</p> <p>It reflects early and gradual policy implementation, coordinated global climate efforts, significant technological advancements and widespread adoption of low-carbon technologies. This results in a stable and predictable environment for businesses, facilitating smooth transitions in energy, transportation, and other key sectors.</p>	<p>This scenario aims to limit global temperature rise to below 2°C.</p> <p>It reflects delayed, uneven policy implementation, inconsistent global efforts with some countries lagging in climate action, higher economic costs and disruptions due to the need for rapid adjustments in policies and practices.</p>
Source	Network for Greening the Financial System’s (NGFS) orderly scenario, limited to 1.5°C warming	NGFS’s disorderly scenario, limited to below 2°C warming
Used to analyse	Transition risks	

Climate-related Risks

● Very low ● Low ● Moderate ● Significant ● High

	Risk	Impact (2°C)	Impact (4°C)	Risk Mitigation
	Physical Risks			
Acute	<p>Extreme rainfall and increased flooding events resulting in higher operational expenses</p> <p>Construction and Interior contracting: Delays in projects, cost overruns, safety and environmental issues</p> <p>Property Development and Investment: Higher operating costs for maintenance and repair of physical infrastructure damage</p>	<p>●</p> <p>According to IPCC the relative change in extreme rainfall in Singapore would be low in 2050 (decrease by 0.5% compared to 2015).</p>	<p>●</p> <p>According to IPCC the relative change in extreme rainfall in Singapore would be extreme in 2050 (increase by 9.1% compared to 2015).</p>	<p>The Group continues to consider factors such as extreme rainfall, flash floods events, and water supply in the operational sites of our projects during the project planning and contract development phases. We incorporate contingency plans to address any potential delays or cost overruns. The Group remains prepared to address extreme weather events by improving our business continuity plans and procedures. We will conduct an annual risk review to ensure that appropriate controls are in place to mitigate its impact.</p>
	Time Period: Medium, Long			
	Likelihood ¹ : Likely			
	Financial Impact: Increased operating expenses, reduced revenue or delayed revenue recognition			

¹ Three categories of likelihood have been used in this Report (in decreasing order): 'Certain', 'Likely' and 'Possible'.

● Very low ● Low ● Moderate ● Significant ● High

	Risk	Impact (2°C)	Impact (4°C)	Risk Mitigation	
	Physical Risks				
Chronic	<p>Increasing mean temperatures require increased energy consumption for cooling, affecting the labour force and have an impact on the building materials and durability</p> <p>Construction and Interior contracting: Labour productivity loss resulting in delays and project overruns, and equipment failures</p> <p>Property Development and Investment: Increased development costs due to need for new machinery or existing equipment upgrade, increased cooling costs such as air-conditioning of the properties</p>	<p>●</p> <p>According to IPCC by 2050 there will be an increase in mean temperature by 0.7°C compared to 2020 levels.</p> <p>Small changes in temperature (even 0.1°C) can have adverse effects on the environment so the risk has a moderate impact.</p>	<p>●</p> <p>According to IPCC by 2050 there will be an increase in mean temperature by 1.1°C compared to 2020 levels.</p> <p>Small changes in temperature (even 0.1°C) can have adverse effects on the environment, so the risk has very high impact.</p>	<p>We comply with prevailing employment laws and stay updated with the latest regulatory developments. We will develop labour policies or procedures to ensure sufficient break times, minimise working in uncovered areas, and halt of work under high temperature conditions, as well as train employees to handle extreme temperature conditions effectively, ensuring their health and safety.</p>	
	Time Period: Medium, Long				
	Likelihood: Likely				
	Financial Impact: Increased operational expenses				
	<p>Changes in precipitation patterns leading to increased energy costs</p> <p>Construction and Property Development and Investment: Change in design of rainwater management leading to higher construction and development costs</p>	<p>●</p> <p>According to IPCC there will be a relative change in precipitation pattern by 1.5% compared to 2020 levels.</p> <p>Small changes in precipitation patterns have no significant effect on the real estate companies.</p>	<p>●</p> <p>According to IPCC there will be a relative change in precipitation pattern by 6.4% compared to 2020 levels.</p> <p>Changes in precipitation patterns can have significant effect on the real estate companies like demand shifts.</p>		<p>We have established contingency plans to address any increased extreme precipitation risk such as rainwater management in the design planning phase of our projects as well as implement energy efficiency measures to reduce overall energy consumption and costs.</p>
	Time Period: Long				
	Likelihood: Likely				
	Financial Impact: Increased operating expenses, reduced revenue or delayed revenue recognition				

● Very low ● Low ● Moderate ● Significant ● High

	Risk	Impact (1.5°C)	Impact (1.8°C)	Risk Mitigation
	Transition Risks			
Policy and Legal	<p>Increased carbon taxes leading to higher operational expenses</p> <p>Construction and Interior contracting: Increased indirect costs due to power supply, vehicles, consumption of petrol & diesel</p> <p>Property Development and Investment: Higher development costs passed from construction vendors. There could also be increased costs for decarbonisation, electric vehicles and charging points</p>	●	●	<p>The Group adopts the following measures to improve its energy efficiency in our operations:</p> <ul style="list-style-type: none"> • Maximise exposure to natural sunlight for common areas • Close monitoring and tracking of energy and water withdrawal to ensure efficient resource management • Use of solar-powered systems at project sites and offices to reduce reliance on non-renewable energy sources • Installation and use of energy-efficient equipment <p>The Group is also actively exploring decarbonisation options by engaging with external vendors on various decarbonisation initiatives and plans aimed at building our resilience and adapt to future regulatory changes.</p>
	Time Period: Short, Medium, Long			
	Likelihood: Certain			
	Financial Impact: Increased operational expenses			
	<p>Increased cost of materials</p> <p>Construction, Interior contracting, Property Development and Investment: Potential mandates or customer requirements that call for the use of sustainable construction materials will raise construction and development costs</p>	●	●	<p>The Group endeavours to maintain a steady supply of materials by diversifying supplier sourcing to reduce dependency on a single source. Continuous improvement processes are in place to identify new sustainable materials that can provide cost-effective alternatives. The Group shall leverage green financing options from banks or seek government incentives aimed at promoting use of green materials where needed.</p>
	Time Period: Short, Medium, Long			
	Likelihood: Certain			
	Financial Impact: Increased operational expenses			

● Very low ● Low ● Moderate ● Significant ● High

	Risk	Impact (1.5°C)	Impact (1.8°C)	Risk Mitigation
	Transition Risks			
Policy and Legal	<p>Changes in regulations and updates to standards for energy and resource efficiency (Property Investment), as well as project requirements (new projects)</p> <p>Construction, Interior contracting, Property Development and Investment: According to a report published by the United Nations Environment Program (UNEP) on the real estate industry, higher expectations for energy efficiency will result in higher construction and development costs due to the inclusion of green features in new development properties, posing a risk of exceeding the capital expenditure budget. There will also be increased compliance costs to meet more stringent green building standards (eg. Green Mark)</p>	●	●	<p>The Group will stay abreast of the latest regulatory standards and developments by attending training courses and incorporating sustainability considerations to meet both regulatory and customer requirements where applicable. Additionally, the Group will maintain its existing Green Mark-certified projects and properties and target to achieve Green Mark certification for all new projects.</p>
	Time Period: Medium, Long			
	Likelihood: Likely			
	Financial Impact: Increased operational expenses and compliance costs			

● Very low ● Low ● Moderate ● Significant ● High

	Risk	Impact (1.5°C)	Impact (1.8°C)	Risk Mitigation
	Transition Risks			
Policy and Legal	Enhanced reporting requirements Construction, Interior contracting, Property Development and Investment: Additional compliance costs may be incurred to meet more stringent reporting requirements, the lack of data availability or incomplete disclosure could lead to potential cost of non-compliance and invite investor scrutiny	●	●	With the assistance of external consultants, the Group will continually monitor evolving sustainability reporting requirements to ensure compliance with future regulatory changes and address stakeholders' needs and expectations. The Group's Management has also participated in workshops to understand the new emission reporting regulations.
	Time Period: Short, Medium, Long			
	Likelihood: Certain			
	Financial Impact: Increased compliance costs			

● Very low ● Low ● Moderate ● Significant ● High

	Risk	Impact (1.5°C)	Impact (1.8°C)	Risk Mitigation
	Transition Risks			
Technology	<p>Increased utilisation of technology and sustainable solutions such as constructing manufacturing off-site</p> <p>Construction, Interior contracting, Property Development and Investment: The Group's procurement and skills strategies will be affected by alterations in building designs made to facilitate the adoption of technology</p>	●	●	<p>The Group continually explores new low-carbon technological opportunities for adoption and will consider integrating more energy-efficient construction techniques across our portfolio.</p>
	Time Period: Short, Medium, Long			
	Likelihood: Certain			
	Financial Impact: Increased operational and investment costs			
Market	<p>Changes in investor and financier preferences and expectations with regard to ESG considerations</p> <p>Property Development and Investment: Limited availability of project financing and heightened investor scrutiny for projects failing to meet the necessary green financing criteria</p>	●	●	<p>The Group continues to integrate ESG considerations into our business strategy, ensuring that our projects align with sustainable development goals and seek green certifications such as the Green Mark to demonstrate our commitment to sustainable practices and meet ESG-focused investors and financiers' expectations.</p>
	Time Period: Medium, Long			
	Likelihood: Possible			
	Financial Impact: Reduced access to capital and financing			

● Very low ● Low ● Moderate ● Significant ● High

	Risk	Impact (1.5°C)	Impact (1.8°C)	Risk Mitigation
	Transition Risks			
Market	<p>Changing customer behaviour and demand patterns</p> <p>Construction, Interior contracting, Property Development and Investment: Inability to adapt to the change in market and consumer preferences towards sustainable product offerings may negatively affect our competitiveness and reputation</p>	●	●	<p>The Group has established a sustainability strategy and will continue to advance our sustainability agenda and goals. We regularly engage with our customers and constantly strive to align our projects with customer requirements.</p>
	Time Period: Medium, Long			
	Likelihood: Possible			
	Financial Impact: Reduced revenue due to reduced demand			
Reputational	<p>Changing customer and stakeholder expectations in relation to ESG considerations</p> <p>Construction, Interior contracting, Property Development and Investment: Market and stakeholders' expectations are changing as awareness of climate change and its impacts grows. An inability to meet or manage their expectations will increase stakeholder concern and potential loss of customers</p>	●	●	<p>The Group has established a sustainability strategy and will continue to advance our sustainability agenda and goals. We regularly engage with our stakeholders and customers on ESG issues. There are ongoing efforts to improve our ESG disclosures and performance to meet stakeholders' expectations.</p>
	Time Period: Medium, Long			
	Likelihood: Possible			
	Financial Impact: Reduced revenue due to reduced demand			

Climate-related Opportunities

	Opportunities	Realisation Control
Resource Efficiency	<p>Decarbonise operations by incorporating more energy-efficient construction processes</p> <p>By adopting more energy-efficient processes, the Group can reduce energy usage, waste and save on material and labour costs, thus enhancing profitability</p>	<p>The Group will continue to adopt more energy-efficient processes to reduce energy consumption and waste. The Group will monitor and assess its existing construction processes through process review meetings held with various departments on a frequent basis.</p>
	Time Period: Short, Medium	
	Likelihood: Certain	
	Financial Impact: Increased construction capacity, resulting in decreased costs and increased revenue	
	<p>Reduced operating costs by promoting and increasing recycling efforts</p> <p>The Group can minimise waste and reduce the need for new materials through increasing its recycling efforts, thus lowering environmental impacts and potentially decreasing operating costs</p>	<p>The Group will expand its recycling efforts in construction projects. In addition to current practices of recycling concrete and reinforcing bars, the Group will explore opportunities to recycle and reuse other materials where practicable.</p>
	Time Period: Short, Medium	
	Likelihood: Certain	
	Financial Impact: Reduced operating costs	
	<p>Increased asset value through the design of efficient buildings</p> <p>Buildings designed with efficiency in mind have a longer lifespan and better performance, which enhances asset value and attract quality tenants and buyers</p>	<p>The Group will continue to incorporate green buildings into our property portfolio and seek green building certifications wherever possible. This approach enhances the Group's returns and allows for higher pricing, driven by the growing demand for energy-efficient buildings.</p>
	Time Period: Short, Medium	
	Likelihood: Certain	
	Financial Impact: Increased value of assets, reduced operating costs and increased revenue	

	Opportunities	Realisation Control
Resource Efficiency	<p>Reduced water usage due to development of water-saving systems and solutions</p> <p>Implementing water-saving systems, such as rainwater harvesting, and installing water-efficient appliances and fixtures, can appeal to environmentally conscious buyers and contribute to achieving certifications like LEED</p>	<p>The Group will identify potential areas for integrating water-saving systems across our portfolio and explore water-saving technologies such as water-efficient fixtures, motion-activated taps and dual flush closets to enhance the marketability of our development and investment properties.</p>
	Time Period: Short, Medium	
	Likelihood: Certain	
	Financial Impact: Increased value of assets and increased revenue	
Energy Source	<p>Increased use of low-emission energy sources</p> <p>Improving energy efficiency in both new and existing buildings can significantly reduce operational costs and attract environmentally conscious buyers. This includes retrofitting older properties with modern energy-saving technologies and systems</p>	<p>The Group will continue to adopt low-emission energy sources such as the installation of EV chargers in our buildings. Additionally, we will explore integrating renewable energy solutions, including using solar panels as an electricity source to reduce our carbon footprint, where practicable.</p>
	Time Period: Short, Medium	
	Likelihood: Likely	
	Financial Impact: Reduced operating costs	
Energy Source	<p>Increased use of supportive policy incentives to support the adoption of new technologies</p> <p>Policy incentives encourage organisations to invest in and implement new, low-emission technologies by offering benefits such as tax credits, grants, and other financial incentives when companies invest in energy-efficient technologies or renewable energy sources</p>	<p>The Group shall consider grants or incentives provided by the government or governmental agencies to help reduce the initial cost of adoption in our transition to more sustainable practices and technologies. We will evaluate these incentives along with the adoption of new technologies in the context of its feasibility and returns on investment.</p>
	Time Period: Short, Medium	
	Likelihood: Likely	
	Financial Impact: Reduced capital investment costs for adoption of new technologies	

	Opportunities	Realisation Control
Products and Services	<p>Market Differentiation and Enhanced Brand Image</p> <p>Enhancing brand reputation through leadership in sustainability can attract customers and partners who prioritise environmental responsibility. By offering certified green buildings and communities, the Group can differentiate its products in the market and appeal to those seeking environmentally conscious options</p>	<p>The Group will explore opportunities to meet the growing demand for green buildings by incorporating green features across our portfolio and pursuing building certifications, such as Green Mark and Green and Gracious Builder, where feasible.</p>
	Time Period: Short, Medium	
	Likelihood: Likely	
	Financial Impact: Increased revenue due to increased demand for green buildings	
Markets	<p>Increased access to sustainable and green financing</p> <p>As demand for green financing grows, companies with strong ESG performance will gain better access to ESG investment funds and sustainable finance options, such as green bonds and sustainability-linked loans. This is driven by investors increasingly focusing on environmentally sustainable projects and local banks evaluating ESG risks when providing project financing. By adopting sustainable practices and meeting investor expectations, the Group can enhance its access to funding and capitalise on the growing adoption of green financing</p>	<p>With increased access to a wider pool of ESG-centric investors and lenders, the Group will explore alternative financing options, such as green loans, and continue to improve our ESG disclosures to meet investor expectations for sustainability-related information.</p>
	Time Period: Long	
	Likelihood: Possible	
	Financial Impact: Reduced capital and financing costs	
Resilience	<p>Participation in renewable energy programmes and adoption of energy efficiency measures</p> <p>Enhancing the resilience of properties to meet the evolving climate-related regulations such as energy efficiency and green building standards can help to protect asset value, reduce compliance costs and make properties more attractive to buyers and investors.</p>	<p>The Group will conduct climate risk workshops to assess the impact of climate change on assets and implement critical controls where necessary. We will stay up to date with emerging trends and regulations while consistently meeting stakeholder expectations through transparent disclosures and adopting energy-efficient measures to enhance the resilience of our properties.</p>
	Time Period: Medium, Long	
	Likelihood: Likely	
	Financial Impact: Reduced regulatory compliance costs, increased revenue through products and services that ensure resiliency	

Risk Management

We recognise that a failure to manage our climate change risks and adaptation efforts effectively could greatly affect our business. Lum Chang identifies and assesses climate-related risks through a periodic risk refresh and prioritisation process involving our Management, SC, and cross-functional representatives. These risks are determined and assessed based on their time horizons, likelihood, operational, and financial impacts.

The Group's risk mitigation efforts and responses are under the 'Strategy' section in the table above.

Metrics and Targets

Please refer to the Energy and Emissions section for detailed performance of our energy consumption and GHG emissions. We will evaluate and quantify the impacts and opportunities and include Scope 3 emissions in future sustainability reports.

Energy and Emissions

At Lum Chang, we place significant importance on energy use in our operational processes and endeavour to reduce its impact by enhancing energy efficiency, adopting green technology and systems and exploring renewable energy sources. In line with global and national efforts to tackle climate change, we also strive to reduce emissions-related impacts. We are dedicated to providing high-quality services while advancing the development of green buildings and promoting sustainable growth.

We have incorporated sustainable features that could lead to energy savings in the planning and design phases of our owned and managed properties and actively engaged our tenants to promote green practices, as summarised in the table below.

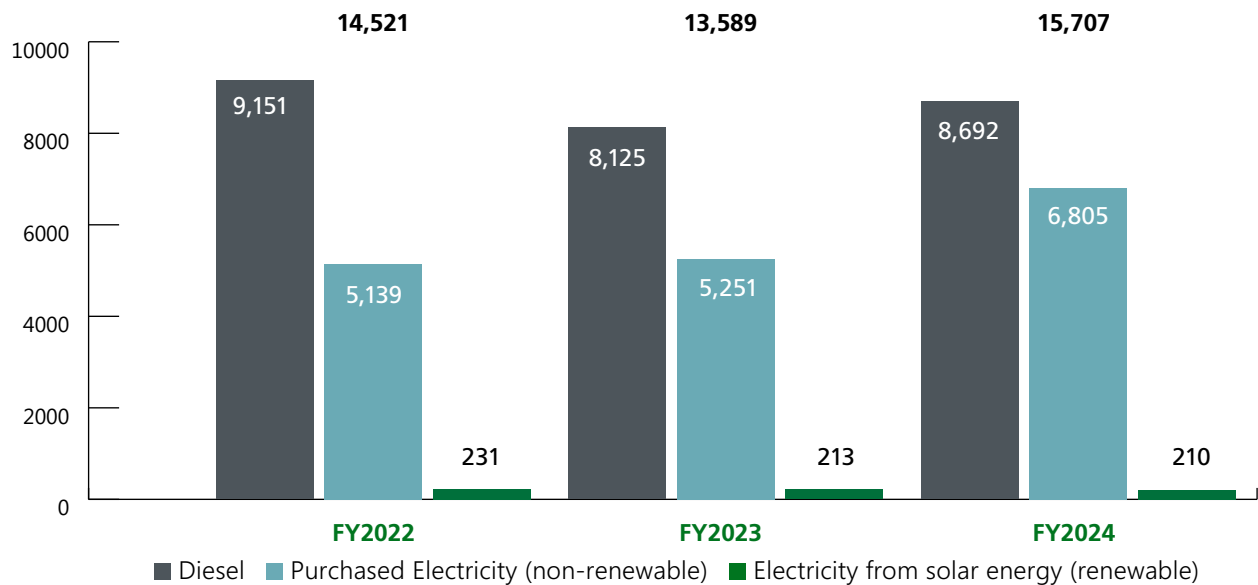
Properties	Energy-saving Measures
Lum Chang Building, Singapore	<ul style="list-style-type: none"> • Energy-reduction practices such as LED lighting and motion sensors to avoid unnecessary power use • Power saving mode is applied to office equipment such as computers and copy machines • Switching off lights and air-conditioning during lunch hours
Tekka Place, Singapore	<ul style="list-style-type: none"> • Use of daylight in common areas • Fixed meters to monitor energy consumption and cooling systems • Energy-efficient systems installed for air-conditioning, lighting and car park systems

As part of our ISO 14001 environmental management system, we closely track our energy and carbon emissions performance and proactively implement various strategies to reduce our carbon footprint.

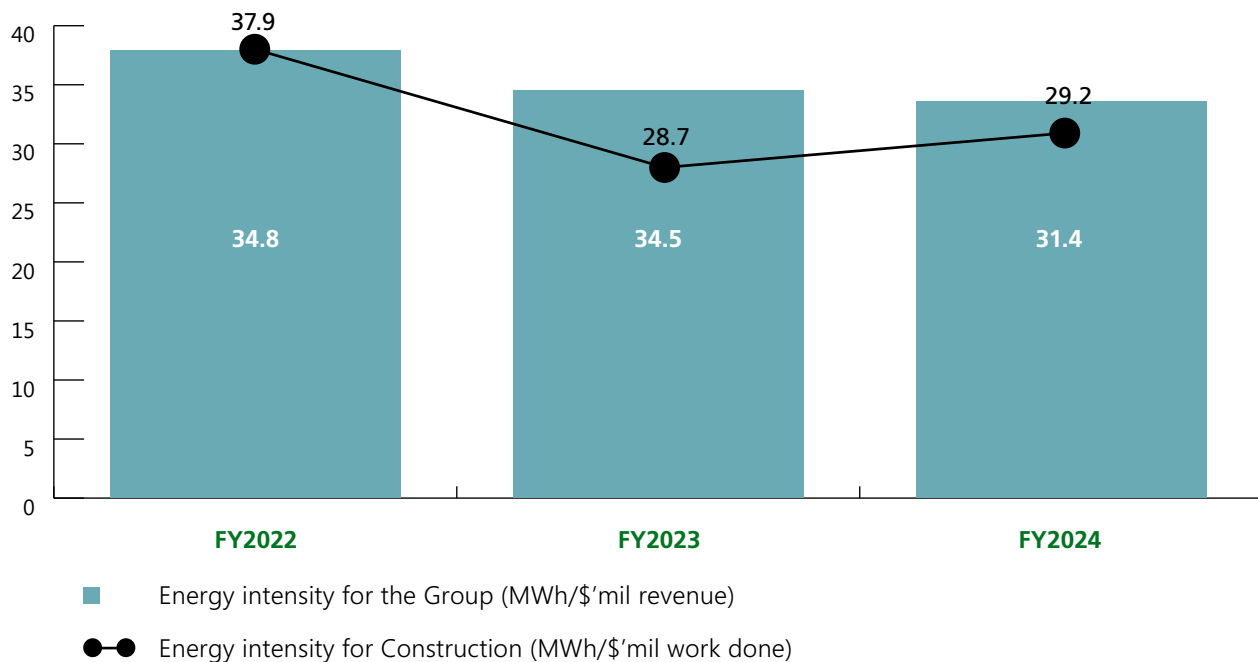
Our Performance

This year, we have expanded our scope of reporting on energy and emissions performance to include the Interior contracting division in addition to our Construction division, Lum Chang Building and Tekka Place as reported in previous years. In FY2024, our total energy consumption recorded was 15,706.7 MWh. The overall increase in energy consumption is primarily due to the greater complexity of the work scope for two ongoing major projects, which required additional resources and construction equipment to meet project demands. This is also reflected in the slight increase in energy intensity for the Construction division. The energy intensity for the Group decreased by 9.1% compared to FY2023, falling to 31.4 MWh per million revenue generated.

Total Energy Consumption for the Group (MWh)



Energy Intensity for Construction and the Group



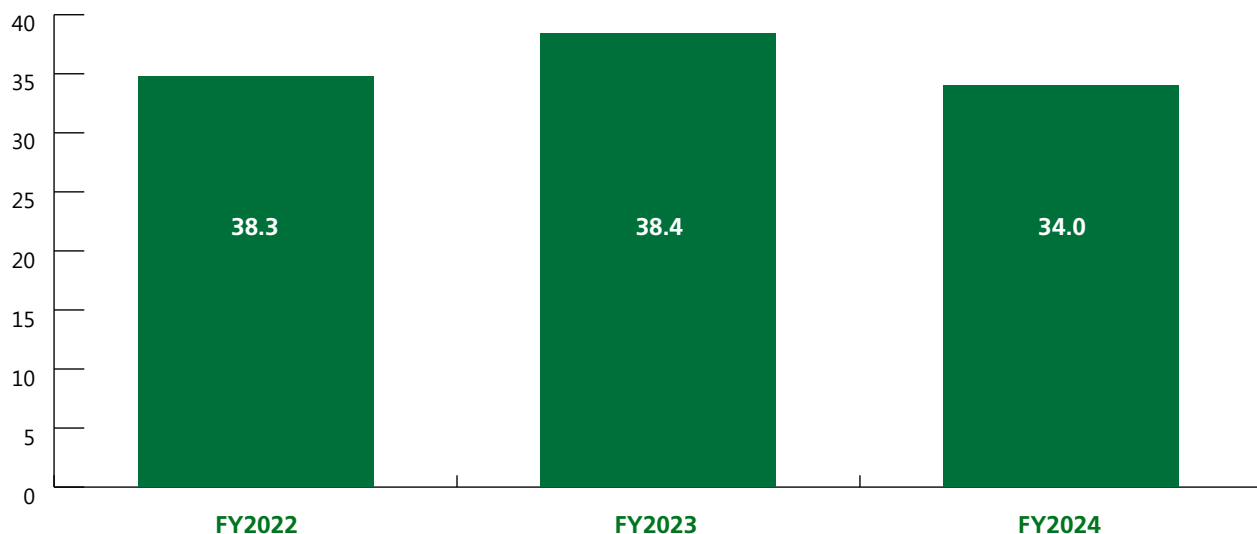
¹ Energy consumption and energy intensity figures reported at the Group level include the Construction division, Lum Chang Building, Tekka Place and the Interior contracting division (newly added for FY2024).

² Diesel usage is primarily from the Construction division, used in vehicles operating within project sites.

³ The energy intensity of the Construction division for FY2022 & FY2023 have been restated. The corrected values are 37.9 and 28.7 respectively.

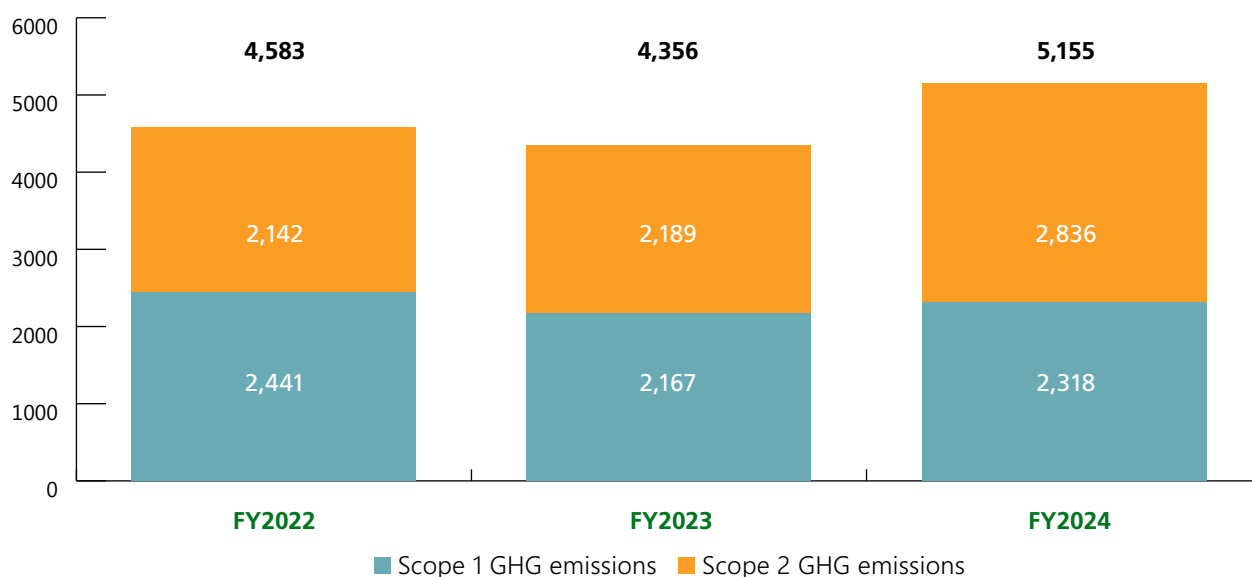
As part of our commitment to energy efficiency, we generate some of our electricity from solar panels owned by the Group. The electricity generated is partially consumed by our operations, while any excess electricity generated from the solar panels is sold back to the grid. Electricity used from solar energy totalled 210.0 MWh, a slight decrease from 212.5 MWh in FY2023. The total electricity sold back to the grid was 34.0 MWh. Currently, two of our project sites, use solar-powered electricity.

Total Electricity sold back to the Grid (MWh)



The increase in energy consumed is also reflected in our Greenhouse Gas (GHG) emissions performance, where our Scope 1² GHG emissions amounted to 2,318.1 tCO₂e and Scope 2³ GHG emissions amounted to 2,836.4 tCO₂e. Our emissions intensity measured 10.3 tCO₂e per million revenue generated, a 7.0% decrease compared to FY2023.

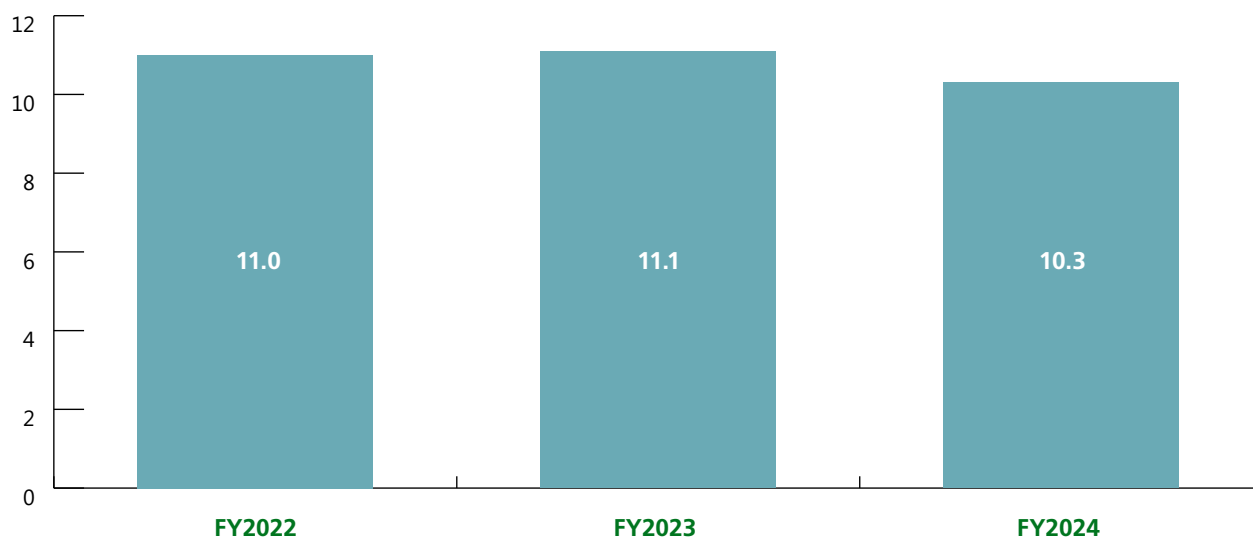
Scope 1 and Scope 2 GHG Emissions for the Group (tCO₂e)



² Scope 1 emissions are calculated using the World Resources Institute (2015) GHG Protocol tool for mobile combustion (version 2.6) and stationary combustion (version 4.1).

³ Scope 2 emissions are calculated using the Grid Emission Factor for 2022 published by Singapore's Energy Market Authority (EMA).

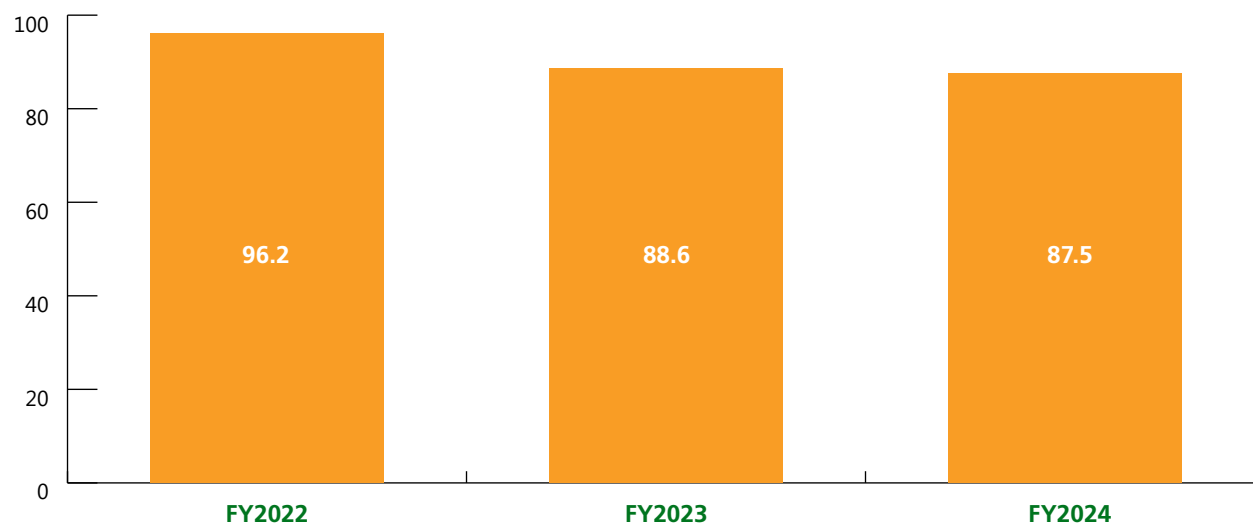
Scope 1 and Scope 2 Emissions Intensity (tCO₂e/\$ million revenue)



- ¹ Scope 1 GHG emissions figures are primarily from the Construction division, as fuel consumption from Lum Chang Building, Tekka Place and the Interior contracting division do not significantly contribute to Scope 1 emissions.
- ² Scope 2 GHG emissions figures are now reported at the Group level, which includes the Construction division, Lum Chang Building, Tekka Place and the Interior contracting division (newly added for FY2024).
- ³ Scope 2 GHG emissions for FY2022 and FY2023 have been restated due to a change in calculation methodology and the revision to a higher electricity carbon emission factor using the latest Singapore Grid Emission Factor (2022).

The Group's Scope 2 emissions avoided through the use of solar-powered electricity decreased from 88.6 tCO₂e to 87.5 tCO₂e due to lower overall electricity consumption at the two project sites.

Scope 2 Emissions avoided (tCO₂e)



- ¹ Scope 2 GHG emissions avoided for FY2022 and FY2023 have been restated due to a revision to a higher electricity carbon emission factor using the latest Singapore Grid Emission Factor (2022).

Water

Water is a vital resource used in our operations for general cleaning and washing of vehicles and as an input for construction purposes. Our reliance on water necessitates a strong focus on water conservation efforts and sustainable management of our water resources.

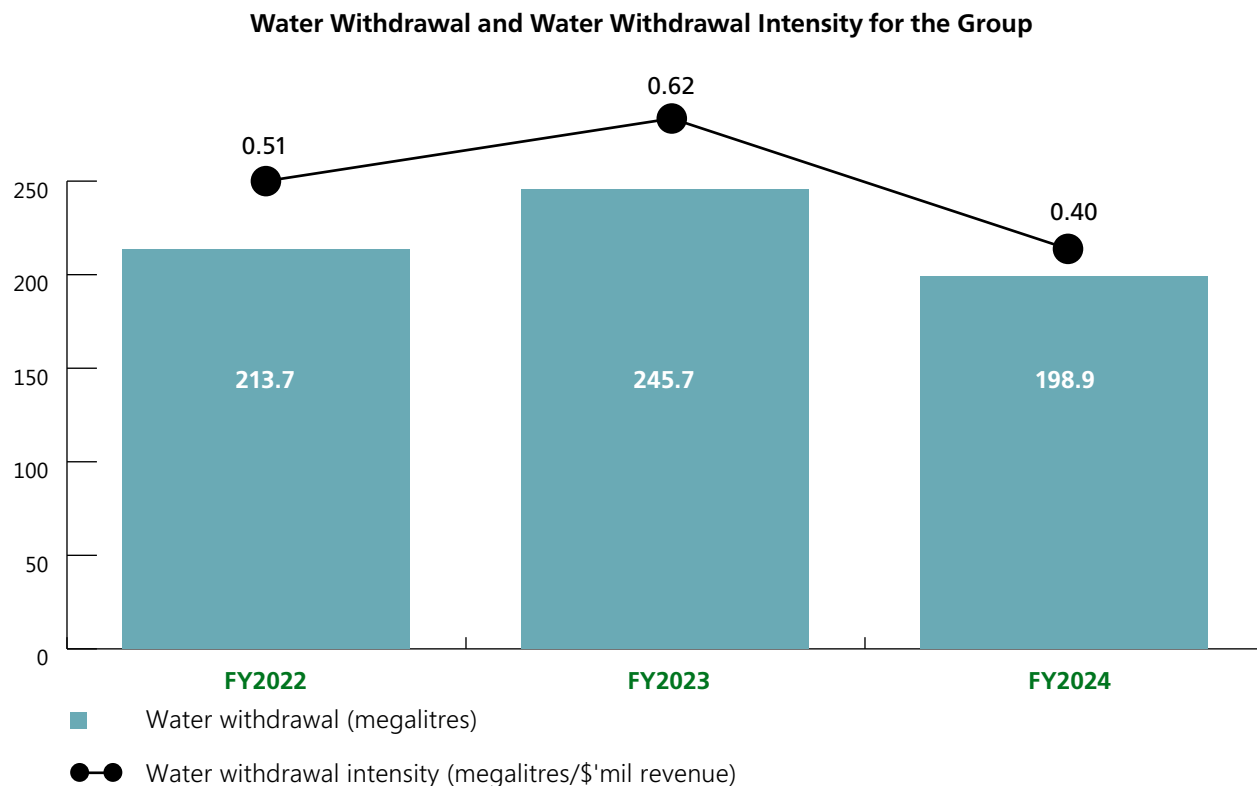
To support these efforts, we have rainwater harvesting tanks and systems on-site to collect and process rainwater. This reduces reliance on municipal suppliers for potable water and contributes to water conservation. We have also installed water-saving taps at our project sites and corporate office to minimise water wastage.

We have aligned our practices with local regulations and best practices to manage wastewater responsibly and protect our environment and surrounding communities. The Public Utilities Board (PUB) and the National Environment Agency (NEA) strictly regulate wastewater discharge in Singapore. We obtain clearance from PUB for any building and structural works to protect the integrity of the public sewerage and drainage systems during construction works.

Additionally, we have implemented Earth Control Measures (ECM) to prevent earth, silt, or any contaminated runoff from being discharged into public sewerage systems and open drains. In adherence to the Environmental Protection and Management (Trade Effluent) Regulations, we monitor the quality of discharged water by ensuring that wastewater is properly treated, with Total Suspended Solids (TSS) and Total Dissolved Solids (TDS) readings not exceeding the legal limit of 50mg/litre and 1,000mg/litre respectively, before being released into public drains.

Our Performance

We achieved a 19.1% reduction in water withdrawal in FY2024 compared to the previous year.



¹ The water withdrawal and water withdrawal intensity figures are now reported at the Group level, which includes the Construction division, Lum Chang Building, Tekka Place and the Interior contracting division (newly added for FY2024).

Waste Management

Responsible waste management is a critical part of our sustainability strategy. The construction industry has the potential to generate large amounts of waste, such as unused materials and by-products from construction activities. We aim to minimise waste generation and expand waste recycling efforts across all our construction projects.

To drive cost and time efficiencies in construction, we use precast concrete elements and prefabricated MEP (Mechanical, Electrical and Plumbing) components, which are produced in controlled environments off-site before being transported and assembled at the project site. This has enabled us to ensure precise material usage and generate less waste compared to traditional on-site casting. Additionally, we adopt steel structural systems in our projects. Steel is highly recyclable, allowing us to reduce construction waste through reuse and recycling.

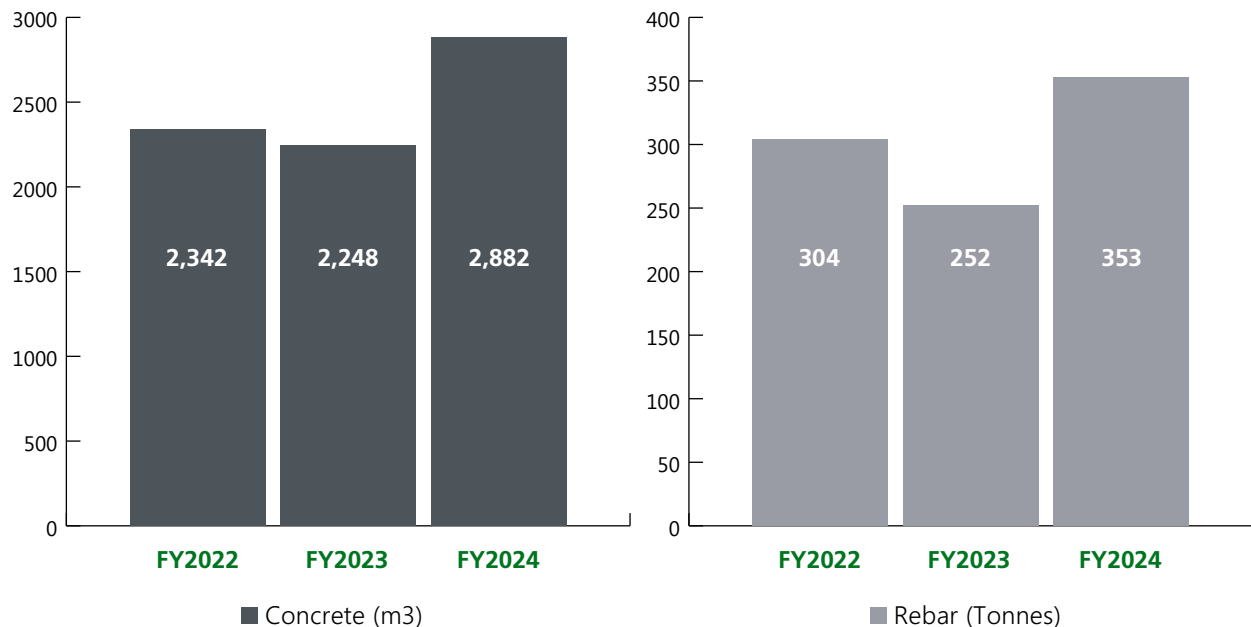
We identify and segregate materials that can be reused or recycled at our project sites. 100% of our concrete and reinforced steel bars (rebar) waste generated from our construction activities are sent for recycling. Excess debris and general construction waste are collected in designated bins for proper disposal by licensed contractors.

At our retail property Tekka Place, recycling bins are provided in the building to encourage tenants and shoppers to recycle e-waste, paper, and plastics.

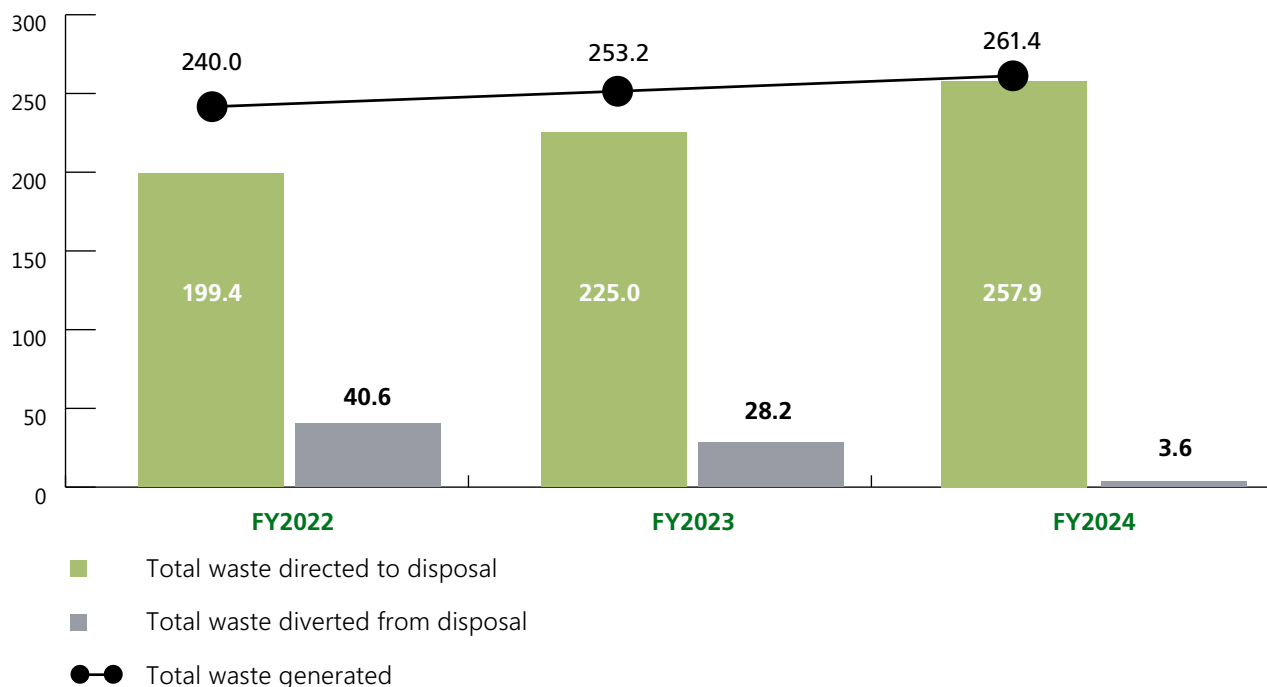
Our Performance

Total waste generated figures for Construction, Lum Chang Building and the Interior contracting division will be reported in subsequent sustainability reports, where practicable. The decrease in waste diverted from disposal or recycling at Tekka Place is due to a change in the type of tenants in FY2024, which has led to a reduction in recyclable waste.

Waste Diverted from Disposal (Recycled) for Construction



Total Waste Generated, Diverted from and Directed to Disposal for Tekka Place (Tonnes)



Noise and Vector Management

Water is a vital resource used in our operations for general cleaning and washing of vehicles and as an input Lum Chang remains steadfast in managing noise levels and preventing vector breeding at our construction sites to keep our workers and residents safe.

Noise levels at construction sites are regulated by the NEA in Singapore, which requires us to abide by the permissible noise limits under the Environmental Protection and Management (Control of Noise at Construction Sites) Regulations. We continuously engage with the community to seek their understanding of the construction works and take necessary measures to address any noise-related complaints raised by nearby residents. Noise management measures at our construction sites include the use of portable and non-portable noise meters for continuous monitoring and compliance against regulated limits, installation of noise barriers, and use of alternative construction methods to keep noise levels low.

Guided by our ISO 45001 occupational health and safety management system, we have implemented comprehensive measures to ensure regular housekeeping and prompt destruction and treatment of potential mosquito breeding habitats. We engage pest control companies to carry out regular insecticide spraying. Site audits are also conducted to detect and prevent any lapses in vector control. To ensure that our workers are aware of the prevention methods and vector control measures, we continually educate them on vector breeding prevention, and place environmental notices at our sites as ongoing reminders.

Biodiversity

Lum Chang is aware of the potential disruptions that construction activities may cause to natural habitats and ecosystems. As such, we adopt a balanced approach to managing biodiversity impacts across our projects and developments. We ensure that the delivery of high-quality projects while minimising any long-term damage to the surrounding community and reversing these impacts through habitat enhancements.

For developments within protected areas or nature reserves, necessary Environmental Management and Monitoring Plans (EMMP) and Environmental Impact Assessments (EIA) are conducted and submitted in the pre-development phase. These assessments survey the environmental conditions within the project site, including water quality, ambient noise, ambient air quality, ecology and biodiversity. The ongoing development of the Mandai Rejuvenation Project requires us to follow the respective Environmental Management and Monitoring Plan (EMMP). The project is in the vicinity of the Central Catchment Nature Reserve and the Upper Seletar Reservoir and includes the construction of an arrival node, a transport hub, nature-themed indoor attractions and an eco-resort. It is an example of a carefully conceived design and construction plan. We work closely with relevant government agencies to comply with design development and construction methods aligned with environmental management requirements, ensuring sensitivity to the natural habitats and surrounding flora and fauna in Mandai.

ECONOMIC IMPACTS ON THE ORGANISATION AND SOCIETY

Lum Chang's financial performance significantly impacts our shareholders and stakeholders as we strive to create substantial benefits for our economies, people, and society at large. The employment opportunities generated from our business activities drive economic development in the countries where we operate and support livelihoods throughout our supply chain.

We seek to enhance our potential for economic value generation by adopting technological advancements. We aim to improve customer satisfaction with our offerings and secure our position as a reputable and trusted name. We focus on adopting digital-centric solutions that deliver long-term business value, which involves harnessing advanced technologies and intelligent systems, such as the Internet of Things (IoT), Artificial Intelligence (AI), smart sensors, cloud analytics, and Building Information Modeling (BIM). These innovations replace manual and repetitive tasks, boosting productivity, efficiency, and quality across our operations. We are committed to delivering high-quality products and services, generating profits, and securing optimal returns for our shareholders.

Economic Performance

We generate significant economic value that benefits the economies in which we operate and our stakeholders, including our customers, employees, and suppliers. We aim to drive long-term value creation for our stakeholders while aligning our economic objectives with our broader environmental and societal goals. By focusing on sustainable economic performance, we ensure the delivery of high-quality products and services, sustainable returns for investors, and the pursuit of technological advancements and innovative solutions, further solidifying our position in the industry.

Our Performance

Amidst challenging macroeconomic conditions, the Group generated a direct economic value of \$500.4 million, marking an 27.2% increase and a profit of \$9.3 million for the year ended 30 June 2024, mainly due to increased construction activities in both building and interior divisions.

Please refer to pages 58 and 59 of the Annual Report for more details on our financial performance in FY2024.

Group	Unit	FY2022	FY2023	FY2024
Total revenue	\$'000	416,790	393,421	500,418
Profit/(loss) after tax	\$'000	(11,382)	(27,610)	9,261

¹ Based on consolidated financial statements for the Group. Unless otherwise stated, all figures are presented in Singapore Dollars ("S\$").

Digitalisation and Innovation

Digitalisation and innovation are key drivers of Lum Chang's strategy to enhance operational efficiency, improve project outcomes, and stay ahead in a competitive industry. We are committed to leveraging advanced technologies to streamline processes, reduce costs, and elevate the quality of our work. We have been at the forefront of adopting sustainable building solutions such as Building Information Modelling (BIM) to enhance project management and reduce carbon footprint in designing, building, and managing assets, thereby supporting Singapore's transition to a Smart Nation.

Digitalisation Initiatives

To safeguard the health and safety of our construction workers, we use remote worksite monitoring closed-circuit television (CCTV) cameras to identify safety lapses in real time and assist with investigations in the event of an incident. Additionally, our heavy machinery is equipped with AI proximity sensors to detect people, obstacles, and moving objects around blind spots, providing visual and audible warnings to reduce the risk of incidents and enhance overall site safety.

We utilised laser scanning for the Family Justice Court's Addition and Alteration project. The 3D model developed from the laser-scanned point cloud was used to integrate the new additional and alteration works with the old 2D as-built drawings. We employed 3D internal photogrammetry for the retrofitting of the courtrooms. By capturing images with a 360-degree camera, we created various views including the Dollhouse View, Inside View and Floorplan View, providing a comprehensive and immersive visualisation of the interior space.

Furthermore, we leverage advanced technologies to maintain strong branding and consistently deliver quality products. For instance, we use Virtual Reality (VR) technology to provide immersive digital designs, enabling clients to experience and visualise our projects more effectively. We have also automated our payment processes by utilising 5D BIM, particularly with the 3D model function of the costX BIM software. This allows our Quantity Surveyors and clients to visually verify work progress and easily retrieve necessary data for Progress Payments. This approach represents a significant improvement over traditional methods by allowing visual simulation of construction sequences and accurate cost estimation, replacing the need for hardcopy prints and enhancing both efficiency and accuracy in project management as well as overall customer experience. The Construction division is committed to exploring and integrating other BIM dimensions in our projects.

For workplace management, we introduced the digital 'Time Clock' mobile app for payroll processing. This app digitalises and replaces the traditional hardcopy 'Worker Time-Card', allowing automatic transfer of workers' time data to the payroll system for salary processing. Using the app has helped improve overall productivity by at least 35%.

In addition, we have implemented customised templates and add-in software to improve our rebar modelling process. Rebar lengths exported from models are automatically included in the ordering form, thus streamlining the procurement process. The customised modelling software also enables better visualisation of rebar congestion and connections, minimises rebar shape and bending length error, thereby improving the accuracy of our structural designs.

In our ongoing efforts to digitalise our construction methods, we have embraced the digital fabrication process, which combines 3D modeling and computing-aided design with manufacturing. We utilised this method in the construction of the entrance canopy at the Northpoint City project where a detailed 3D model is built and sent to the factory for Computer Numerical Control laser cutting. Additionally, we plan to continue using prefabrication and modularisation techniques in the Mechanical, Electrical and Plumbing (MEP) systems. For example, we installed modular MEP plant rooms in the Woodlands North Coast project. This facilitated the easy installation of MEP services and equipment on site, leading to significant productivity improvements.

Product Quality and Service

At Lum Chang, we place strong emphasis on delivering every project with the highest standards of excellence, from design to execution. We implement stringent quality control measures to ensure that our projects not only meet regulatory requirements but also contribute to the long-term satisfaction of our customers and fulfill stakeholder expectations.

The Group's robust Quality Management System, certified ISO 9001:2015, demonstrates our commitment to adhering to local and international benchmarks and standards. This system guides the management, processes, and monitoring of quality across our operations, including quality inspections, assessments, and practices. Continuous improvement is also a key aspect of our quality management process, where we identify areas for improvement on an ongoing basis. We have established a supplier and contractor assessment process to ensure that we work with business partners who align with our commitment to delivering quality products and services to our customers while optimising our financials. This involves defining a clear scope of work, setting performance expectations, and fostering trust and transparency in our business relationships.

We continue to monitor the quality of our projects through BCA's Construction Quality Assessment System (CONQUAS) score, the national standard assessment system on the quality of buildings based on three areas – Structural Works, Architectural Works, and Mechanical and Engineering (M&E) Works. We aim to maintain or be above the annual national CONQUAS score for private housing, public housing, and non-housing projects. In FY2024, the Group's industrial project, Mapletree Hi-Tech Park at Kallang Way (Kingsville), achieved an overall CONQUAS score of 93.5%.

OUR PEOPLE

At Lum Chang, the development and well-being of our employees are integral to our business's success and sustainable growth. We are committed to engaging and developing a diverse workforce, driving employee satisfaction, and retaining talent. In addition to offering comprehensive benefits packages, we significantly invest in training and upskilling our employees to ensure they are well-prepared for future market developments and trends.

Employee Management and Development

As of 30 June 2024, the Group had a total of 946 employees, of which 944 are permanent full-time employees and two are part-time employees.

We have established Human Resource (HR) policies on recruitment, promotion, annual performance appraisal and benefits. These policies are developed in accordance with local labour laws and regulations.

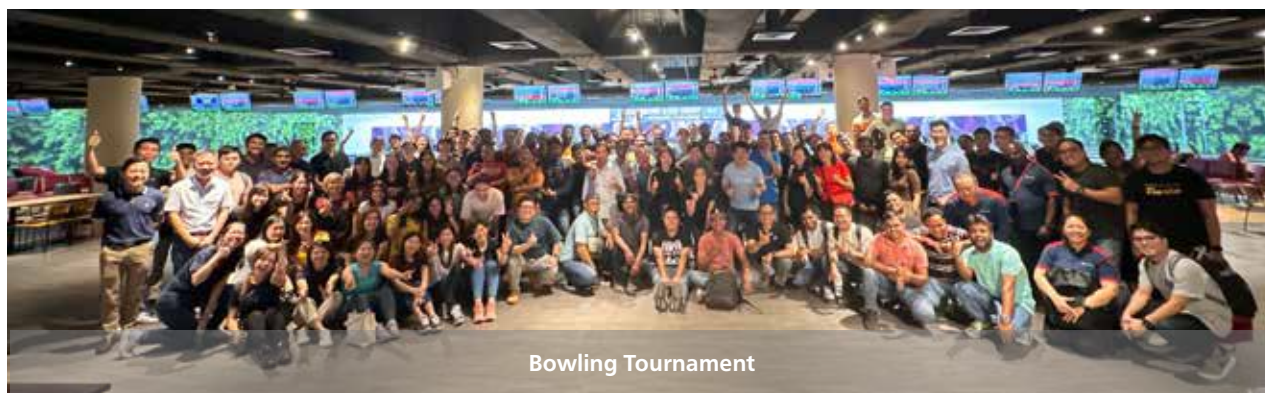
Benefits and Welfare

We firmly believe that attracting and retaining talent is a crucial driver of growth and success. Lum Chang offers competitive compensation and benefits packages aligned with industry norms. Adopting a merit-driven compensation structure, employees are remunerated based on their contributions, achievements, and job grades. We also conduct performance evaluations annually to ensure that our employees receive fair remuneration and provide them an opportunity to raise any concerns concerning their competencies, training, and career progression. In FY2024, 100% of our employees have received regular performance and career development reviews.

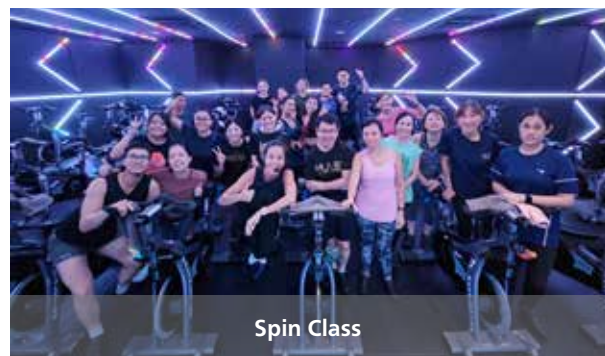
In line with the Employment Act and Singapore’s pro-family legislation and measures, the Group provides the following benefits

Healthcare	Disability and Invalidation Coverage	Pro-family Leave	Flexible Work Arrangement	Others
<ul style="list-style-type: none"> Dental and health screening subsidies Hospitalisation and surgical insurance coverage General practitioner outpatient and specialist medical benefits 	<ul style="list-style-type: none"> Personal accident insurance coverage Work injury compensation insurance coverage 	<p>For eligible employees:</p> <ul style="list-style-type: none"> Maternity leave Paternity leave Shared parental leave Childcare and extended childcare leave Unpaid infant care leave Adoption leave (where applicable) 	<ul style="list-style-type: none"> Flexible time arrangements 	<ul style="list-style-type: none"> Newborn gifts Care packages (fruit baskets, flowers/condolence wreaths) Examination leave Marriage leave Travel subsidy ranging from \$1,500 to \$2,000 per annum to six different continents except Asia, with no repetition in continents (Construction Division)

To cultivate a balanced work-life environment, our Recreation Committee has organised various team-building activities, including recreational sports events, fitness classes, annual dinner and dances, as well as donation drives. Family-friendly activities such as tufting workshops have been organised to include employees’ family members. These initiatives foster a sense of unity and belonging and help to enhance our employees’ productivity and job satisfaction. We have also established grievance policies and procedures to provide a safe channel for employees to raise their grievances without fear of negative repercussions.



Bowling Tournament



Spin Class



Tufting Workshop

Training and Development

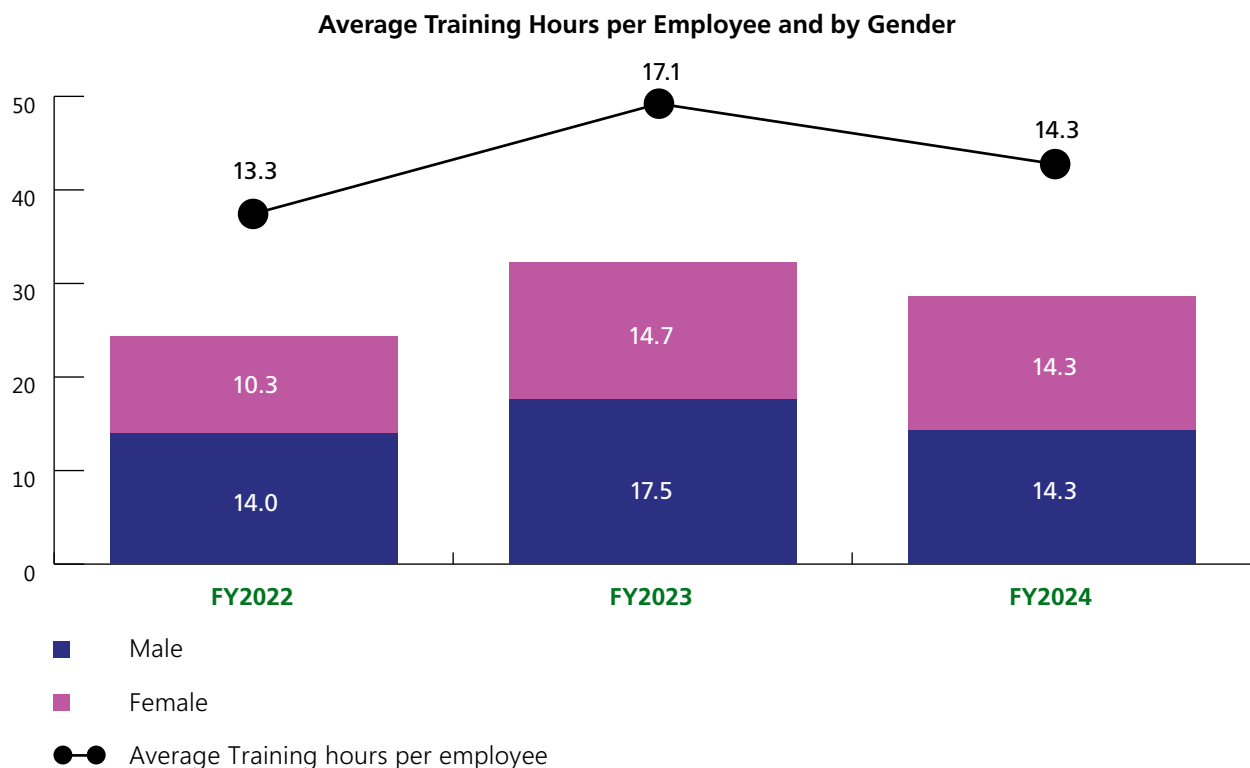
Employee development is key in retaining and nurturing a skilled workforce. Our employees undergo training courses, workshops, or seminars covering technical and soft skills. We arrange training programmes, including job-specific technical training, professional courses, executive and leadership development, and health and safety, in line with the latest industry trends and developments.

Furthermore, we ensure that our managers obtain role-specific professional qualifications and accreditations related to construction productivity and design for manufacturing and assembly. We also conduct a quarterly review of construction workers' experience to gather feedback, identify concerns and address their training needs.

Our Performance

In FY2024, our employees took up training programmes in areas of Property, Finance, Interior Contracting and Construction. These include BCA's Industry Sharing on BP/TOP Regulatory Updates 2024, Practical Applications for Generative AI for Corporate Professionals, Masterclass on Commercial Property Valuation, SS 580:2020 Code of Practice for Formwork Design and Safety, Good Industry Practices for Waterproofing for Internal Wet Areas, Specialist Diploma in Virtual Design and Construction (SDVDC), iBuildSG LEAD Horizon Programme's SUTD-BCA Innovation Bootcamp, Certificate in Building Contract Law (CBCL), Advanced Certificate in Construction Productivity and Certification Course for Green Mark Accredited Professional (GMAP).

We clocked in a total of 13,510 training hours and 14.3 hours per employee on average.



Average Training Hours by Employee Category



Employee Diversity and Inclusion

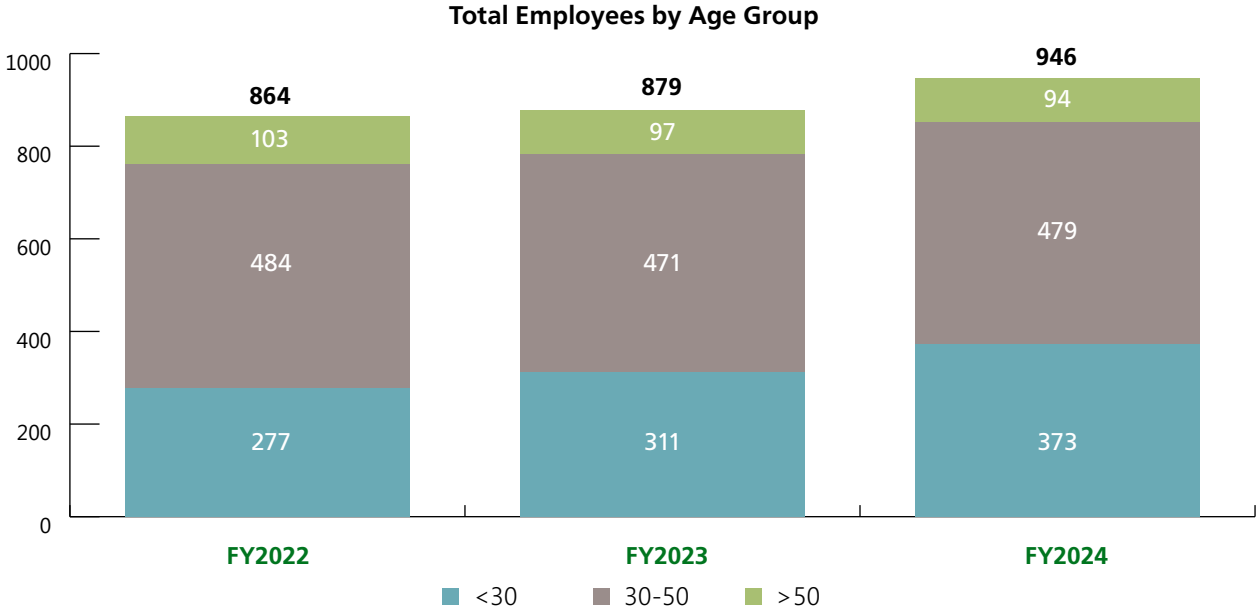
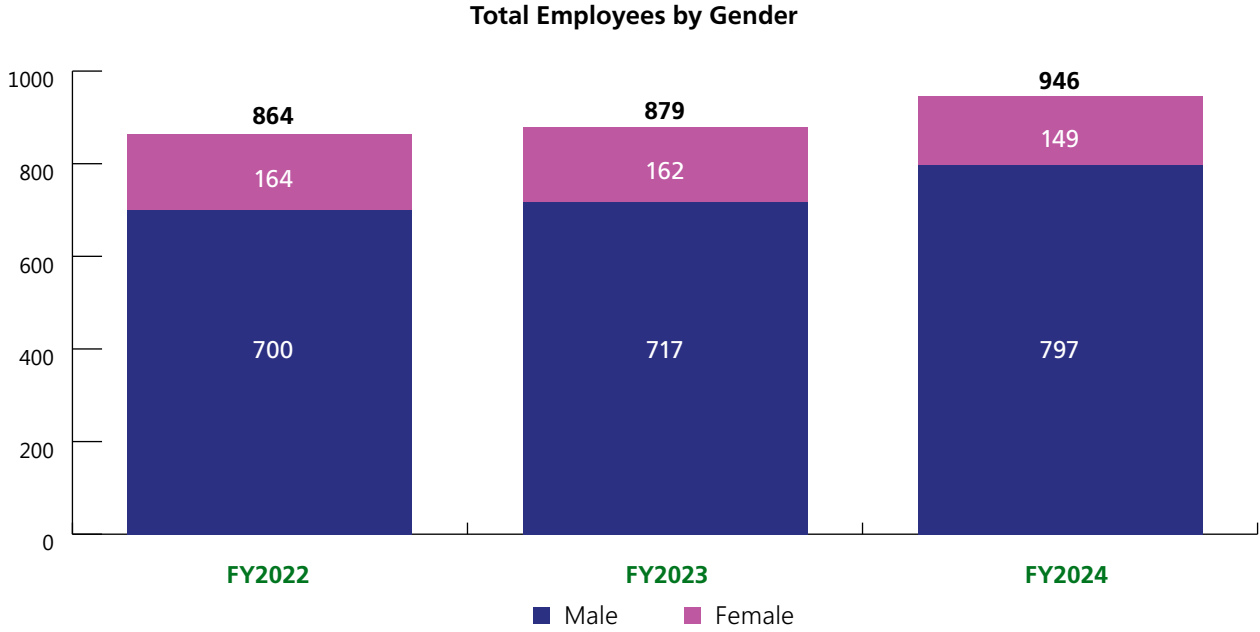
We believe dynamic and diverse work environments lead to a more motivated and productive workforce, where every employee feels valued for their contributions. Hence the Group strives to foster a workplace culture that upholds the principles of respect, fairness, equality and non-discrimination. Our recruitment and hiring processes are merit-based, regardless of age, gender, race, religion, or nationality.

The Group adopts a firm stance against any form of discrimination, child labour or forced labour. We are pleased to report that there were no incidents of discrimination in FY2024.

Our Performance

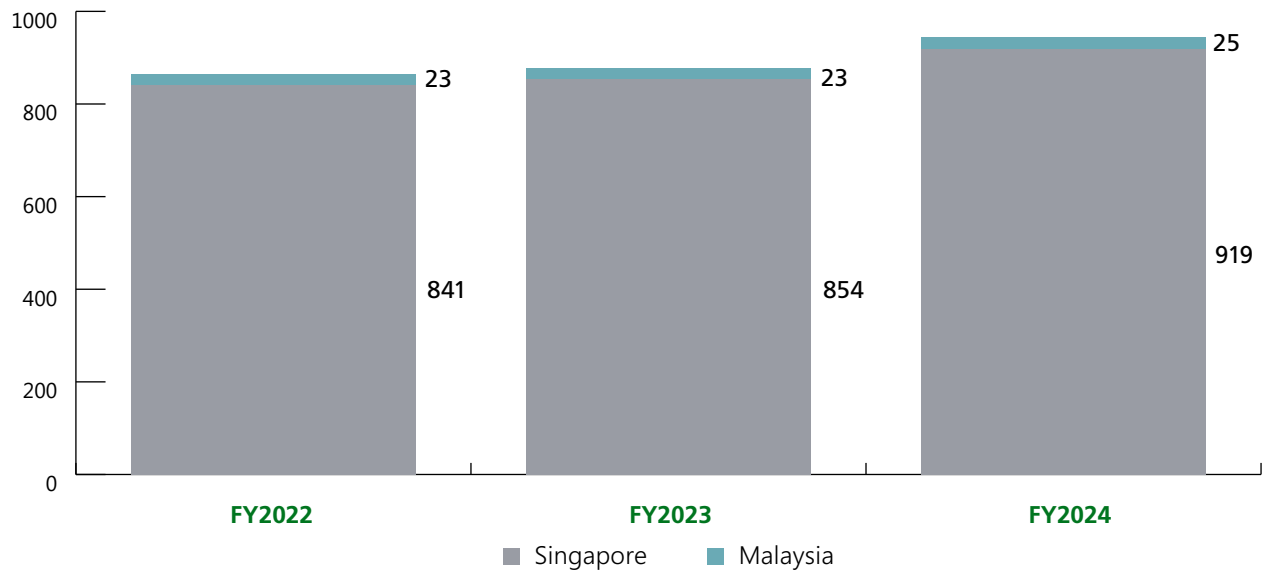
Our workforce comprises 84.2% male employees and 15.8% female employees. The proportion of employees below the age of 30 has increased compared to previous years (FY2023: 35.4%, FY2022: 32.1%), recording 39.4% this year. 50.6% are employees between the age of 30 to 50 while 9.9% are employees above the age of 50.

The total number of employees, along with their breakdown by age, gender, region and category⁴ is shown below.

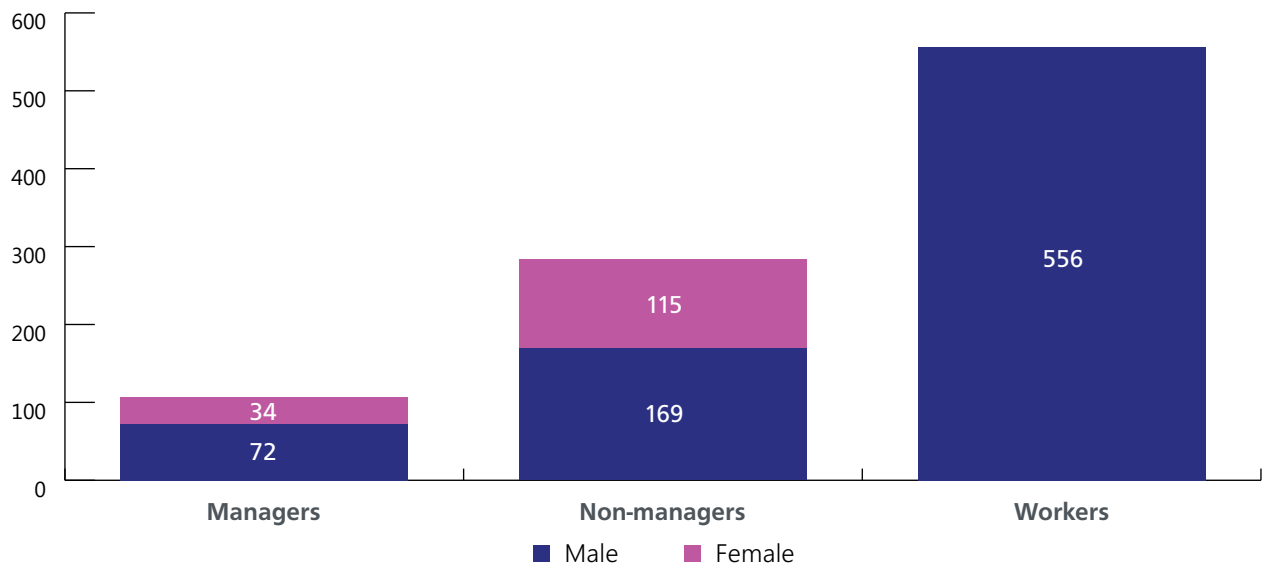


⁴ 'Managers' include all employees who are Assistant Managers and above. 'Non-managers' are employees below the rank of Assistant Manager that do not perform construction-related roles. 'Workers' include all other employees and foreign workers who are involved in general construction roles.

Total Full-time Employees by Region

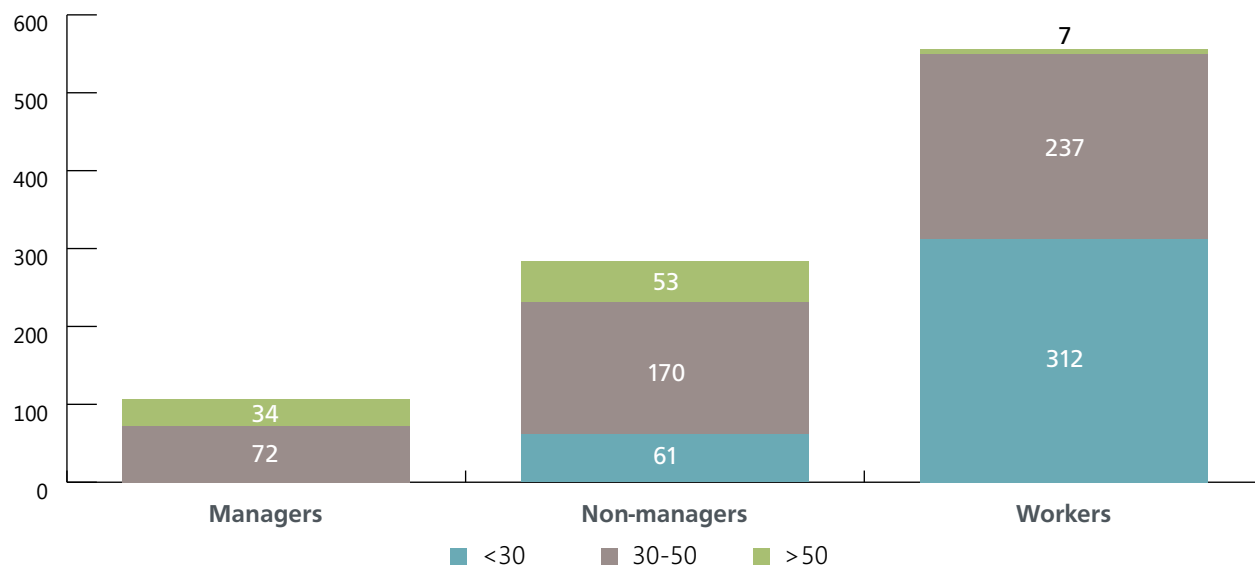


FY2024 Total Employees by Gender by Employee Category



Total Employees by Gender by Employee Category		FY2022	FY2023
Male	Managers	85	81
	Non-managers	203	181
	Workers	412	455
Female	Managers	37	39
	Non-managers	127	123
	Workers	0	0

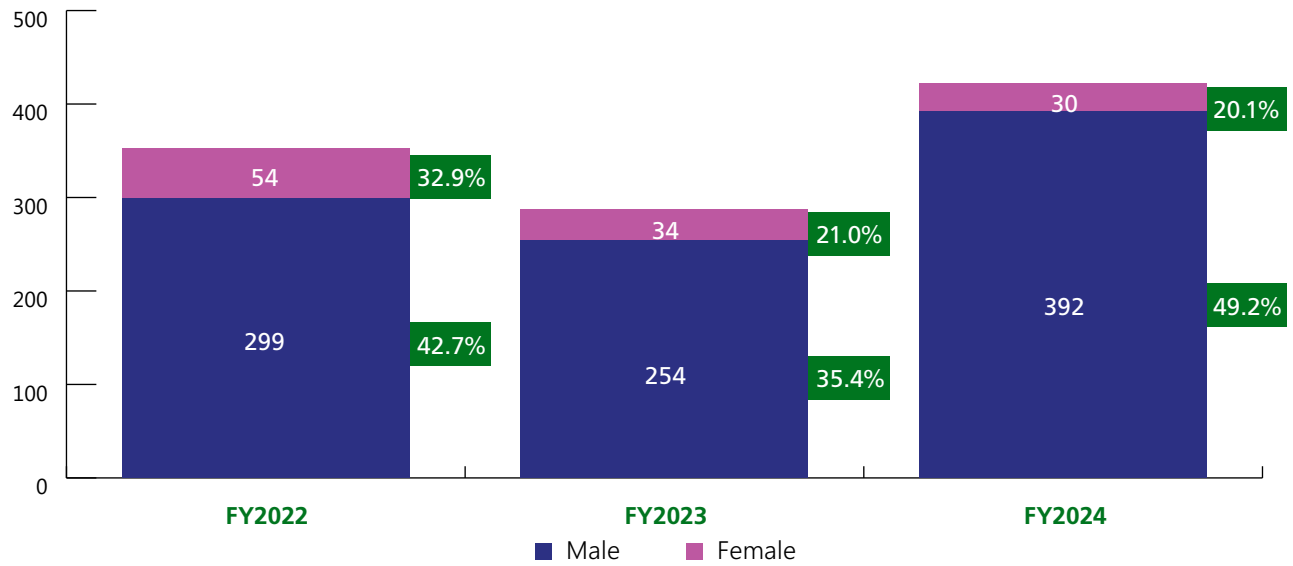
FY2024 Total Employees by Age Group by Employee Category



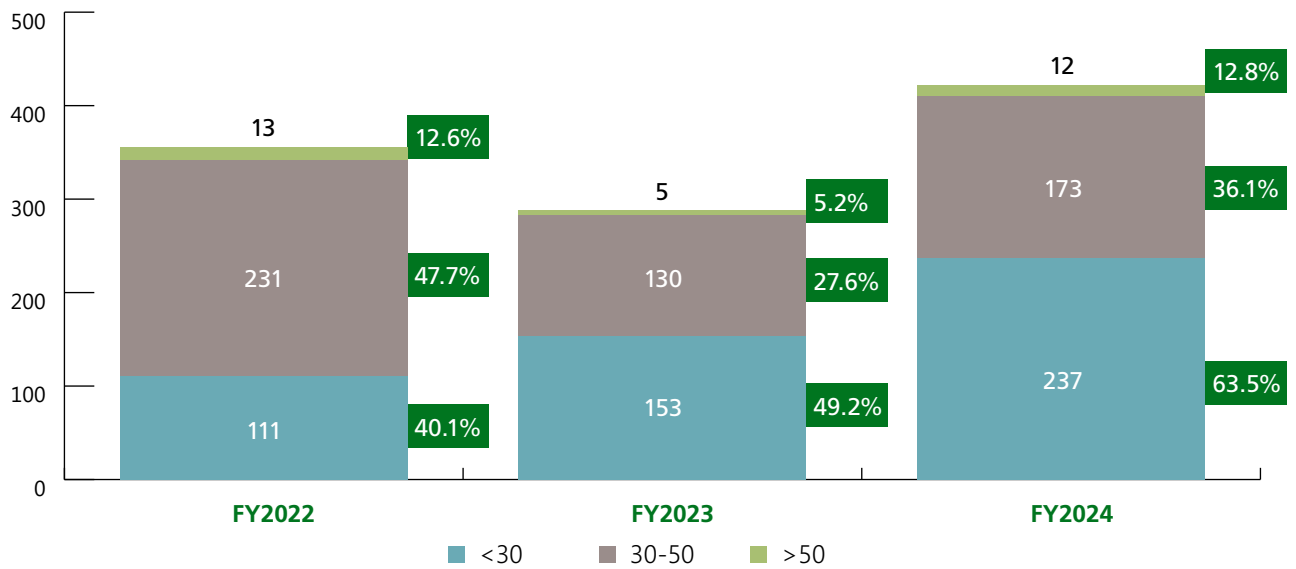
Total Employees by Age Group by Employee Category		FY2022	FY2023
<30	Managers	1	1
	Non-managers	93	77
	Workers	183	233
30-50	Managers	82	84
	Non-managers	183	175
	Workers	219	212
>50	Managers	39	35
	Non-managers	54	52
	Workers	10	10

For our Singapore operations, we had 422 new hires, a 46.5% increase in the number of new hires from FY2023. This is due to the project life cycles of several key projects, with major milestones occurring in the third quarter of 2024. As a result, a significant ramp-up in manpower was required during the financial year to meet the increased operational needs. Our employee turnover rate for the year recorded 37.5%. Despite the construction sector's susceptibility to market and economic conditions, we have managed to keep attrition under control. We will continue monitoring our turnover rate to ensure it remains manageable.

New Hires and New Hire Rate⁵ by Gender

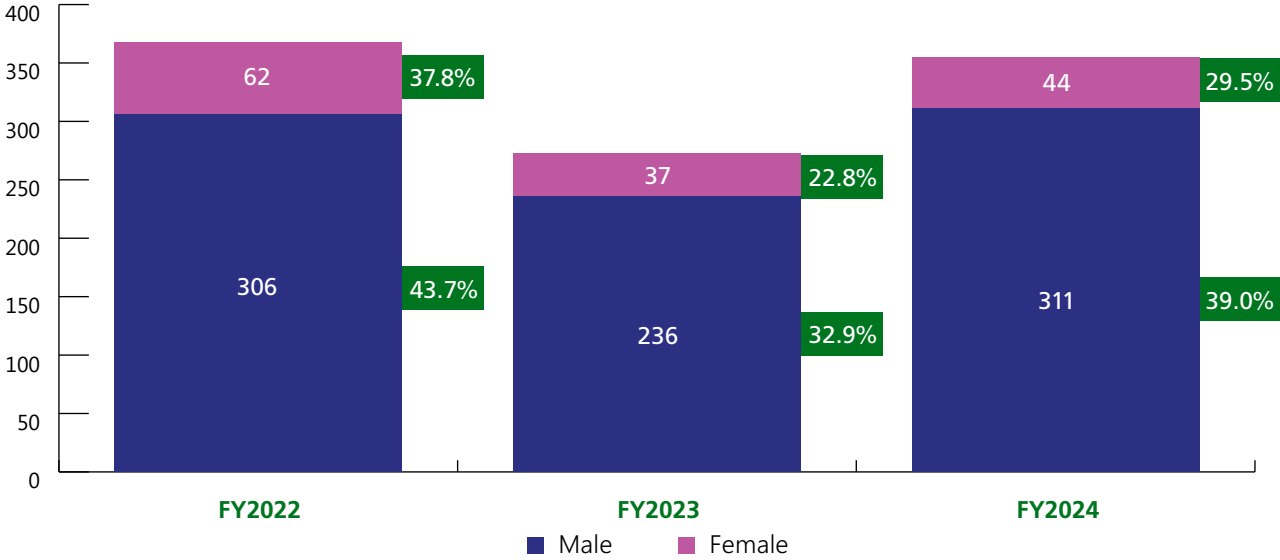


New Hires and New Hire Rate⁵ by Age Group

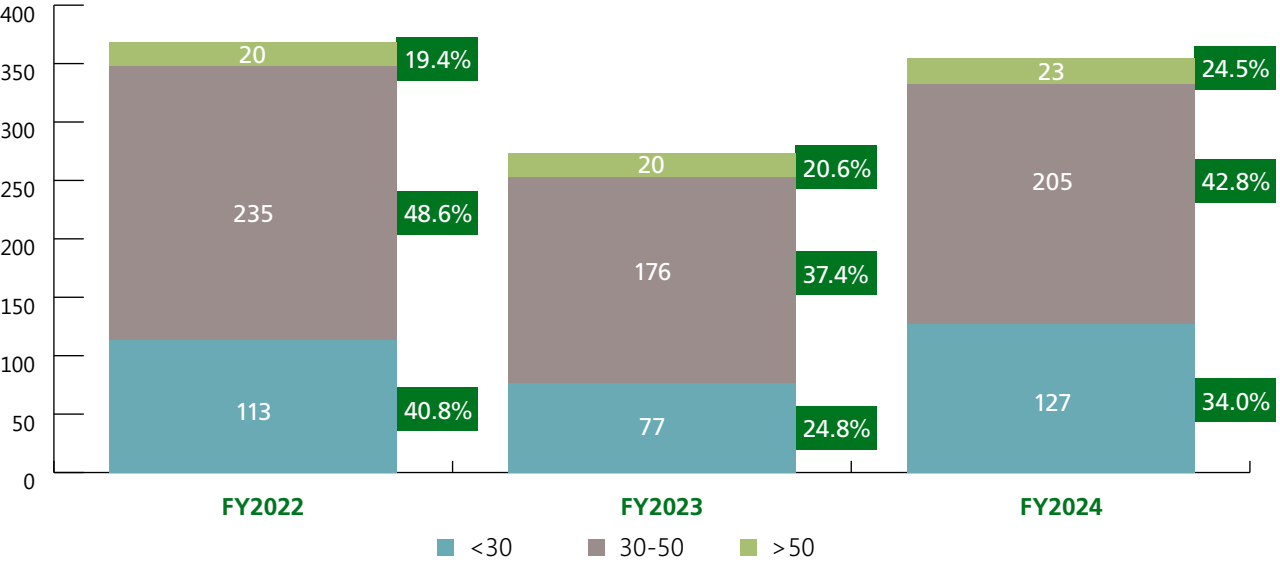


⁵ New hire rate is calculated using the total new hires during the year divided by the total number of employees as of 30 June 2024.

Employee Turnover and Employee Turnover Rate⁶ by Gender



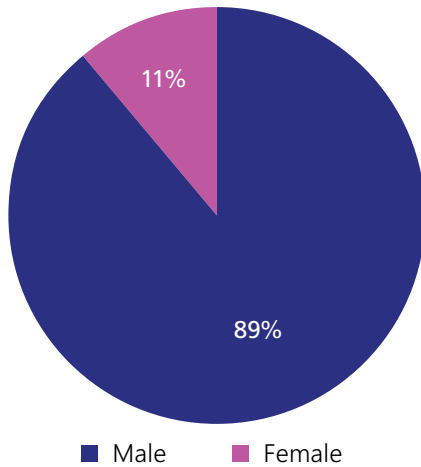
Employee Turnover and Employee Turnover Rate⁶ by Age Group



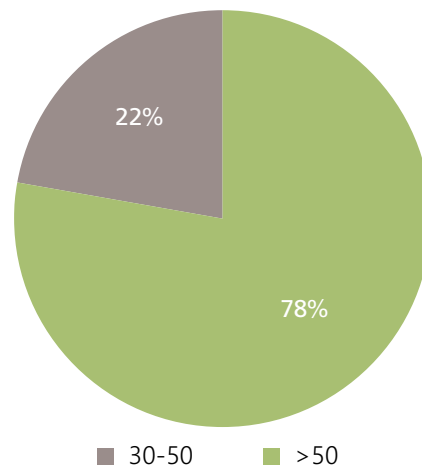
⁶ Turnover rate is calculated using the total leavers during the year divided by the total number of employees as of 30 June 2024.

In FY2024, eight board seats were held by men, and one was held by a woman. The Board consists of five independent directors and four non-independent directors. In senior management, six positions were held by men, and two by women. Our board and senior management diversity is summarised in the charts below.

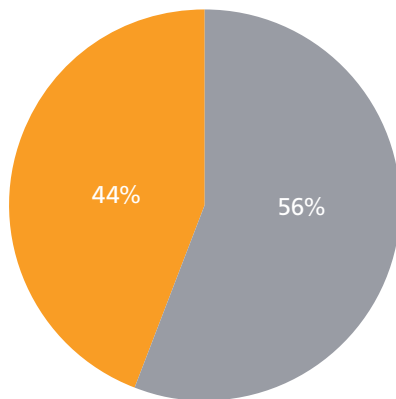
Board Diversity by Gender



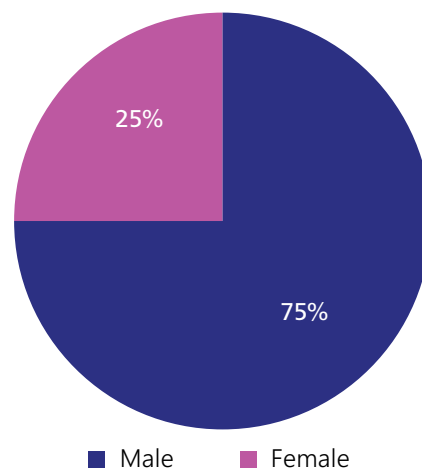
Board Diversity by Age Group



Board Diversity by Independence



Senior Management Diversity by Gender



■ Independent director ■ Non-independent director

■ Male ■ Female

Occupational Health and Safety

Occupational health and safety are major concerns, particularly in the construction industry. At Lum Chang, the health and safety of all our employees remains our utmost priority. We constantly aim to build an incident-free workplace through our effective management system, underpinned by safety policies and practices implemented across our operations.

Our WSH Management System is ISO 45001:2018 certified, reflecting our commitment to maintain workplace safety in accordance with internationally recognised standards. The WSH Management System provides a framework to identify, control and minimise health and safety risks in the workplace. It also serves as guidance on the operating procedures and practices that need to be adopted in our daily operations. This includes routine day-to-day activities, specific operational activities and detailed processes to mitigate hazard risks.

Each project has an established WSH Committee comprising management representatives, key personnel and subcontractors. The WSH Committee is responsible for ensuring the effective implementation of the WSH Management System and staying up to date with the latest safety regulations and standards. They also recommend preventive measures to deter recurrences and enhance our sites' safety and health practices.

Hazard Identification and Risk Assessment

We manage workplace hazards through regular safety inspections and risk assessments, identifying high-risk activities such as working at heights and lifting operations. Employees are encouraged to openly voice safety concerns or report work-related hazards through whistleblowing, toolbox meetings, feedback sessions, or via electronic messaging. We ensure that workers who report these hazards are protected from reprisals through our Workers' Rights Policy. In response to these assessments and feedback, action plans are developed to mitigate these risks. Once a potential safety hazard is reported, our Safety Department will commence investigations into the reported hazard. In relation to the reported issue, employees are permitted to stop work until precautionary actions are taken.

We conduct both external and internal surveillance audits to ensure strict safety and health compliance with established standards and practices and the continued relevance of our risk controls. Our workplace Safety and Health Officer records non-conformance, and any such issue is followed up for resolution.

Health and Safety Training

Various safety programmes and activities have been organised to raise awareness of health and safety practices. Training courses, such as the WSQ Advanced Certificate in Workplace Safety and Health, are provided to employees who serve as supervisors or coordinators of workplace safety and health. Training sessions are also offered to employees and workers on topics including machinery usage, life-saving and occupational first-aid techniques, response and management of emergency incidents, fire prevention, and personal protective equipment. All our employees are trained according to their job responsibilities and requirements.

Our Performance

In FY2024, the Group's WIR⁷, which considers fatal and major injuries only, is zero. This is well below the Singapore National construction sector average fatal injury rate of 3.4 and major injury rate of 28.5⁸. There were no fatalities, high-consequence injuries, or cases of work-related ill health during the year.

⁷ Workplace Injury Rate (WIR) = $\frac{\text{Number of Fatal and Major Workplace Injuries}}{\text{Number of Workers}} \times 100,000$ workers

⁸ Workplace Safety and Health Report 2023 released by the Ministry of Manpower.
<https://www.mom.gov.sg/-/media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2023.pdf>

	FY2023		FY2024	
	Employees	Workers who are not employees	Employees	Workers who are not employees
Number of fatalities as a result of work-related injury	0	0	0	0
Rate of fatalities as a result of work-related injury per 1,000,000 hours worked	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities) per 1,000,000 hours worked	0	0	0	0
Number of recordable work-related injuries	5	12	1	7
Rate of recordable work-related injuries per 1,000,000 hours worked	2.58	Subcontract workers not tracked	0.37	0.45
Number of work-related ill health cases	0	Subcontract workers not tracked	0	0
Total hours worked	1,935,840	Subcontract workers not tracked	2,690,314	15,462,006

SOCIAL RESPONSIBILITY

Lum Chang is dedicated to creating tangible social impacts and driving sustainable changes in the communities where we operate. As a responsible corporate citizen, we actively support charitable organisations and social causes to help the underprivileged and serve the community's best interests.

Local Communities

We support charitable organisations and local partners through cash donations, in-kind contributions, and employee volunteering efforts. We believe that employee involvement in community initiatives helps strengthen our employees' sense of unity and purpose and fosters a culture of compassion and service within Lum Chang.

During the year, we partnered with Apex Singapore in a food distribution programme, where our employees helped to pack and distribute groceries to the elderly and needy living in the Redhill and Kim Tian vicinity. A food collection and fund-raising event was also organised for Food from the Heart.

Additionally, we contributed to numerous fund-raising golf events organised by the Chen Su Lan Methodist Children's Home, Singapore Heart Foundation, Kwong Wai Shiu Hospital and Singapore Island Country Club.



In FY2024, the Group embarked on a new recruitment and scholarship programme in partnership with universities in Malaysia to nurture talent in the BE sector. A total of \$46,500 was awarded to one Civil & Structural Engineering student and four Civil Engineering students from Universiti Kebangsaan Malaysia (UKM) and Universiti Malaya (UM) respectively. The programme offers scholarships to high-performing students and includes a minimum two-year bond period. The Group also engaged in campus recruitment efforts and participated in career fairs at multiple universities, including UM, UKM, Universiti Putra Malaysia (UPM), and Universiti Sains Malaysia (USM). Plans are underway for continued engagement in 2025, including further campus recruitment visits and participation in university career days to strengthen ties and explore future collaborations.

RESPONSIBLE BUSINESS PRACTICES

At Lum Chang, we are committed to conducting business and governing our operations responsibly and ethically. We have established governance structures, policies, and principles that address issues such as corruption, bribery, customer data protection, and supply chain management that guide the course of our operations. Our goal is to become a trusted and reliable partner that complies with all relevant laws and regulations and safeguards the interests of our stakeholders.

We also recognise the importance of implementing sound governance practices and processes to ensure the long-term interests of our shareholders. Our governance framework and practices are consistent with the standards set out in the Code of Corporate Governance 2018 (the Code) issued by the Monetary Authority of Singapore. We have complied with the principles and provisions set out in the Code in all material aspects. For more information on our corporate governance policies and procedures, please refer to pages 32 to 49 of the Annual Report.

Business Ethics

Upholding the highest standards of ethics and integrity is of utmost importance to us. Our commitment to ethical excellence is supported by policies and procedures that guide us in practising ethical business conduct and preventing bribery and corruption activities throughout our value chain. Our Employee Handbook, applicable to all employees, clearly sets out the standards of business conduct and ethical behaviour expected of our employees, including whistle-blowing arrangements and guidelines surrounding the acceptance of gifts, conflict of interest, confidentiality of information and reporting illegal or unethical practices.

Anti-corruption

Our Code of Conduct, outlined in our Employee Handbook, demonstrates the Group’s firm stance against corruption and bribery. It offers a guide on employees’ responsibilities and the procedures to observe in upholding the Group’s stance against such acts. All employees have been briefed on the Employee Handbook and must comply with all policies and procedures. We ensure that our anti-corruption policies and procedures are communicated to all Board members and business partners.

In FY2024, we maintained zero incidents of corruption.

Whistle-blowing

We have whistle-blowing arrangements in place where employees are encouraged to raise or inform us of any fraudulent activities, financial malpractices, fraud, harassment, or unethical behaviour without fear of retaliation. The Audit and Risk Committee is responsible for the oversight and monitoring of whistle-blowing arrangements. Whistle-blowing reports are sent to two independent directors at whistleblow@lumchang.com.sg, who are the main internal coordinators for follow-up investigations. These two independent directors will then report to the Chairman of the Audit and Risk Committee. All whistle-blowing reports are treated with the strictest confidence and investigated promptly. We also ensure that employees who make a report in good faith will not be dismissed, disciplined, or unfavourably treated in any way.

Compliance with Laws and Regulations

Lum Chang recognises that strict adherence to applicable laws and regulations, including those relating to environmental, social, and tax laws, is imperative as part of our commitment to responsible business practices. We prioritise regulatory compliance and incorporate appropriate measures and controls into our operations to ensure that we remain informed and compliant with all relevant regulatory developments.

Socioeconomic Compliance	Environmental Compliance	Tax Compliance
<p>The Group endeavours to comply with relevant socioeconomic laws and regulations, particularly those related to occupational health and safety. We ensure that we provide a safe environment and inculcate a safety and health culture throughout the organisation for all employees and non-employees.</p>	<p>The Group is committed to adhering to applicable environmental laws and regulations at our project sites, ensuring our activities have minimal environmental impact. This includes managing noise pollution, air pollution, effluent, vector control, and biodiversity protection, among other areas. Through our comprehensive environmental management practices, we strive to mitigate our ecological footprint and contribute to sustainable development.</p>	<p>The Group has zero tolerance for any intentional breach of tax laws and regulations in all jurisdictions where we conduct business. Accountants are kept abreast of new tax changes by group tax agents or through updates from the Inland Revenue Authority of Singapore (IRAS). Consultations with tax agents for clarifications are also sought if required. Lum Chang’s operations and tax paid is predominantly in Singapore. For more details on tax amount paid, please refer to the Annual Report.</p>

In FY2024, there were six incidents of non-compliance with laws and regulations. Environmental fines issued by the NEA included one for exceeding the noise limit during construction activities, one for working on a Sunday, and one for mosquito breeding. Three fines were issued by PUB, two for silty discharge and one for discharging building materials into public sewerage. We take all instances of non-compliance with regulatory requirements very seriously and immediate corrective actions were taken to address these issues and prevent future occurrences. We have also reviewed our processes to ensure compliance with all applicable laws and regulations, maintaining the highest standards of environmental and operational integrity.

Customer Privacy and Data

Safeguarding customer privacy and data is paramount to maintaining the trust customers have in us. With emerging cybersecurity risks, we understand that employing leading protection technologies is essential to protect customers' data against potential loss, theft, misuse, alteration, and unauthorised access. Our Data Protection Policy governs the collection, handling and overall management of customers' data in accordance with the Personal Data Protection Act 2012 (No. 26 of 2012). Our Employee Handbook also sets out guidelines on confidentiality and protecting the privacy of our employees, partners, and customers. Proper security procedures have been established to ensure data privacy and compliance with applicable laws and regulations. We do not divulge or sell personal information to third parties for marketing or promotional purposes.

In FY2024, we maintained zero complaints concerning breaches of customer privacy and losses of customer data.

Supply Chain Management

Lum Chang remains proactive in maintaining supply chain transparency and building resilience strategies to mitigate the potential risks in global supply chains. We focus on establishing strong partnerships with our suppliers and prioritise responsible materials management, including the use of renewable and recycled materials in our projects, ensuring sustainable sourcing practices and adhering to stringent supplier environmental and social standards.

Materials

Construction materials such as cement and steel are carbon intensive. Therefore, we strive to incorporate sustainable building materials into our construction projects to promote resource efficiency and circularity in our operations.

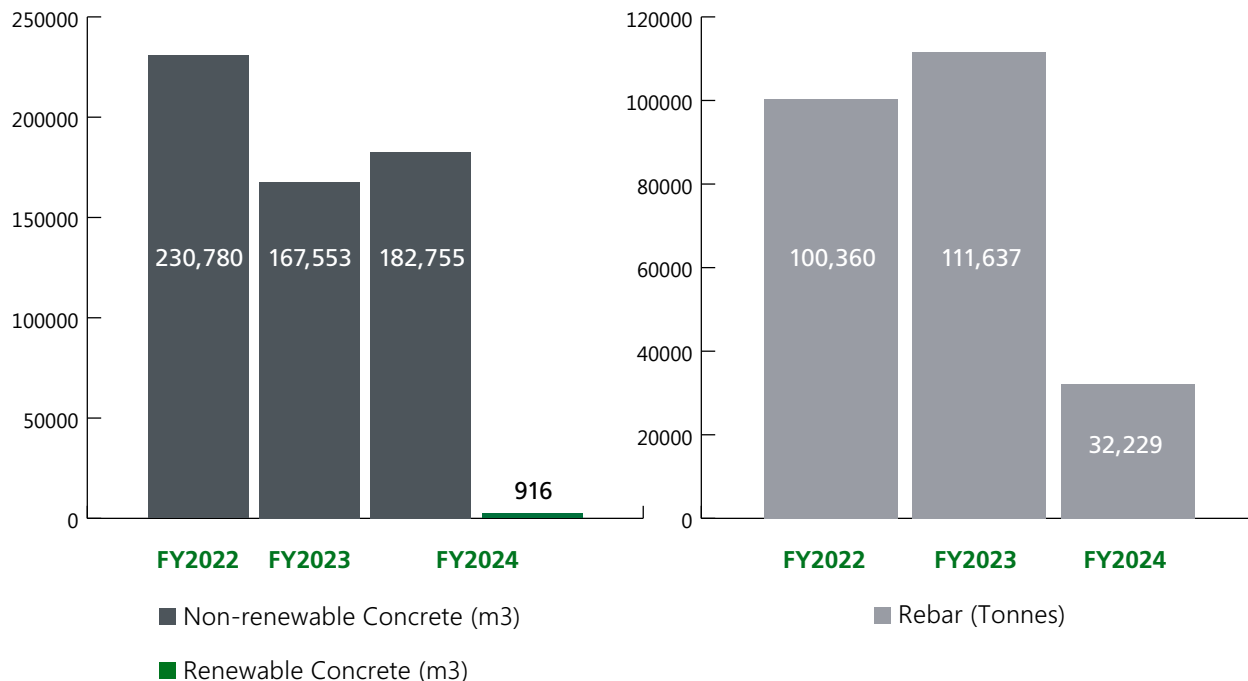
Given that concrete is our primary material, we endeavour to use low-carbon and recycled concrete certified by the Singapore Green Building Council (SGBC) and the Singapore Environment Council (SEC). In line with BCA's Green Mark Criteria, we adopt low embodied carbon building materials, such as SGBC-certified 3-Tick and 4-Tick concrete for more than 80% of applicable superstructure concrete by volume. We also use Recycled Concrete Aggregates (RCA) and green-certified concrete with reduced clinker content.

Steel is reused in reinforcement works and for structural stabilisation, safety barriers, access ramps and metro decks during excavation. Formworks and timbers are reused for practical purposes such as notice boards and on-site furniture. We also use pre-cast elements to replace cast-in-situ construction, where applicable. To manage waste effectively, we utilise excess concrete as a counterweight for perimeter hoardings and for lean concreting overexposed to control erosion.

Our Performance

Materials used in construction activities were from non-renewable materials such as concrete and reinforcing bars. This year, the Group has started tracking renewable concrete used, as disclosed below. We will consider expanding the range of materials used and reporting them in subsequent years.

Materials (Concrete and Rebar) for Construction and Interior Contracting



Supplier Environmental Assessment

Lum Chang recognises the importance of building a sustainable supply chain in which products and services procured meet stringent environmental requirements such as the Green Mark and ISO 14001. We have several policies and guidelines in place that incorporate environmental factors in selecting suppliers to minimise the environmental impact of our supply chain.

Our standard contracts stipulate safety obligations, which suppliers and subcontractors must adhere to. When selecting new suppliers, we assess their safety culture and track record, green certifications and management performance in areas of environmental sustainability, ensuring that they comply with our Procurement Policy, satisfy environmental standards held by the Group and our customers. We conduct periodic evaluations and reviews of our suppliers.

In FY2024, there were no new major suppliers⁷, therefore, no new major suppliers were screened using environmental criteria. There were no incidents of negative environmental impact found in the supply chain during the year.

⁹ Major suppliers refer to suppliers with contract value more than S\$100,000.

Supplier Social Assessment

We hold our suppliers and subcontractors to the highest social standards, ensuring that they comply with the safety and ethical standards upheld by the Group. We are cognisant of the potential human rights violations and social issues that may arise in the mineral extraction process during material production.

In this regard, we regularly engage with our suppliers and subcontractors to align them with our principles and policies such as the Supplier Code of Conduct, and to ensure that they fulfill social responsibilities such as protecting human rights, practising ethical employment and maintaining business integrity. They are also expected to comply with applicable laws and regulations and provide quality products and services as set out in the contractual agreement. Child labour or forced labour are strictly prohibited.

There were zero incidents of negative social impact found in supply chain during the year.

TCFD CONTENT INDEX

Section	Recommendation	Page Reference
Governance	a. Describe board's oversight of climate-related risks and opportunities	8, 15
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	8, 15
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	16, 27
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	16, 27
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	16, 27
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	16, 28
	b. Describe the organisation's processes for managing climate-related risks	16, 27
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	16, 28
Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	28-31
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	30-31
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	12

GRI CONTENT INDEX

GRI Standard	Disclosure		Page number(s) and/or Remark(s)
GRI 2: General Disclosures 2021	2-1	Organisational details	Annual Report: 4-5
	2-2	Entities included in the organization's sustainability reporting	3
	2-3	Reporting period, frequency and contact point	3
	2-4	Restatements of information	3, 29, 31
	2-5	External assurance	3
	2-6	Activities, value chain and other business relationships	Annual Report: 4-5, 17, 21-29
	2-7	Employees	37-48
	2-8	Workers who are not employees	47-48
	2-9	Governance structure and composition	Annual Report: 6-15, 32-37
	2-10	Nomination and selection of the highest governance body	Annual Report: 37-39
	2-11	Chair of the highest governance body	Annual Report: 36-37
	2-12	Role of the highest governance body in overseeing the management of impacts	2, 8
	2-13	Delegation of responsibility for managing impacts	2, 8
	2-14	Role of the highest governance body in sustainability reporting	2, 8
	2-15	Conflicts of interest	49, Annual Report: 46
	2-16	Communication of critical concerns	50, Annual Report: 46
	2-17	Collective knowledge of the highest governance body	Annual Report: 32-33
	2-18	Evaluation of the performance of the highest governance body	Annual Report: 39-40
	2-19	Remuneration policies	Annual Report: 40-43
	2-20	Process to determine remuneration	Annual Report: 40-43

GRI Standard	Disclosure		Page number(s) and/or Remark(s)
GRI 2: General Disclosures 2021	2-21	Annual total compensation ratio	Not disclosed due to confidentiality constraints.
	2-22	Statement on sustainable development strategy	2, 7
	2-23	Policy commitments	15-53
	2-24	Embedding policy commitments	15-53
	2-25	Processes to remediate negative impacts	15-53
	2-26	Mechanisms for seeking advice and raising concerns	50
	2-27	Compliance with laws and regulations	50
	2-28	Membership associations	<p>The Group holds memberships in the following associations:</p> <ul style="list-style-type: none"> - Tunnelling and Underground Construction Society Singapore - Singapore Contractors Association Limited - Real Estate Developers' Association of Singapore - Singapore Business Federation - Singapore Green Building Council - Association of Women in Construction (Singapore) - Geotechnical Society of Singapore
	2-29	Approach to stakeholder engagement	8-9

GRI Standard	Disclosure		Page number(s) and/or Remark(s)
GRI 2: General Disclosures 2021	2-30	Collective bargaining agreements	Not applicable, none of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1	Process to determine material topics	10
	3-2	List of material topics	11
Our Environment			
GRI 3: Material Topics 2021	3-3	Management of material topics	15-35
GRI 302: Energy 2016	302-1	Energy consumption within the organization	28-30
	302-2	Energy consumption outside of the organization	Information is unavailable, we currently do not collect data on other indirect (Scope 3) GHG emissions.
	302-3	Energy intensity	28-29
	302-4	Reduction of energy consumption	28-30
	302-5	Reductions in energy requirements of products and services	30-31
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	32
	303-2	Management of water discharge-related impacts	32
	303-3	Water withdrawal	32, we do not withdraw water from water-stressed areas.
	303-4	Water discharge	Information is unavailable, we currently do not track the volume of water discharged.
	303-5	Water consumption	Information is unavailable, we currently do not track the volume of water consumed.

GRI Standard	Disclosure		Page number(s) and/or Remark(s)
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	34-35
	304-2	Significant impacts of activities, products and services on biodiversity	34-35
	304-3	Habitats protected or restored	Not applicable, our activities did not have any impacts on biodiversity, hence remediation measures are not applicable to us.
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable, our activities did not pose threats to endangered plant and animal species.
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	30
	305-2	Energy indirect (Scope 2) GHG emissions	30-31
	305-3	Other indirect (Scope 3) GHG emissions	Information is unavailable, we currently do not collect data on other indirect (Scope 3) GHG emissions.
	305-4	GHG emissions intensity	31
	305-5	Reduction of GHG emissions	30-31
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	33-34
	306-2	Management of significant waste-related impacts	33-34
	306-3	Waste generated	34
	306-4	Waste diverted from disposal	33-34
	306-5	Waste directed to disposal	34

GRI Standard	Disclosure	Page number(s) and/or Remark(s)	
Economic Impacts on the Organisation and Society			
GRI 3: Material Topics 2021	3-3	Management of material topics	35-37
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	35, Annual Report: 58-59
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Not applicable, we do not make significant infrastructure investments whether commercial, in-kind or pro bono.
	203-2	Significant indirect economic impacts	36-37
Our People			
GRI 3: Material Topics 2021	3-3	Management of material topics	37-48
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	43-45
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	37-38
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	46-47
	403-2	Hazard identification, risk assessment, and incident investigation	46-47
	403-3	Occupational health services	38, 47
	403-4	Worker participation, consultation, and communication on occupational health and safety	46-47
	403-5	Worker training on occupational health and safety	47
	403-6	Promotion of worker health	46-47
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	46-47
	403-8	Workers covered by an occupational health and safety system	46-47
	403-9	Work-related injuries	48
	403-10	Work-related ill health	48

GRI Standard	Disclosure		Page number(s) and/or Remark(s)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	39-40
	404-2	Programmes for upgrading employee skills and transition assistance programmes	39, we currently do not provide transition programmes for retiring employees or those who have been terminated.
	404-3	Percentage of employees receiving regular performance and career development reviews	37
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	40-46
	405-2	Ratio of basic salary and remuneration of women to men	Not disclosed due to confidentiality constraints.
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	40
Social Responsibility			
GRI 3: Material Topics 2021	3-3	Management of material topics	48-49
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	48-49
Responsible Business Practices			
GRI 3: Material Topics 2021	3-3	Management of material topics	49-53
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	50
	205-2	Communication and training about anti-corruption policies and procedures	50
	205-3	Confirmed incidents of corruption and actions taken	50
GRI 207: Tax 2019	207-1	Approach to tax	50
	207-2	Tax governance, control and risk management	50
	207-3	Stakeholder engagement and management of concerns related to tax	50
	207-4	Country-by-country reporting	Not applicable, as we are not subject to country-by-country tax reporting requirements.

GRI Standard	Disclosure		Page number(s) and/or Remark(s)
GRI 301: Materials 2016	301-1	Materials used by weight or volume	51-52
	301-2	Recycled input materials used	51-52
	301-3	Reclaimed products and their packaging materials	Not applicable, we currently do not have any reclaimed products and packaging materials.
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	52
	308-2	Negative environmental impacts in the supply chain and actions taken	52
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	53
	414-2	Negative social impacts in the supply chain and actions taken	53
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	51

