



Honour Lane Shipping Limited

Sustainability Report 2024

Moving Forward the Sustainability Agenda



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About this Report

Reporting Scope and Period

This publication marks the third annual Sustainability Report issued by Honour Lane Shipping Limited ("HLS" or the "Company"). It covers the reporting period from January 1 to December 31, 2024. The Report primarily focuses on the operations of HLS and its subsidiaries within the logistics and freight forwarding sector (collectively referred to as the "Group") across regions where the Company maintains operational control. These include Cambodia, Hong Kong, India, Indonesia, Mainland China, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand, the United States, and Vietnam.

Reporting Framework

This Report has been prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards. In presenting our environmental and social sustainability performance, we have adhered to the GRI's core reporting principles: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability. For a detailed breakdown of our GRI-referenced disclosures, please refer to the GRI Content Index.

Feedback

We value your insights and welcome your feedback on our sustainability practices and this report. Please feel free to contact us through the communication channels listed below.

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Board Message

The Board of Directors (the “Board”) is pleased to present Honour Lane Shipping Limited’s third annual sustainability report, a reflection of our continued commitment to responsible business practices. As a global logistics and freight services provider, it is essential for us to align our operations with the evolving standards of sustainability and stakeholder expectations.

In recent years, the integration of sustainability into business strategy has become increasingly important across all sectors, influenced by economic shifts, regulatory developments, and emerging sustainability related risks and opportunities. At HLS, we recognise the urgency of these challenges and reaffirm our dedication to embedding environmental, social, and governance (ESG) considerations into our business strategy and operations.

Throughout 2024, we made solid progress in advancing our ESG priorities. We adopted and implemented our Business Continuity Policy across all entities, supported by training and scenario planning to enhance organisational preparedness. In the area of supplier governance, we established and rolled out our Supplier Code of Conduct, alongside the distribution of an ESG due diligence questionnaire to our partners. These efforts have enabled us to build a baseline understanding of sustainability characteristics of our supply chain. We also upheld our commitment to workplace safety. In 2024, we achieved our internal target of zero work-related fatalities and delivered a series of health and safety training programmes across multiple office locations.







On the environmental front, we achieved formal recognition as a Hong Kong Green Organisation, reflecting our achievements in energy conservation, waste reduction, and sustainable office practices. Our teams also actively participated in a diverse range of environmental awareness and community clean-up activities, highlighting our shared responsibility to protect natural resources and foster environmental stewardship.

We believe that collaboration with our stakeholders is essential to driving long-term sustainability. Through ongoing dialogue and partnership, we are building a stronger foundation for shared value and positive impact. Our ESG Committee, with direct oversight from the Board, continues to guide the strategic direction of our sustainability agenda.

Looking ahead, we will continue to strengthen our ESG performance with a focus on supplier management, business continuity, and occupational health and safety. We also aim to deepen our engagement on climate-related topics such as energy efficiency and carbon emissions. HLS remains fully committed to building a more sustainable and resilient business for the future.

Our Business

Honour Lane Shipping Limited (HLS), founded in 1997, is a leading global freight forwarding and logistics provider with a strong presence across major trade lanes including the Transpacific, Europe, Latin America, Middle East, Australia, and Africa. Operating 34 wholly owned offices and supported by over 1,000 logistics professionals, HLS handles more than 400,000 TEUs annually, delivering agile, end-to-end solutions across ocean, air, and land transportation, warehousing, and supply chain consulting. The company’s integrated global network, combined with a robust digital platform offering real-time tracking and instant rate access, drives operational efficiency and enhances customer visibility. With a proven track record, scalable service model, and commitment to innovation, HLS is strategically positioned for long-term growth and continued leadership in the international logistics sector.

 34 owned offices globally	 1,000+ employees worldwide	 400,000+ TEUS freight volume
 Top 33 NVOCC (IHS Markit)	 Global Top 100 Airfreight Forwarder (Armstrong & Associates, Inc.)	 Top 6 NVOCC Transpacific Trade (HIS Markit)

Affiliations & Membership

HLS actively engages with the global logistics community through participation in key industry events and associations. These platforms allow the company to collaborate, exchange insights, and drive the development of innovative, intelligent, and sustainable supply chain solutions for its customers. Below is a selection of industry organisations in which HLS holds membership or has ongoing involvement.



In addition, HLS holds an International Air Transport Association (IATA) certification as an accredited cargo agent in Hong Kong, having met the professional standards of the International Air Transport Association to promote, sell, and handle international air cargo transportation. Honour Lane Logistics USA Inc., a U.S.-based subsidiary of HLS established in 2017 and headquartered in California, is also an active participant in the Customs Trade Partnership Against Terrorism (CTPAT) program as a Consolidator. In December 2019, the company signed a Memorandum of Understanding to voluntarily join the program, affirming its commitment to maintaining the security and integrity of its international supply chains.

As part of the validation process, U.S. Customs and Border Protection (CBP) conducted both a virtual visit with the California office and an onsite validation at the affiliated foreign site in Hong Kong. CBP reviewed Honour Lane Logistics USA Inc.'s overall supply chain security program, including its interaction with business partners, facility security procedures, and systems in place. Based on the findings, the company received a status of Certified–Validated under the CTPAT program.

These certifications and partnerships reflect HLS's dedication to global standards in logistics security, compliance, and operational excellence.






Sustainability at HLS

Our Approach to Sustainability

HLS is committed to embedding ESG considerations into our daily operations to reduce environmental impact, promote social responsibility, and strengthen the long-term resilience of our business. Since the previous reporting period, we have made meaningful progress on the ESG targets established last year, which focus on supplier management, business continuity, and health and safety. These targets serve as a foundation for driving measurable improvements across key areas of our operations.

To support this progress, we maintain a robust sustainability governance structure that enables us to monitor developments, respond to stakeholder input, and adapt to changes in ESG regulations and industry best practices. This structure is informed by insights from stakeholder engagement, materiality assessments, and ESG data analysis, ensuring our approach remains both relevant and responsive. Through these ongoing efforts, HLS continues to strengthen its ESG performance while laying the groundwork for long-term sustainability across the value chain.

ESG Topics	HLS Targets	Target Timeline	Progress in 2024
 Supplier Management	<ul style="list-style-type: none">Establish a Supplier Code of Conduct and a standardised set of ESG criteria within a supplier ESG assessment questionnaire in collaboration with internal supplier management specialists and external consultant	By the end of 2024	The Supplier Code of Conduct has been established and is widely implemented across Honour Lane Group
	<ul style="list-style-type: none">Roll out the supplier ESG assessment questionnaire to all suppliers to assess their ESG performance	Before mid of 2025	Supplier ESG Self-Assessment Questionnaire has been integrated into our engagement process, reinforcing our commitment to ESG performance monitoring

ESG Topics	HLS Targets	Target Timeline	Progress in 2024
 Corporate Governance and Risk Management	<ul style="list-style-type: none"> Develop business continuity policy covering prioritised potential disruptions 	By the end of 2024	The Business Continuity Policy was developed through a structured risk assessment process across all departments of Honour Lane Group, focusing on identifying and prioritising potential disruptions to ensure a resilient operational framework
	<ul style="list-style-type: none"> Implement the business continuity policy across all entities 	By the end of 2024	The business continuity policy has been implemented across all functional departments and offices, with procedures, training, and response plans integrated to maintain continuity during disruptions and support consistent operational resilience
 Health and Safety	<ul style="list-style-type: none"> Zero fatalities 	Annual target	Zero fatalities have been consistently maintained and accurately recorded throughout 2024
	<ul style="list-style-type: none"> Provide H&S training to employees 	Annual target	OHS and first-aid trainings conducted throughout FY2024
	<ul style="list-style-type: none"> Establish global H&S management system with reference to ISO 45001 standards 	By the end of 2025	Ongoing alignment with ISO 45001 standards

Sustainability Governance Structure

A firm-wide governance structure with four levels is in place to lead HLS in its sustainability journey.



At the highest level, the Board is responsible for oversight of sustainability and ESG-related matters. This includes reviewing strategies, setting targets, managing operational risks, such as those related to supply chain, and approving HLS's annual sustainability report. The Board receives direct updates from the ESG Committee at least once a year and actively promotes staff participation in sustainability seminars to stay informed about emerging trends and developments in the field.

The Board has delegated authority to the ESG Committee (the "Committee") to manage the development and implementation of sustainability policies and initiatives. The Committee ensures that the company's operations align with the strategic direction set by the Board. Its responsibilities also include monitoring progress towards sustainability goals, assessing the effectiveness of ESG initiatives, overseeing materiality assessments, and maintaining diverse communication channels with the Board on key ESG matters.

A dedicated taskforce, comprising management representatives from operational units, is responsible for executing sustainability strategies and policies. This group reports regularly to the Committee and plays a coordinating role across departments. With support from various functional teams, the taskforce ensures that ESG programmes are implemented effectively by providing the necessary expertise and resources across the organisation.

Stakeholder Engagement Approach

HLS places strong emphasis on ongoing dialogue with both internal and external stakeholders to better understand their evolving expectations, priorities, and perspectives on key sustainability issues. Insights gathered through these engagements play an integral role in informing the development and refinement of our sustainability strategy, ensuring our initiatives remain relevant, responsive, and aligned with stakeholder interests.

Stakeholder Group	Communication Channels	Engagement Objectives
Employees	<ul style="list-style-type: none"> Internal communications Employee training Annual performance review Bi-annual internal audit Team bonding activities Stakeholder engagement survey 	<ul style="list-style-type: none"> Integrate HLS goals and strategies into daily operations Promote greater employee satisfaction, retention, and productivity
Customers	<ul style="list-style-type: none"> Customer meetings and events Online feedback form Stakeholder engagement survey 	<ul style="list-style-type: none"> Optimise customer experience through provision of exceptional and quality services Understand customer needs and continuously improve service offerings
Shareholders/ Investors	<ul style="list-style-type: none"> Annual General Meeting Quarterly financial and sustainability reporting Management engagement Stakeholder engagement survey 	<ul style="list-style-type: none"> Ensure transparency and accountability in ESG and financial performance Facilitate informed decision-making and long-term value creation Strengthen investor relations and support sustainable growth across our network
Business Partners and Suppliers	<ul style="list-style-type: none"> Industry associations Meetings Site visits Stakeholder engagement survey 	<ul style="list-style-type: none"> Build long-term, trustworthy partnerships based on fair, open procurement practices Ensure compliance with ethical standards and high-quality service delivery

Stakeholder Group	Communication Channels	Engagement Objectives
Community/ Non-Governmental Organisations (“NGOs”)	<ul style="list-style-type: none"> Community engagement (e.g., donation and volunteering) Annual sustainability report Stakeholder engagement survey 	<ul style="list-style-type: none"> Strengthen community relationships through active contribution and awareness campaigns Promote public health, safety, and environmental stewardship
Regulators/ Government	<ul style="list-style-type: none"> Transparent dialogue Stakeholder engagement survey 	<ul style="list-style-type: none"> Ensure full regulatory compliance through ethical corporate governance Support governmental efforts in occupational health and public safety through joint initiatives
All Stakeholders	<ul style="list-style-type: none"> User-friendly online platform for feedback, appreciation, complaints, and suggestions via HLS website 	<ul style="list-style-type: none"> Foster two-way communication and transparency Enable all stakeholders to voice concerns, provide feedback, and contribute to the continuous improvement of HLS services and governance

In 2024, HLS strengthened its engagement with community and non-governmental stakeholders through meaningful health and safety initiatives. As part of our ongoing collaboration with public service and NGO partners, we participated in a fire drill organized in coordination with the local Fire Department and the Property Management Company, reinforcing collective emergency preparedness.

In addition, our Hong Kong Head Office welcomed occupational therapists and nurses from the Tsuen Wan District Health Center, a community health initiative supported by local NGOs. The visiting health professionals delivered a talk on hand health and conducted basic physical assessments for our employees. This collaboration not only increased awareness of workplace ergonomics and preventive care, but also highlighted HLS’s commitment to supporting community-based health programs and fostering a safe, healthy, and informed work environment through partnerships with NGO-led initiatives.

Materiality Assessment

With support from an external consultant, we undertook the following process to identify and prioritise the sustainability issues most relevant to our internal and external stakeholders. The resulting material topics have been assessed and are featured in this Report.

Identification of sustainability topics

- A total of 25 topics related to ESG aspects were selected for materiality assessment by considering the latest industry trends.



Stakeholder engagement survey

- To gather insights on sustainability priorities, HLS designed an online stakeholder engagement survey and in-depth interviews focused on 25 key topics. A diverse group of internal and external stakeholders including employees, business partners, suppliers, and customers were invited to evaluate and rate the importance of each topic according to their perspectives.



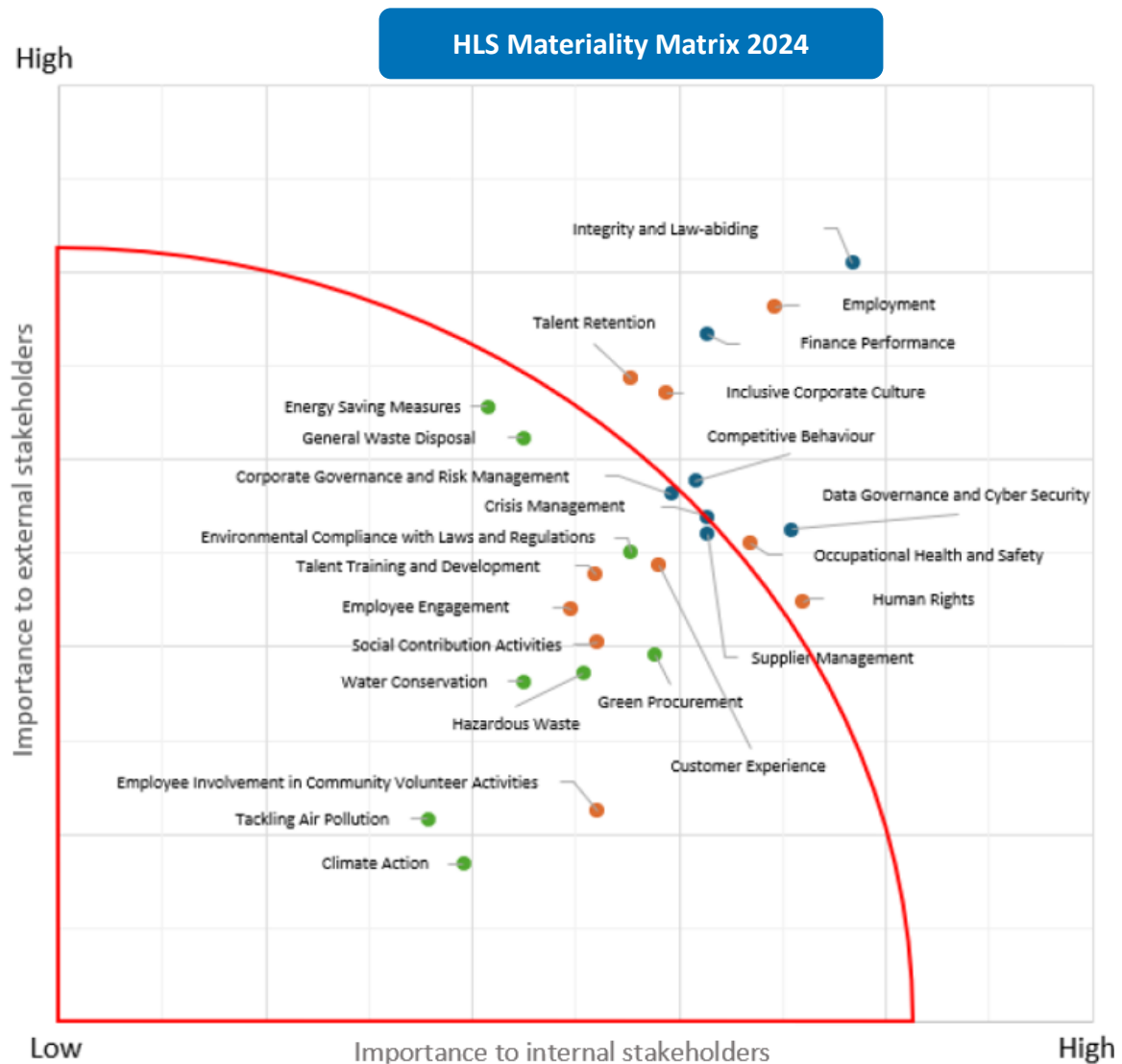
Data analysis and management review

- Materiality of each topic was determined by the responses collected from internal and external stakeholder groups and illustrated in a materiality matrix.
- The ESG Committee reviewed and confirmed the material topics identified and assessed the progress made on the sustainability targets established.

The 2024 materiality assessment remains broadly aligned with the findings from 2023, reflecting consistent stakeholder priorities across the Social and Governance pillars. While a few topics have been refined or newly highlighted, such as inclusive corporate culture and crisis management, the core focus areas continue to underscore HLS's commitment to integrity, employee well-being, and responsible governance. HLS remains committed to reviewing the relevance of these material topics on an annual basis and adjusting its targets to reflect evolving stakeholder priorities and emerging trends.

- | | |
|----------------------------------|---|
| 1. Integrity and law-abiding ➡ | 6. Data governance and Cybersecurity Management ⬆ |
| 2. Employment ⬆ | 7. Competitive Behavior ⬆ |
| 3. Financial performance ⬆ | 8. Occupational health and safety ⬆ |
| 4. Inclusive Corporate Culture ⬆ | 9. Human Rights ⬆ |
| 5. Talent Retention ⬆ | 10. Crisis Management ⬆ |

(Compared to 2023 report, ⬆: priority of topic increased; ➡: priority of topic stayed consistent; ⬆: priority of topic decreased)





Governance

Business Ethics

"Integrity and Law-abiding" has continued to be recognised as the most important sustainability topic for our stakeholders, as reflected in the materiality matrix. We reaffirm our shared perspective with stakeholders by committing to uphold high standards of business ethics across all aspects of our operations. This commitment is embedded in our policies and management systems, with a particular focus on areas such as anti-corruption, anti-bribery, and conflict of interest, ensuring that integrity remains central to our business practices.

To strengthen this commitment, we have established comprehensive guidelines and robust internal controls to prevent unethical behaviour and promote a culture of transparency and accountability. Regular audits, compliance reviews, and internal training programmes are conducted to ensure that all employees and directors understand and adhere to our ethical standards. Through these efforts, we aim to build and maintain the trust of our stakeholders and foster a sustainable, responsible business environment.

Our Code of Conduct (the "Code") outlines clear expectations and standards on key areas, including:

- HLS' ethical commitments
- Bribery prevention
- Advantage and entertainment guidelines
- Compliance with local and international laws
- Conflict of interest
- Outside employment
- Relationship with suppliers, contractors, and customers

To monitor compliance with the Code and assess the effectiveness of our corporate risk management and internal control systems, the internal audit team regularly conducts audits covering a wide range of operational areas. In addition, an internal reporting mechanism has been established, enabling employees and directors to report any actual or suspected violations of the Code promptly and confidentially.

In 2024, we maintained our record of no breaches, as confirmed by internal audits and the internal reporting system. HLS is committed to maintaining strict confidentiality and ensuring fair treatment for individuals who report concerns, seek advice, or cooperate in investigations. All reported cases are escalated to the Committee for review and investigation. Where a violation is substantiated, appropriate disciplinary actions will be taken, including termination of employment or appointment if necessary. In cases involving suspected corruption or criminal offenses, formal reports will be filed with the relevant authorities.

As part of our ongoing efforts to strengthen a culture of compliance, we deliver regular training programmes designed to raise awareness and reinforce adherence to applicable laws, regulations, and the Code. Additional information on these training initiatives can be found in section Talent Management of this report.

Supplier Management

As a key player in the logistics sector, HLS recognises the essential contribution of suppliers and owners of leased logistics facilities to the success of our operations. We collaborate closely with these partners to ensure that our logistics services consistently meet high standards of quality, efficiency, and sustainability. To support this, we have developed a comprehensive supplier management system, supported by clearly defined procurement policies that govern all stages of the supplier relationship, including selection, evaluation, and continuous monitoring. These policies help us maintain a supply chain that is both reliable and aligned with our corporate values.

In 2024, we achieved important milestones in strengthening our supplier governance framework. We established and implemented the HLS Supplier Code of Conduct, which sets out clear expectations regarding ethical behaviour, legal compliance, labour practices, environmental stewardship, and human rights standards. The Code now forms an integral part of our supplier engagement process and is communicated to all relevant partners.

In addition, we introduced and distributed a ESG Self-Assessment Questionnaire to applicable supply chain partners. The questionnaire collects detailed information on suppliers' corporate governance, environmental and social practices, and risk management processes, significantly strengthening our ability to systematically assess supplier profiles, identify potential risks within the supply chain, and implement targeted mitigation measures.

The adoption of the Supplier Code of Conduct and the ESG Self-Assessment Questionnaire has brought greater structure and consistency to HLS's supplier evaluation process. As the number of new suppliers increased in 2024, these tools became essential for maintaining high standards across our expanding supplier network. The questionnaire enabled HLS to collect detailed insights into each supplier's ESG practices, governance structures, and risk controls. This made it easier to identify suppliers that meet our expectations for ethical conduct, regulatory compliance, and sustainability performance.

With this enhanced visibility, HLS was able to make more informed and timely decisions during supplier onboarding. The process helped prioritise suppliers with stronger ESG maturity and flag potential risks early, reducing exposure to non-compliance and reputational issues.

Going forward, insights from the supplier questionnaire will enable more informed supplier evaluations, allowing us to analyse suppliers by risk and ESG maturity, tailor engagement strategies accordingly, and guide future sourcing decisions. This approach will strengthen the resilience, sustainability, and ethical standards of our supply chain, while reinforcing HLS's commitment to responsible business practices.

HLS Supplier Management System Components

Supplier Selection and Qualification:



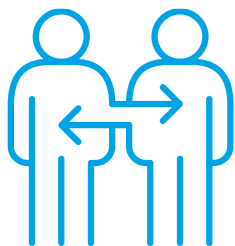
- Supplier due diligence is conducted to assess potential partners based on their ability to meet HLS's diverse business needs, with a focus on service quality, operational performance, financial stability, and cost competitiveness
- Priority is given to suppliers who demonstrate a strong commitment to environmental, social, and governance (ESG) principles, in addition to meeting core operational requirements
- Where appropriate, site visits are conducted following the due diligence phase to verify that suppliers' facilities meet HLS's operational needs and comply with applicable regulatory standards
- Suppliers who successfully pass the due diligence and site assessment phases may proceed to a trial engagement, during which their performance in meeting delivery requirements and customer expectations is closely monitored
- Full qualification as an HLS supplier is granted only to those who complete the trial without receiving negative feedback, ensuring that our supply base maintains the high standards of delivery performance and reliability

Performance Monitoring and Evaluation:



- Continuous monitoring and evaluation are conducted to ensure that suppliers remain compliant with HLS’s operational requirements and service standards
- Key performance indicators include delivery punctuality, customer service responsiveness, and proper shipping and handling practices
- Suppliers who repeatedly fail to meet delivery deadlines, receive consistent customer complaints, or cause product damage due to negligence may be subject to termination of the business relationship

Communication and Collaboration:



- HLS has implemented an integrated online supplier management platform that centralises key standard operating procedures, customer requirements, and engagement protocols, enabling more efficient and structured interactions with suppliers
- Consistent, open, and transparent communication is actively maintained to strengthen collaborative relationships with suppliers and ensure clear alignment on operational expectations, compliance obligations, and continuous improvement initiatives

Supplier Profile

2,521

local suppliers ¹

214

non-local suppliers ²

¹ “Local Suppliers” refers to local HLS office suppliers in different regions; Data as of 31 December 2024

² Data as of 31 December 2024

Dangerous Goods Shipping Arrangement

Honour Lane Shipping Limited (HLS) recognises that the transportation of dangerous goods presents significant risks to human health, operational safety, and the environment if not properly managed. To address these risks, HLS has developed and implemented a robust Dangerous Goods Management System in accordance with international standards, including the International Maritime Dangerous Goods (IMDG) Code, ensuring that all dangerous goods operations are carried out under controlled, compliant, and safe conditions.

In order to maintain high safety standards across the supply chain, HLS engages closely with key stakeholder groups including customers, carrier partners, and vendors by implementing specific processes tailored to each group’s responsibilities and risk exposures, as specified below:

Stakeholder Group	Initiatives Adopted by HLS for Stakeholder Group
Customers	<ul style="list-style-type: none">Collects all relevant documentation required for dangerous goods shipments, including shipping orders, Material Safety Data Sheets (MSDS), transport certificates, test summaries, packaging inspection reports, and Dangerous Goods Declaration forms.Supports customers in accurately preparing and submitting these documents in compliance with carrier-specific requirements, reducing the risk of rejection or delays.
Carrier partners	<ul style="list-style-type: none">Submits complete documentation to carriers for feasibility assessment, ensuring they have the necessary information to evaluate shipment risks and compliance requirementsCollaborates proactively with carriers to review and update lists of prohibited or restricted goods to enhance safety and regulatory alignment
Vendors	<ul style="list-style-type: none">Forwards documentation to warehouse and logistics vendors to assess their capacity and readiness for handling and storing dangerous goodsConducts thorough due diligence on vendor qualifications, including verifying licenses, vehicle compliance, and driver certifications specific to hazardous materials transportEnsures that warehouse personnel receive adequate training in the safe handling and storage of dangerous goods, promoting operational safety across all touchpoints

HLS complies fully with the Regulated Agent Regime administered by the Civil Aviation Department of the Hong Kong SAR Government. A dedicated team of trained professionals holds the required certifications, including the Dangerous Goods Certificate and Regulated Agent Certificate, which empower HLS to work directly with airline and co-loader partners in facilitating the secure and efficient issuance of House Air Waybills (HAWBs) for air shipments involving dangerous goods.

Through strict adherence to regulatory requirements, certified staff expertise, and close collaboration with logistics partners, we ensure that dangerous goods are managed with the highest level of care, safeguarding people, protecting the environment, and maintaining the trust of our customers throughout the shipping process.

Data Governance and Cyber Security

Honour Lane Shipping Limited (HLS) acknowledges data governance and cybersecurity as vital elements of our corporate responsibility and governance practices. We are committed to safeguarding the personal data of our customers, employees, and stakeholders through clear policies and responsible handling. We have established a firm-wide policy to govern the collection, use, and storage of data, and all staff are expected to comply with these standards.

We place strong emphasis on individual accountability in maintaining data security throughout our operations. To support this, HLS conducts regular training and awareness initiatives designed to build a culture of data protection and cyber awareness among all employees.

To further reinforce this commitment, HLS has strengthened internal awareness of data privacy obligations through targeted learning initiatives. One such example is the joint seminar held in 2024 involving our Hong Kong head office and regional offices in Malaysia, Singapore, Shenzhen, and Zhongshan. This seminar enhanced employee understanding of personal data protection principles and increased vigilance in handling sensitive information across our operations.

All internal staff strictly adhere to our internal policy, "Protecting Customer Data Guidance." This framework establishes essential protocols to ensure that customer data is managed securely and responsibly, aligning with our ESG commitments to privacy and ethical data handling.

The following are key guidelines extracted from this policy that employees are expected to follow:

Topics	Data Protection Guidelines for Employees
Work environment	<ul style="list-style-type: none"> • Avoid working in public areas to prevent accidental disclosure of personal and sensitive information • Utilise privacy screen filters and secured wi-fi connections if it is unavoidable to work in public areas
Wi-Fi connections	<ul style="list-style-type: none"> • Adopt up-to-date security protocols and infrastructure, such as Wi-Fi Protected Access 3, to encrypt data in transit and safeguard against other cyberattacks • Set strong passwords for Wi-Fi networks and identify any suspicious devices connected to the networks
Electronic communications	<ul style="list-style-type: none"> • Strictly use corporate email accounts for sending and receiving restricted customer documents and information • Remain vigilant against phishing attempts and malicious emails
Paper document management	<ul style="list-style-type: none"> • Avoid transfer of sensitive documents outside of office premises • Implement necessary steps to handle sensitive documents outside the office, such as seeking approval from supervisors and locking paper documents in a secure cabinet or drawer at home to prevent unauthorised access, if necessary

In addition to the data protection standards outlined above, HLS consistently adopts a proactive and preventive approach to secure our IT infrastructure. We implement a robust framework of measures designed to safeguard our network and systems, which include, but are not limited to, the following:



Business Continuity Planning

In 2024, Honour Lane Shipping Limited (HLS) reached another milestone in strengthening its governance and enterprise risk management framework through the formal implementation of a comprehensive Business Continuity and Disaster Recovery Plan (BCP). This initiative reflects a strategic commitment to operational resilience, regulatory compliance, and sustainable business continuity in an increasingly complex global environment.

The BCP provides a structured, organisation-wide framework designed to maintain and restore essential business functions during unexpected disruptions. It outlines clear procedures that minimise operational downtime, protect critical infrastructure, and safeguard stakeholders—including customers, employees, and service partners.

Risk Identification and Preparedness

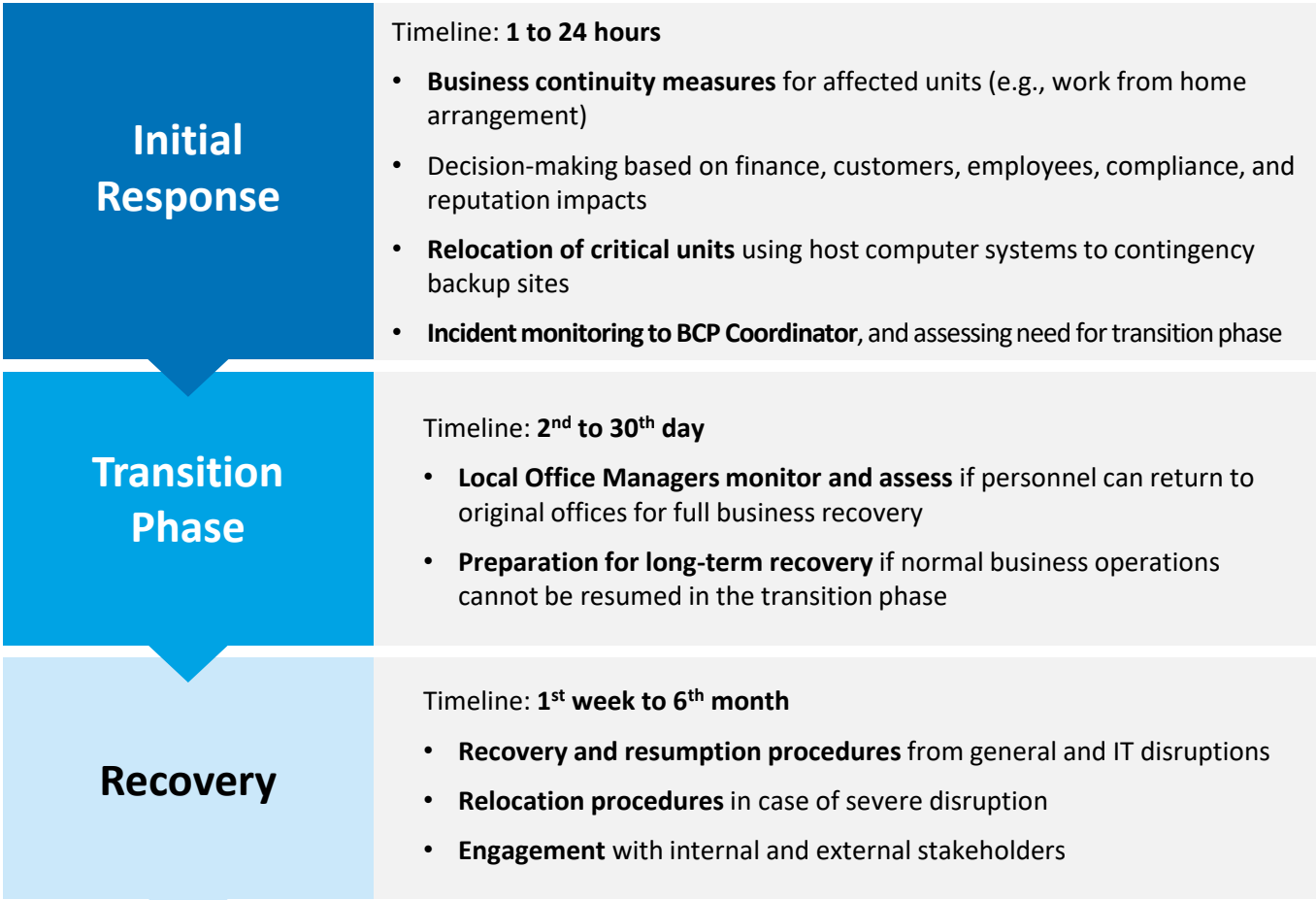
Aligned with recognised industry standards, the BCP is grounded in a rigorous risk assessment process that identifies and addresses four primary categories of threats:

- **Natural Hazards:** Including typhoons, extreme weather, earthquakes, and fires, which have historically impacted office accessibility across regions.
- **IT Disruptions:** Risks such as cyber-attacks, data breaches, hardware or software failures, and human error, which can compromise data integrity and disrupt system availability.
- **Pandemic Outbreaks:** Infectious disease events like the COVID-19 pandemic, which can significantly affect workforce health, operational continuity, and employee well-being.
- **Supply Chain Disruptions:** External events, such as shipment delays, transportation incidents, or infrastructure breakdowns, that can interrupt logistics and service delivery.

These risk categories are subject to continuous review to ensure evolving threats are appropriately accounted for in response planning.

Stages of the Business Continuity Plan

The BCP sets out a time-based, scalable response framework to support coordinated action during a disruption. The approach is divided into three key phases, as outlined below.



This structured model allows HLS to respond quickly to different types of disruptions, helping to keep critical services running or restore them as soon as possible. This ensures minimal delay in operations and maintains consistent service delivery to clients.

Governance Integration and Continuous Improvement

The BCP is fully integrated into HLS’s governance ecosystem and extends across all offices and business units. It is supported by:

- Clearly defined roles and responsibilities for key personnel and their alternates
- Designated recovery facilities that are routinely assessed for operational readiness
- Access to vital resources, including backup systems, infrastructure, and essential supplies

Effectiveness of the plan is maintained through regular training, simulations, and scenario-based validation exercises. Furthermore, post-incident reviews are conducted to assess performance, capture lessons learned and implement enhancements where needed. These activities ensure that the BCP remains adaptive and aligned with both internal policies and external expectations for business continuity management.

HLS continues to enhance its operational resilience through this dynamic approach as part of our clear commitment to good governance, risk mitigation, and long-term operational sustainability.



Care for Our Employees

Honour Lane Shipping Limited (HLS) believes that diversity enriches our organisation by bringing together a wide array of perspectives, experiences, and ideas. We are proud to foster a multicultural workforce across our global offices, spanning five continents. As of the end of the Reporting Period, HLS employed 1,155 staff members, with the majority based in China, including Mainland China, Hong Kong, and Taiwan (78%), and Southeast Asia (17%). Our diverse team reflects our ongoing commitment to building an inclusive and dynamic workplace.

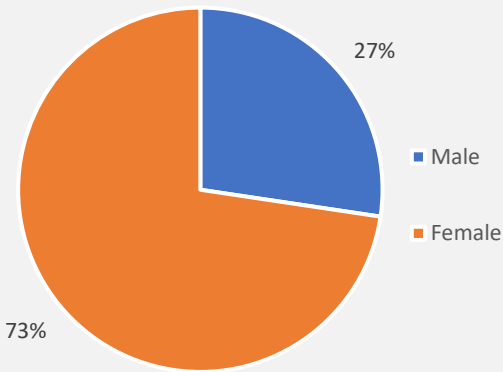
We regard our people as our most valuable asset and are fully committed to protecting their legal rights. HLS strictly complies with all relevant labour and employment laws and regulations. HLS maintains a zero-tolerance policy toward child labour, forced labour, or any other labour rights violations. At the same time, we are dedicated to providing equal opportunities for all employees, regardless of nationality, age, gender, ethnicity, or religious belief. Recruitment, promotion, and career advancement decisions are based solely on merit, qualifications, and performance.

We conduct regular employee surveys annually to better understand employee needs and enhance workplace satisfaction. The insights gained help us strengthen employee engagement, improve retention, increase productivity, and support a healthy work-life balance.

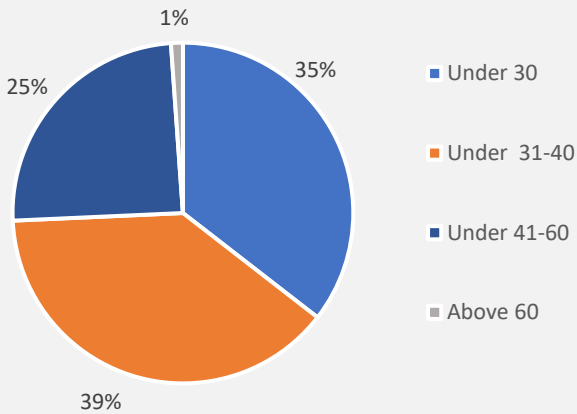
Our permanent employees are offered a comprehensive benefits package, which includes competitive salaries, year-end and discretionary bonuses, overtime and attendance allowances, medical insurance, and retirement plans. Specific benefits and remuneration packages may vary slightly based on regional labour practices and regulations. In addition, we provide a variety of paid leave options, including annual leave, sick leave, compassionate leave, and maternity or paternity leave, ensuring our employees are supported both personally and professionally.

Our Workforce Distribution

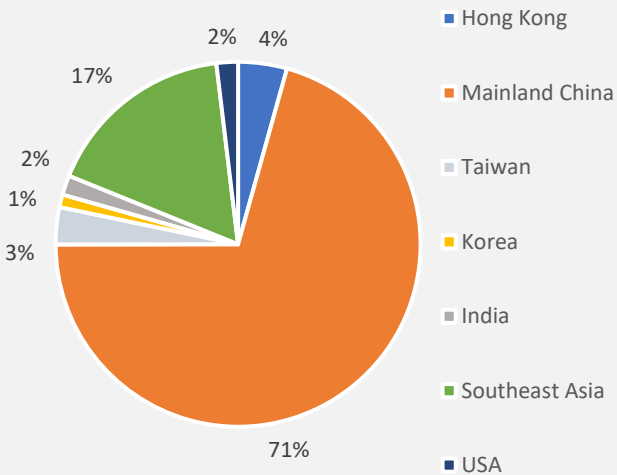
Employment Distribution by Gender



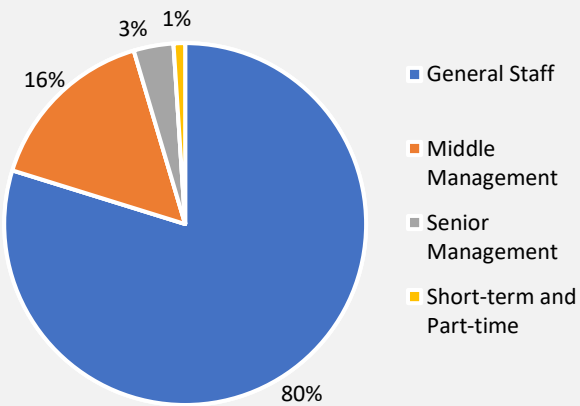
Employment Distribution by Age



Employee by Region



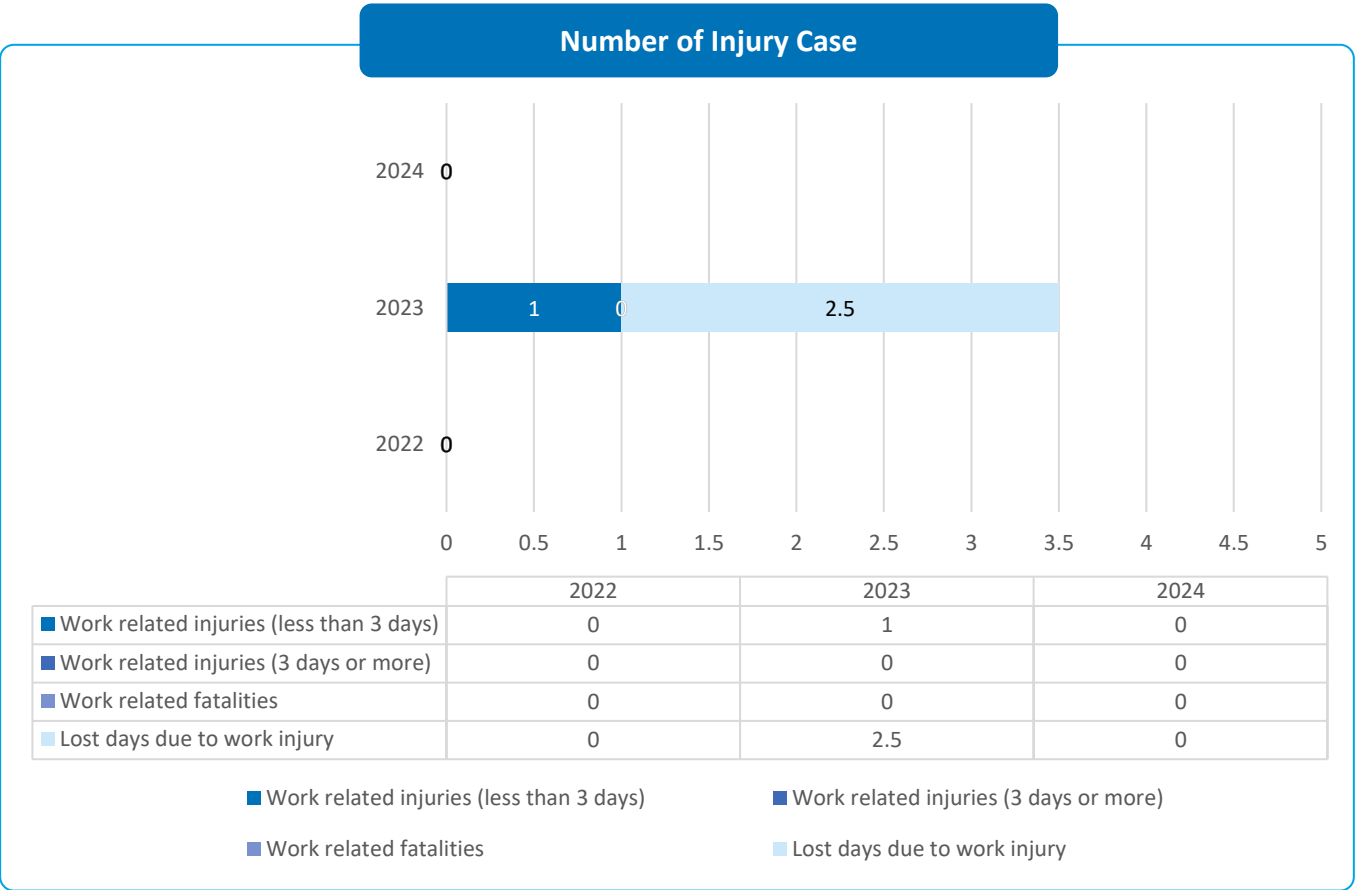
Employee Distribution by Grade



Occupational Health and Safety

Honour Lane Shipping Limited (HLS) remains deeply committed to protecting the health and safety of our workforce. We have introduced Occupational Health and Safety (OHS) training programmes in selected offices to promote a secure and risk-aware work environment. These training sessions cover essential topics such as fire safety, emergency procedures, and self-rescue skills, empowering employees to respond confidently in critical situations.

Our preventative approach to safety has consistently delivered positive outcomes. In 2023, we recorded two and a half workdays lost due to minor injuries, with no incidents resulting in absences longer than three days. In 2024, we achieved a significant milestone of no recorded work-related injuries or lost time. Furthermore, HLS has maintained a strong safety record, with no work-related fatalities reported in the past four years.



Internally, we are committed to building a safe, healthy, and resilient working environment through a proactive and adaptive Occupational Health and Safety (OHS) management system. In 2023, we established three key internal OHS targets: achieving zero fatalities, providing health and safety training to employees, and establishing a global health and safety (H&S) management system with reference to ISO 45001 standards. In 2024, we have recorded progress in each of the following area:



Target 1: Zero Fatalities

We are pleased to report that in 2024, there were no recorded workplace injuries or fatalities across our operations. This outcome reflects the effectiveness of our internal safety measures and our commitment to protecting employee wellbeing. We will continue to monitor workplace conditions closely and conduct regular reviews to maintain this standard.



Target 2: Provide Health and Safety Training to Employees

Throughout 2024, we delivered OHS training programmes at multiple office locations, focusing on fire safety, emergency response, and general workplace safety awareness. To further strengthen our internal capacity, we also plan to provide employees with relevant certification schemes and training to conduct first-aid procedures in emergencies. These efforts aim to ensure that staff are well-prepared, informed, and confident in responding to potential health and safety incidents.



Target 3: Establish Global H&S Management System with Reference to ISO 45001

In 2024, we continued to enhance our internal safety framework and standard operating procedures in preparation for future certification. Starting in 2025, we plan to formally establish global H&S management system with reference to ISO 45001 standards for HLS Group. This phased approach will ensure a consistent, scalable, and internationally benchmarked safety management system across our global operations.

Through continued training, structured planning, and a strong culture of accountability, HLS is dedicated to upholding the highest standards of occupational health and safety for all employees.

Talent Management

At HLS, we view talent development and retention as a vital pillar of our long-term success. We are committed to equipping our people with the tools, skills, and support they need to thrive. To achieve this, we have built and implemented a comprehensive training framework that supports all employees, from new hires to seasoned professionals and management-level staff.

From day one, new team members are guided through a structured pre-training and onboarding programme designed to ensure a smooth integration into the HLS culture and operations. This early investment sets the foundation for their success and growth within the company. We foster a culture of continuous learning and professional advancement, encouraging all employees to actively participate in

a wide range of internal and external training opportunities. These include sessions on internal Standard Operating Procedures (SOPs), system and software training, communication, occupational health and safety, and customer relationship management. In addition, we offer targeted leadership development programmes for our managerial staff, equipping them with the competencies needed to lead with confidence and effectiveness.

Beyond structured training, we place high value on peer learning and knowledge exchange. We have nurtured an environment that promotes collaboration and sharing of practical insights, such as knowledge-sharing sessions focused on enhancing proficiency in office software tools and other practical skills.

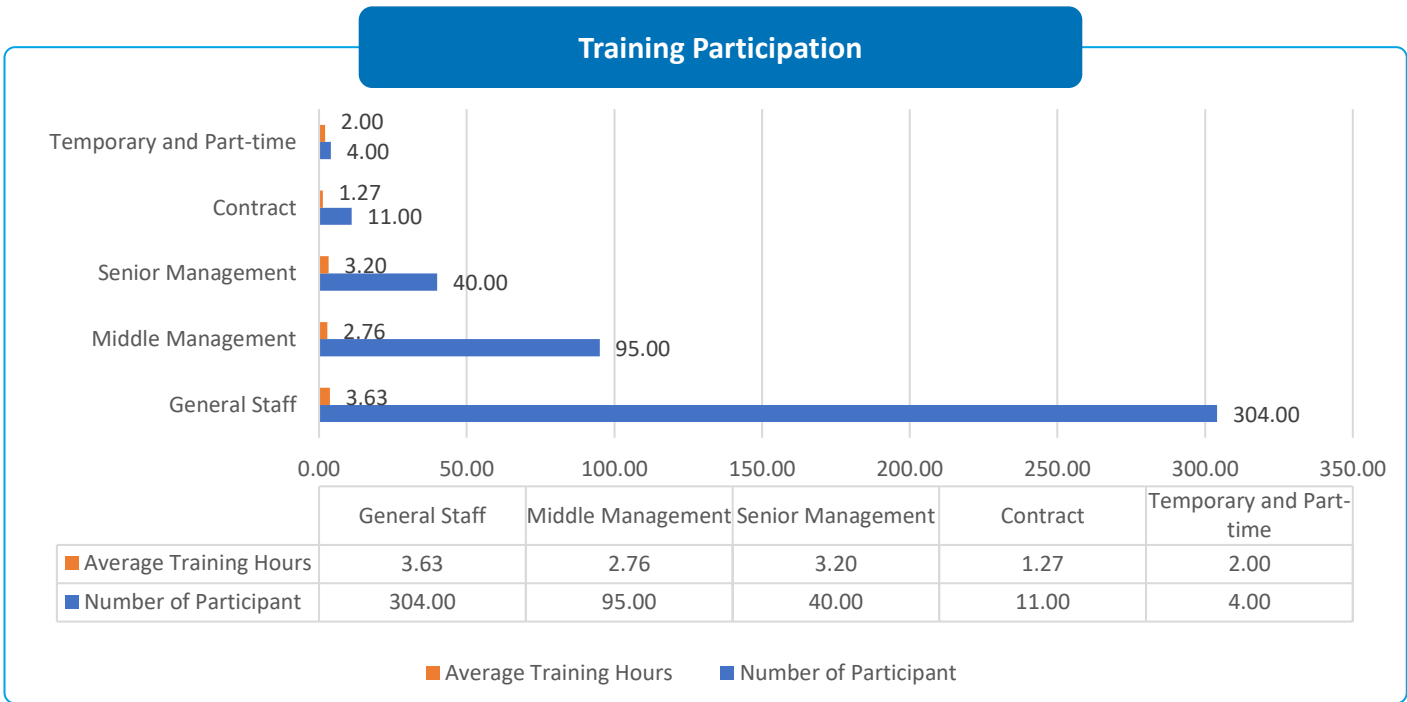
In 2024, our commitment to upskilling and employee engagement remained strong. A total of 454 employees participated in training activities, with an average of 3.34 hours of training per employee, representing a 14% increase compared to 2023. This growth reflects our continuous investment in employee development and our focus on building a more capable, adaptable, and future-ready workforce.

Highlighted Training Initiatives in 2024

In September 2024, HLS further strengthened its focus on compliance and employee awareness by hosting a joint seminar on personal data privacy, engaging our ESG Committee Chairman, Hong Kong head office and regional offices in Malaysia, Singapore, Shenzhen, and Zhongshan. We were honoured to invite an officer from the Office of the Privacy Commissioner for Personal Data, Hong Kong, who provided a comprehensive overview of the Personal Data (Privacy) Ordinance, covering the six data protection principles, direct marketing regulations, relevant offenses, compensation provisions, and real-world case studies.

Through this seminar, our colleagues significantly enhanced their understanding of personal data privacy regulations and are now more attuned to the importance of protecting individual and customer data in their daily work.

In December 2024, HLS Hong Kong colleagues participated in a fire drill and safety briefing organised by the property management company. Employees followed evacuation procedures promptly and assembled at the designated point. The session also included a practical fire safety talk by an officer from the Hong Kong Fire Services Department, helping to reinforce basic fire prevention knowledge and emergency preparedness. These initiatives underscore our ongoing efforts to support employee development, enhance workplace safety, and ensure compliance with evolving regulatory requirements. As we move forward, HLS will continue to invest in training programmes that empower our people and strengthen our organisational capabilities.



HLS continues to implement a structured and transparent Talent Appraisal System as part of our commitment to employee growth. The process involves a collaborative two-way evaluation across seven core competencies, with clearly defined criteria to guide fair and consistent assessments. It concludes with a joint review by the employee, appraiser, and Office Manager, fostering constructive dialogue and mutual accountability. Beyond performance measurement, the system serves as a valuable tool to support individual development, identify growth opportunities, and align career planning with organisational goals. Looking ahead, HLS remains committed to further advancing our training and development efforts. We aim to ensure that every employee is empowered with the right resources, skills, and opportunities to fulfil their potential and contribute meaningfully to the organisation.



● Honour Lane Shipping Limited (Malaysia/ Singapore / Shenzhen/Zhongshan/ Hong Kong) – Seminar of Personal Data (Privacy) 2024



● Honour Lane Hong Kong Fire Drill (December 2024)

Caring for Customers

HLS remains committed to delivering high-quality, timely, and customer-focused shipping services. To ensure operational excellence and continuous improvement, we monitor a set of key performance indicators (KPIs) that guide our service delivery:

1

Timely Response and Space Management: We promptly respond to booking requests and confirm space availability on vessels or flights without delay. This proactive approach ensures efficient cargo scheduling and secures capacity for smooth transit.

2

Accurate Customs Filing and Documentation: We carry out customs declarations with attention to accuracy and ensure that all required shipping documents are prepared and submitted on time. Accurate filing helps prevent interruptions during cargo transit and supports compliance with regulatory requirements.

3

Exception Handling and Contingency Planning: In the event of delays or disruptions, we notify customers immediately and provide alternative solutions. This minimizes service interruptions and keeps deliveries on track.

4

Delivery Coordination and Trucking Management: We work closely with consignees to arrange delivery appointments and manage trucking operations accordingly. This coordination helps avoid demurrage, storage charges, and ensures timely delivery.

5

Performance Reviews and Reporting: We conduct quarterly review meetings with customers, sharing detailed performance analytics and KPIs. These reviews foster transparency, support data-driven decision-making, and identify opportunities for continuous improvement.

Enhanced Customer Complaint Handling

At HLS, we remain focused on refining our services, strengthening customer trust, and being a dependable logistics partner through innovation, transparency, and accountability. As part of our commitment to exceptional customer service, HLS has recently introduced a formal Complaint Handling Policy and launched a dedicated Customer Complaint Webpage. This practical platform allows customers to submit concerns, track resolution progress, and receive timely responses. The complaint webpage is now live and accessible through the HLS official website, making it easier for customers to communicate their feedback and help us improve our services.

Serving Our Community

At Honour Lane Shipping Limited (HLS), we recognise that our role extends beyond the logistics industry, we are part of the communities we serve. In 2024, we significantly expanded our efforts to give back, with a marked increase in both employee participation and charitable contributions across our global offices.

Over the past year, 348 HLS employees dedicated a combined 1,122 volunteer hours, a notable rise in volunteering involvement compared to previous years. Furthermore, our offices collectively contributed HKD 94,492 (USD 12,167) to support charitable causes, reflecting our strengthened commitment to social responsibility.

This year also marked a meaningful milestone: HLS was recognised as a “Caring Company 2023/2024” by the Hong Kong Council of Social Service (HKCSS). This recognition affirms our sustained dedication to caring for the community, supporting our employees, and protecting the environment.

Throughout 2024, HLS offices engaged in a diverse range of impactful global initiatives. Highlights include:

- **Cambodia:** Support for the Kantha Bopha Foundation
- **Chongqing:** Visit to the Social Welfare Institute
- **Dalian:** Children’s Day charity event; Dragon Boat Festival nursing home visit
- **Fuzhou:** Children’s welfare visit
- **Hong Kong:**
 - HKNS28 Large Community Service – “Family Health Walk 2024”
 - A Drop of Life – Mid-Autumn Festival Charity Event 2024
- **Jakarta:** Children care donation; Circumcision sponsor for underprivileged families and orphans
- **Malaysia:** Blood donation
- **Ningbo:** “Love in Action” charity donation event
- **Philippines:** Orphanage visit
- **Thailand:** School painting volunteering
- **Taiwan:** Child care centre visit
- **Tianjin:** Visit to children’s welfare institute
- **Wuhan:** Social care activity for Yongqing community
- **Xiamen:** Visiting schools for orphans and disadvantaged groups and donating supplies
- **Zhongshan:** Community MicroWish volunteer and donation activity; Recycled computer donation

Looking ahead, HLS is committed to deepening its social impact by fostering stronger, more inclusive communities. We will continue to collaborate with various organisations and actively encourage employee involvement, while welcoming partnerships with like-minded individuals and organisations who share our vision of a more compassionate and resilient society.



• HLS Jakarta Children Care & Donation



• HLS Cambodia Donation to Kanhta Bopha Foundation



• HLS Dalian Elderly Home Visit



• HLS & HAS Thailand "School Painting"



• HLS Ningbo "Love in Action" charity



Environment

At Honour Lane Shipping Limited (HLS), we are deeply committed to integrating sustainability into every aspect of our operations. Recognising our responsibility to the planet, we actively implement environmentally conscious practices aimed at reducing our ecological footprint. Our overarching goal is to preserve natural resources and contribute to sustainable development through proactive and responsible environmental management.

Throughout the reporting period, HLS maintained full compliance with all applicable environmental laws and regulations across all regions of operation, with no recorded violations. We remain firmly dedicated to upholding these standards and continuously monitoring regulatory developments to ensure our practices align with both legal requirements and stakeholder expectations.

Environmental Management Approach

Environmental performance is a cornerstone of HLS's sustainability strategy and is overseen by our dedicated Environmental, Social, and Governance (ESG) Committee. As part of our commitment to continuous improvement, we have enhanced our efforts to minimise environmental impacts through energy efficiency, waste reduction, and greenhouse gas (GHG) emission mitigation across our operations.

We are fully aware of the critical importance of environmental conservation and are committed to preventing pollution and contamination across our value chain. In line with this, we have advanced our approach in key areas such as energy and carbon footprint management, resource efficiency and circularity, and environmental data monitoring and reporting.

Over the past year, we have strengthened our environmental management systems by regularly collecting and analysing relevant data to better understand our performance and identify areas for improvement. In addition, we are actively exploring the feasibility of setting formal environmental targets to further guide our sustainability journey.

In 2024, Honour Lane Shipping Limited has also reached a new milestone in our environmental management journey through being certified as a Hong Kong Green Organisation (HKGGO). This esteemed recognition, jointly awarded by the Environmental Campaign Committee and the Environment and Ecology Bureau, reflects our strong commitment to environmental protection and sustainable development.

This certification was achieved through the successful attainment of the following recognitions:

- The Wastewi\$e Certificate
- The Energywi\$e Certificate
- The Glass Container Recycling Charter
- The Energy Saving Charter on “No Incandescent Light Bulbs (ILB)”

These accomplishments highlight our ongoing efforts to reduce waste, enhance energy efficiency, and promote environmentally responsible practices across our operations. The HKGO certification serves as a powerful affirmation of our progress in environmental performance and our dedication to continuous improvement.

As we mark this important achievement, we encourage all members of the Honour Lane team to incorporate sustainable habits into their daily routines. Taking simple actions such as conserving energy, minimising waste, and making thoughtful use of resources can make a meaningful difference in protecting the environment.

This milestone is a proud moment for HLS and a reflection of our shared values. It also reinforces our ongoing commitment to environmental stewardship as we continue working together to support a more sustainable future.



- The certificates attained by HLS in 2024 under the Hong Kong Green Organisation certification scheme

Energy Management and Carbon Footprint Management

In alignment with our core environmental objectives, HLS has intensified its efforts to reduce greenhouse gas (GHG) emissions by advancing energy efficiency and refining carbon footprint management strategies. Supported by our external consultant, the HLS ESG Committee has undertaken a comprehensive GHG emissions accounting exercise, following both the internationally recognised Greenhouse Gas Protocol and the Environmental Protection Department of Hong Kong's guidelines.

Since the previous reporting period, we have broadened the scope of our emissions assessment to include Scope 1 emissions from both stationary and mobile fuel consumption, reflecting our commitment to greater transparency and accountability.

HLS Operations

As a logistics service provider, HLS facilitates the global transportation of goods via sea and air on behalf of our clients. We manage freight forwarding and related logistics services through partnerships with shipping companies; however, we do not directly own or operate transportation assets such as marine vessels, container trucks, or aircraft. Consequently, the primary source of our operational GHG emissions stems from our office activities.

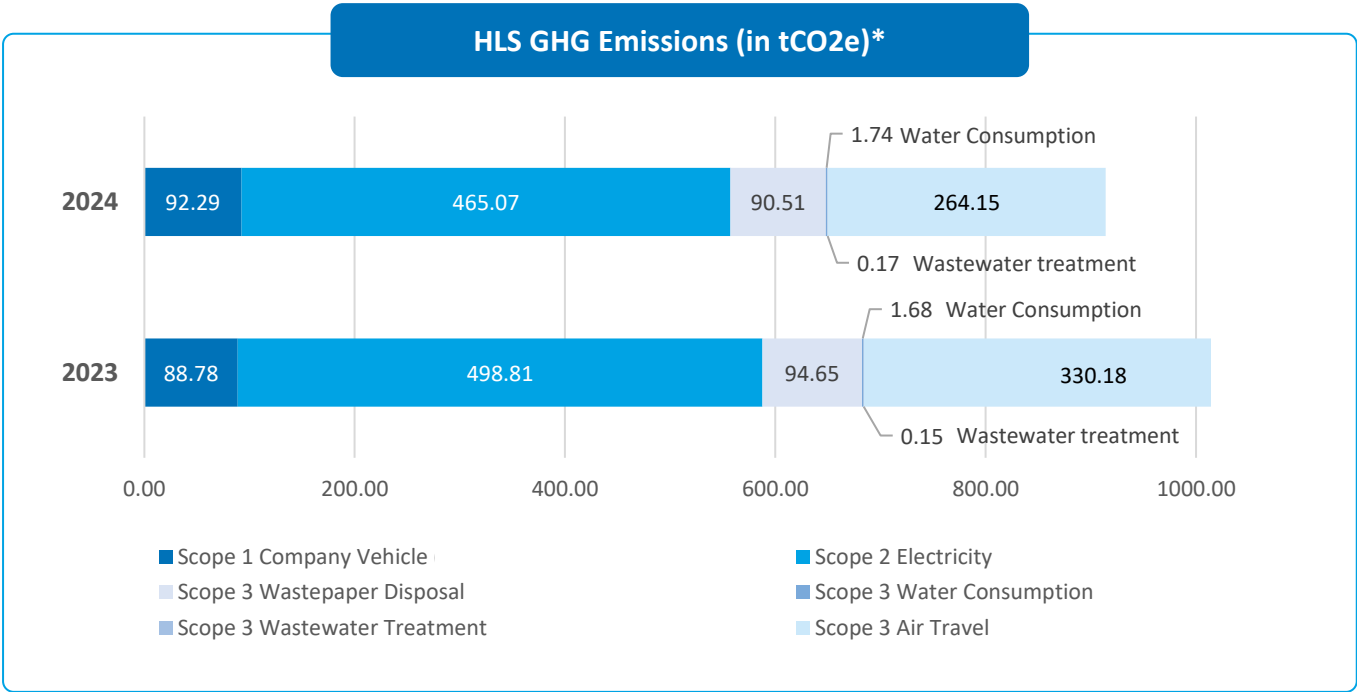
In 2024, our offices recorded petrol consumption of 40,182 litres, equivalent to 1,317 GJ, resulting in 92.29 tonnes of CO₂ equivalent Scope 1 emissions. Furthermore, we purchased 876.28 MWh (3,154.61 GJ) of electricity across our global offices, accounting for 465.07 tonnes of CO₂ equivalent Scope 2 emissions, which remains the largest contributor to our operational emissions.

In addition to direct and energy-related emissions, we also track Scope 3 emissions related to indirect activities such as paper usage, water consumption and disposal, and business air travel. These sources collectively contributed 356.57 tonnes of CO₂ equivalent, with air travel comprising 74.1% of the total Scope 3 emissions. Overall, our total group-level GHG emissions for 2024 decreased by nearly 10%, primarily due to reduced air travel during the year.

HLS Supply chain

Recognising the broader environmental impact of the logistics industry, particularly emissions from transportation vessels and fleet operations, HLS is committed to working collaboratively with suppliers and logistics partners to reduce emissions across our value chain. In 2024, we launched a comprehensive supplier ESG questionnaire, seeking insights into our partners’ environmental practices, including the presence of environmental management systems and carbon footprint reduction measures.

Through continued engagement and alignment with our supplier partners, we aim to drive joint progress towards measurable emissions reductions and foster more sustainable practices across the industry.



*Please refer to notes 5-8 under section Key Environmental Performance

Given that our office operations represent the most significant portion of our direct emissions, HLS is dedicated to improving energy efficiency across all office locations. We ensure compliance with relevant local regulations, including the Electrical and Mechanical Services Department (EMSD) and the Buildings Energy Efficiency Ordinance (BEEO) in Hong Kong, as well as adherence to the Form of Compliance (FOC) requirements.

In practice, HLS has implemented several energy-saving initiatives, such as committing to avoid the procurement of incandescent light bulbs (ILBs) for general lighting and adopting energy-efficient lighting systems, which have been certified by Hong Kong’s Electrical and mechanical Services Department (EMSD). These efforts reflect our proactive approach to reducing energy consumption and associated emissions.

Water Conservation

Water is a critical natural resource, and at Honour Lane Shipping Limited (HLS), we are committed to promoting its responsible use across our operations. Recognising the importance of sustainable water management, we aim to cultivate a workplace culture that encourages water conservation as part of our broader environmental responsibility.

To support this objective, HLS has implemented awareness-driven initiatives to promote efficient water usage among employees. This includes the placement of water-saving reminders throughout our office premises to reinforce daily habits that contribute to long-term conservation. Additionally, Honour Lane Hong Kong Office has taken the lead in guiding the HLS Group in implementing a water flow controller, provided by the Water Department, to actively promote and integrate water conservation into daily operations.

Throughout the 2024 reporting period, HLS closely monitored water usage across our offices. We are pleased to report that no significant water stress or wastage was observed at any of our locations. Total water consumption for the year amounted to 3,996 cubic metres, which translates to approximately 3.46 cubic metres per employee.

These outcomes reflect our continued efforts to promote sustainability in everyday operations, and we remain committed to identifying further opportunities to improve our water management practices as part of our broader environmental strategy.

Resource Management and Circularity

At Honour Lane Shipping Limited (HLS), we recognise responsible resource management as a key pillar of our sustainability commitment. In line with our environmental objectives, we continue to embed a culture of responsible waste management throughout our global operations. Guided by the principles of the 4R concept (Reduce, Reuse, Recycle, and Recover), we have introduced a range of initiatives designed to minimise waste generation and promote sustainable practices among employees.

Our approach encourages active participation from staff members and fosters collaboration with local communities and government bodies to reduce environmental impact. These efforts reflect our dedication to improving operational efficiency while supporting broader environmental goals.

Minimising Waste Through Digitalisation and Operational Efficiency

One of our primary strategies focuses on reducing paper usage across all offices. To this end, HLS has implemented a double-sided printing policy and continues to encourage the use of digital alternatives throughout our business processes. We have prioritised investment in IT infrastructure to streamline operations such as customer service, cargo tracking, and sailing schedules, while also digitising key documentation including customs forms, shipping checklists, and invoices. This shift to digital document handling not only enhances operational efficiency but also aligns with our long-term goal of eliminating unnecessary paper waste.

In support of this transition, HLS Group no longer produces printed wall or desk calendars and, starting in 2024, has adopted the practice of sending digital festive greeting cards to customers in place of traditional hardcopy versions to further demonstrate our move toward sustainable communication practices. As a result of these collective efforts, overall paper consumption was reduced by approximately 6% in 2024 compared to 2023, marking a significant step towards our goal of minimising waste and enhancing resource efficiency.

Improving Waste Separation and Recycling

To advance our recycling efforts, HLS has implemented a waste separation policy across all offices. These practices enable the effective sorting and recycling of materials such as paper, plastics, printer toners, electronic waste, and used batteries. In 2024, these efforts resulted in the successful recycling of approximately 9,365 kilograms of paper waste, 162 kilograms of plastic waste, and 2 kilograms of metal waste across our global operations. These figures reflect our ongoing efforts to reduce landfill contributions and support a circular economy through improved material recovery and recycling.

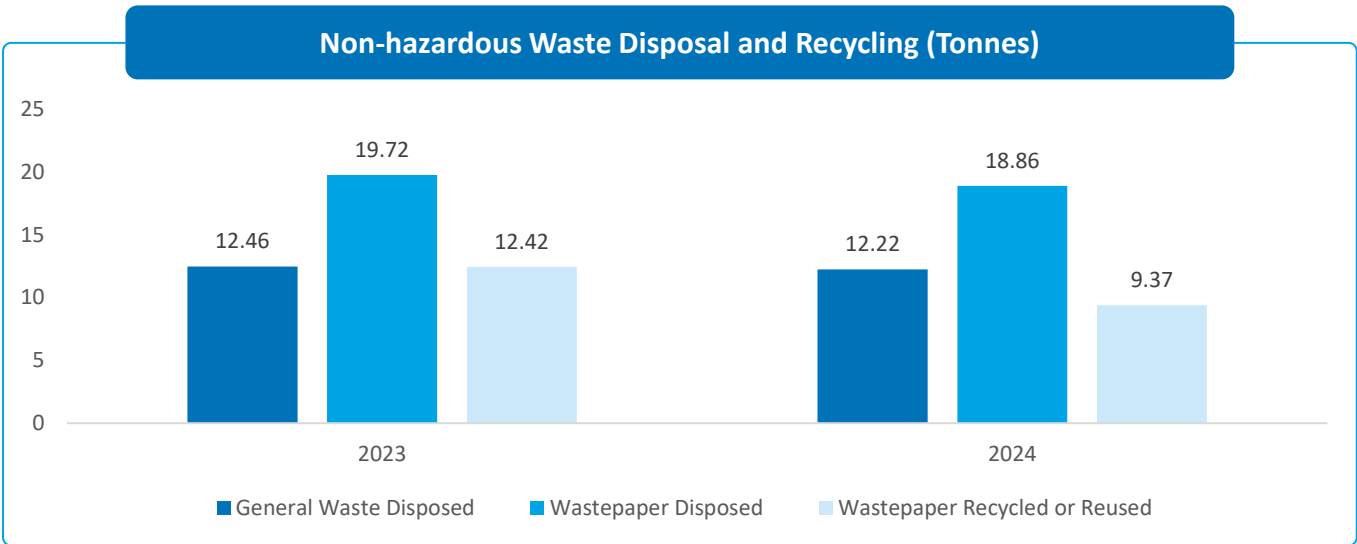
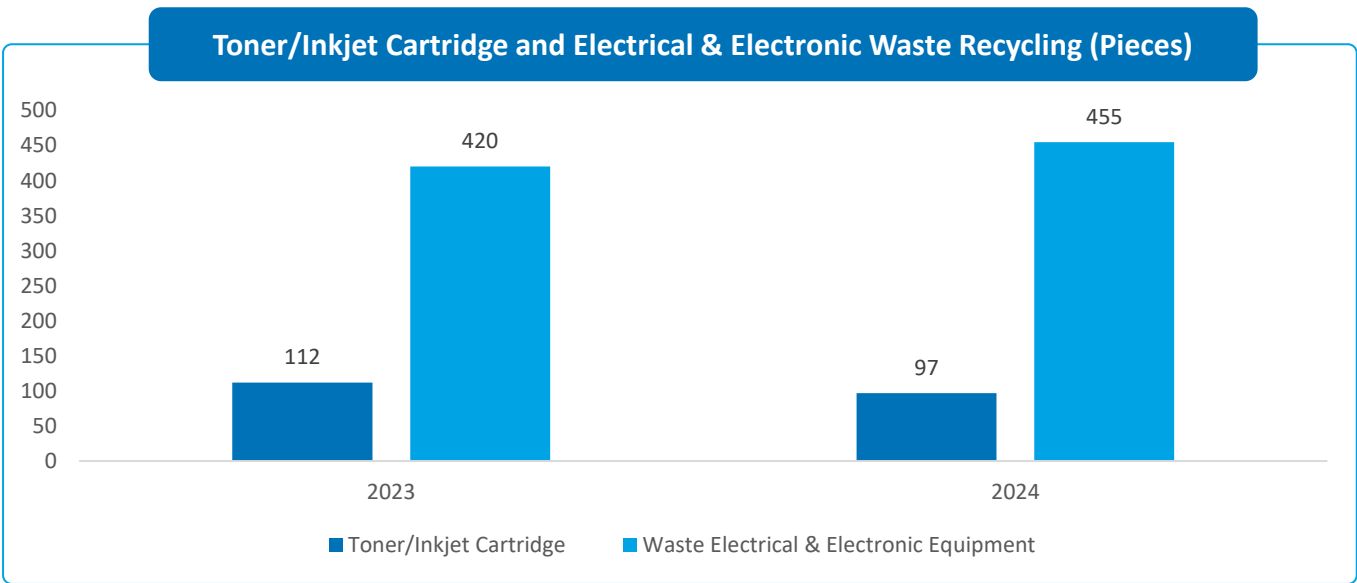


- HLS' internal initiatives on minimizing waste and resource consumption

Engaging in Community-Based Environmental Initiatives

In 2024, HLS further extended its environmental engagement by actively participating in community-led sustainability programmes. As part of our commitment to local environmental action, our Hong Kong office joined the “Lai See Reuse and Recycle Programme 2024” organized by Greeners Action. During the festive season, employees were invited to place used red packets into designated collection boxes. After the celebration, these materials were handed over for recycling and reuse, reinforcing the message that environmental protection can be integrated into cultural traditions.

To promote waste reduction beyond the workplace, HLS also introduced a donation and reuse initiative for clothing and household items. Collection boxes were placed in the office to gather gently used goods, which were then donated to local non-profit organisations for redistribution and reuse. This initiative helps extend the lifecycle of usable items while reducing unnecessary disposal and supporting those in need.



Fostering Environmental Awareness

In our ongoing journey to build a sustainable business, HLS places strong emphasis on collaboration and collective action across all our global offices. We believe that environmental protection is a shared responsibility, and we are proud of the progress made by several offices in this area. Some teams have already implemented effective waste separation and management practices, achieving notably high recycling rates, particularly in the handling of hazardous waste. These efforts serve as commendable examples for others within the organisation.

At the same time, we recognise that not all offices are at the same stage of environmental engagement. To bridge this gap and strengthen our organisation-wide sustainability culture, the HLS ESG Committee has partnered with external sustainability experts to deliver comprehensive training sessions for staff. These sessions cover a range of environmental topics, aiming to increase awareness, build knowledge, and empower employees to take meaningful action.

We also encourage a peer-learning approach, where employees from offices with successful environmental practices are invited to share experiences and insights. This cross-functional exchange helps spark new ideas and fosters the spread of sustainability initiatives throughout the organisation.

2024 Environmental Awareness Activities

In 2024, various HLS offices spearheaded impactful environmental initiatives that exemplify our awareness for the environment:

- Mangrove Ecological Park Visit – Shenzhen Office (May 2024)

The Honour Lane Shenzhen Office organised an educational visit to the Mangrove Ecological Park, combining environmental learning with family engagement. The event aimed to raise awareness about mangrove ecosystems, their role in soil consolidation, erosion prevention, and climate change mitigation. Through guided tours and interactive exhibitions, colleagues and their families gained a deeper understanding of the connection between environmental conservation and human well-being. The visit proved to be both enjoyable and enlightening, reinforcing the importance of protecting our natural ecosystems.

- Community Clean-Up Event – Xiamen Office (May 2024)

The Xiamen Branch held its first community clean-up event at the historic Confucius Temple. Colleagues, joined by their families, dedicated their weekend to collecting litter and restoring the area's natural beauty. The activity not only helped improve the local environment but also strengthened team spirit, collaboration, and environmental consciousness. Participants left with a renewed sense of purpose and a shared commitment to protecting the planet through everyday actions.

- Participation in Earth Hour 2024 (March 2024)

HLS demonstrated its global commitment to climate action by participating in Earth Hour on 23 March 2024. From 8:30 to 9:30 PM, all HLS offices globally turned off non-essential lights and appliances, even though it was a non-working day. Employees were also encouraged to observe Earth Hour at home and adopt more sustainable lifestyles. This symbolic gesture reflected our support for worldwide climate action and reinforced our belief that small changes in daily habits can lead to meaningful environmental impact. In recognition of our participation, Honour Lane Shipping Limited received a Certificate of Appreciation from World Wildlife Fund Hong Kong, acknowledging our commitment to environmental sustainability and our role in amplifying the message of Earth Hour.



- HLS Xiamen Green Cleaning Day (top left)

HLS Shenzhen Mangrove Ecological Park Environmental Protection Tour (bottom left)



- Certificate of Appreciation from WWF Hong Kong for HLS' participation in Earth Hour 2024

Performance Summary

Key Environmental Performance Data¹

	Unit	2023	2024
Energy Consumption²			
Electricity	GJ (MWh)	3,219.95 (894.43)	3,154.61 (876.28)
Petrol	GJ (L)	1,266.36 (38,629.81)	1,317.23 (40,181.52)
Diesel	GJ (L)	14 (0.51)	0
Total energy consumption	GJ	4,500.31	4,471.84
Energy intensity ³	GJ per capita	4.2	3.87
Water Resources Consumption			
Municipal water used	m ³	3,858.85	4,003
Municipal water intensity ³	m ³ per capita	3.61	3.47
Material Consumption			
Paper	kg	20,689	19,719.27
Material intensity ³	kg per capita	19.35	17.07
Air Emissions⁴			
Sulphur oxides (SOx)	kg	0.57	0.59
Nitrogen oxides (NOx)	kg	106.59	57.36
Particulate matter (PM)	kg	9.43	4.92
GHG Emissions⁵			
Scope 1 emissions ⁶	tCO ₂ e	88.78	92.29
Scope 2 emissions ⁷	tCO ₂ e	498.81	465.07
Scope 3 emissions ⁸	tCO ₂ e	426.66	356.57
Total GHG emissions	tCO ₂ e	1,014.25	913.93
GHG emissions intensity	tCO ₂ e per capita	0.95	0.79

	Unit	2023	2024
Waste Management			
Chemical waste	L	0	0
Non-hazardous waste disposed of at landfills	kg	12,461.00	12,221.00
Non-hazardous waste recycled or reused, including the below:			
Paper (including office paper, newspaper, and carton boxes)	kg	12,420.05	9,365.00
Plastic	kg	148	162
Metal	kg	2	2
Hazardous waste recycled or reused, including the below:			
Toner/inkjet cartridge	Piece	112	97
Electrical and electronic waste	Piece	420	455

Notes:

¹The fluctuation of environmental metrics across two years is attributed to back-to-normal operations post Covid-19 as well as the proportion of offices with reported data.

²Conversion factors are used to standardise the units to gigajoules (GJ): petrol (0.032782 GJ/L), Diesel (0.03612 GJ/L), and electricity (3.6 GJ/MWh).

³Intensity metrics are calculated based on HLS total number of staff.

⁴The emission factor of SO_x, NO_x, and PM are obtained from HKEX Appendix 2- Reporting Guidance on Environmental KPIs.

⁵The GHG emissions are calculated with reference to the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (by the Environmental Protection Department and the Electrical and Mechanical Services Department) and the Greenhouse Gas Protocol. The types of greenhouse gases include carbon dioxide (CO₂), CH₄, and N₂O, HFCs, PFCs, SF₆, NF₃.

⁶Combustion of fuels in mobile sources due to daily transportation activities for business operation is classified as Scope 1 GHG emissions from mobile source. Carbon dioxide (CO₂), CH₄, and N₂O are accounted for the emission.

⁷For Scope 2 emissions, the reporting entity has accounted for GHG emissions associated with purchased electricity. The reporting entity will quantify the emissions based on specific emission factors provided by its respective provider of electricity. If the specific emission factor for the reporting period is not available at the time of accounting, the latest specific emission factor from the power company may be used as an approximation. These specific emission factors are available on the power companies' websites and the Climate Transparency Report.

⁸Other indirect emissions (Scope 3) include emissions attributed to electricity used for freshwater processing and sewage processing, paper waste disposal, and business travel by air.

Key Social Performance Data

		Unit	2023	2024
Staff Breakdown				
Number of staff		No.	1,069	1,155
By Gender				
Male		No. (%)	280 (26.19%)	316 (27.36%)
Female		No. (%)	789 (73.81%)	839 (72.64%)
By Employment Type and Gender				
Full-time	Male	No. (%)	279 (26.10%)	305 (26.41%)
	Female	No. (%)	789 (73.81%)	808 (69.96%)
Part-time	Male	No. (%)	1 (0.09%)	11 (0.95%)
	Female	No. (%)	0	31 (2.68%)
By Employment Contract and Gender				
Permanent	Male	No. (%)	275 (25.72%)	279 (24.16%)
	Female	No. (%)	780 (72.97%)	773 (66.93%)
Contract and Part-time	Male	No. (%)	5 (0.47%)	37 (3.20%)
	Female	No. (%)	9 (0.84%)	66 (5.71%)
By Age				
Age under 30		No. (%)	313 (29.28%)	410 (35.50%)
Age 31 – 40		No. (%)	462 (43.22%)	448 (38.79%)
Age 41 – 60		No. (%)	284 (26.57%)	284 (24.59%)
Age 60 or above		No. (%)	10 (0.95%)	13 (1.13%)
By Grade				
General Staff		No. (%)	853 (79.79%)	905 (78.35%)
Middle Management		No. (%)	167 (15.62%)	168 (14.55%)
Senior Management		No. (%)	38 (3.55%)	45 (3.90%)
Contract		No. (%)	10 (0.94%)	25 (2.16%)
Short term and Part-time		No. (%)	1 (0.09%)	12 (1.04%)

	Unit	2023	2024
Training Performance			
Total trained employees	Person-time	489	454
Total training hours	Hour	1,521	1,516
Person-times of Employees Trained by Gender			
Male	Person-time	118	137
Female	Person-time	371	317
Person-times of Employees Trained by Grade			
General Staff	Person-time	358	304
Middle Management	Person-time	100	95
Senior Management	Person-time	27	40
Contract	Person-time	4	11
Part-time	Person-time	0	4
Average Training Hours by Gender			
Male	Hour	3.77	2.89
Female	Hour	2.90	3.53
Average Training Hours by Grade			
General Staff	Hour	2.94	3.63
Middle Management	Hour	3.68	2.76
Senior Management	Hour	3.07	3.2
Contract	Hour	4	1.27
Part-time	Hour	0	2
Staff Turnover			
Total staff turnover	No.	436	365
By Gender			
Male	No. (%)	125 (28.67%)	98 (26.85%)
Female	No. (%)	311 (71.33%)	267 (73.15%)
By Age Group			
Age under 30	No. (%)	202 (46.33%)	154 (42.19%)
Age 31 – 40	No. (%)	155 (35.55%)	127 (34.79%)
Age 41 – 60	No. (%)	78 (17.89%)	82 (22.47%)
Age 60 or above	No. (%)	1 (0.09%)	2 (0.17%)

	Unit	2023	2024
New Employee Hires			
Total new hires	No.	205	379
By Gender			
Male	No. (%)	63 (30.73%)	115 (30.34%)
Female	No. (%)	142 (69.27%)	264 (69.66%)
By Age Group			
Age under 30	No. (%)	109 (53.17%)	247 (65.17%)
Age 31 – 40	No. (%)	66 (32.20%)	90 (23.75%)
Age 41 – 60	No. (%)	30 (14.63%)	42 (11.08%)
Age 60 or above	No. (%)	0	0

Occupational Safety and Health Statistics	Unit	2022	2023	2024
Recordable work-related injury	No.	0	1	0
High-consequence work-related injury	No.	0	0	0
Lost days due to work injury	No.	0	2.5	0
Work related fatalities	No.	0	0	0
Fatality Rate	%	0	0	0



GRI Content Index

Statement of Use	HLS has reported in accordance with the GRI Standards for the period from 1st January to 31st December 2023.
GRI used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Section	Remark
GRI 2: General Disclosures 2021	2-1 Organisational details	Our Business	
	2-2 Entities included in the organisation's sustainability reporting	Reporting Scope and Period	
	2-3 Reporting period, frequency and contact point	Reporting Scope and Period	
	2-4 Restatements of information		No restatements of information
	2-5 External assurance		Not applicable
	2-6 Activities, supply chain and other business relationships	Supplier Management	
	2-7 Employees	Caring for our people	
	2-8 Workers who are not employees		Not applicable
	2-9 Governance structure and composition	Sustainability Governance Structure	
	2-10 Nomination and selection of the highest governance body		Not applicable
	2-11 Chair of the highest governance body	Sustainability Governance Structure	
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Structure	
	2-13 Delegation of responsibility for managing impacts	Sustainability Governance Structure	
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure	
	2-15 Conflicts of interest	Business Ethics	

GRI Standard	Disclosure	Section	Remark
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Business Ethics	
	2-17 Collective knowledge of the highest governance body	Sustainability Governance Structure	
	2-18 Evaluation of the performance of the highest governance body		Not applicable
	2-19 Remuneration policies		Not applicable
	2-20 Process to determine remuneration		Not applicable
	2-21 Annual total compensation ratio		Not applicable
	2-22 Statement on sustainable development strategy	Our Approach to Sustainability	
	2-23 Policy commitments	<ul style="list-style-type: none"> • Our Approach to Sustainability • Sustainability Governance Structure 	
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> • Our Approach to Sustainability • Sustainability Governance Structure 	
	2-25 Processes to remediate negative impacts	Business Ethics	
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics	
	2-27 Compliance with laws and regulations	Business Ethics Supplier Management	
	2-28 Membership associations	Our Business	
	2-29 Approach to stakeholder engagement	Stakeholder Engagement Approach	
	2-30 Collective bargaining agreements		Not applicable

Material Topics			
GRI Standard	Disclosure	Section	Remark
GRI 3: Material Topics 2021	2-1 Organisational details	Our Business	
	3-2 List of material topics	Materiality Assessment	
Energy Saving Measures			
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Management and Carbon Footprint Management	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Key Environmental Performance Data	
	302-2 Energy consumption outside of the organisation		Not applicable
	302-3 Energy intensity	Key Environmental Performance Data	
	302-4 Reduction of energy consumption	Energy Management and Carbon Footprint Management	
	302-5 Reductions in energy requirements of products and services	Energy Management and Carbon Footprint Management	
Water			
GRI 3: Material Topics 2021	3-3 Management of material topics	Water Conservation	
GRI 303: Water and Effluents 2018		<ul style="list-style-type: none"> Water Conservation Key Environmental Performance Data 	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	Energy Management and Carbon Footprint Management	
GRI 305: Emissions 2016		<ul style="list-style-type: none"> Energy Management and Carbon Footprint Management Key Environmental Performance Data 	

Material Topics			
GRI Standard	Disclosure	Section	Remark
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Resource Management and Circularity	
GRI 306: Waste 2020		Resource Management and Circularity	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	People	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Key Social Performance Data	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not disclosed in this report
	401-3 Parental leave	Care for Our Employees	
Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Occupational Health and Safety	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	
	403-3 Occupational health services	Occupational Health and Safety	
	403-3 Occupational health services	Occupational Health and Safety	

Material Topics			
GRI Standard	Disclosure	Section	Remark
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	
	403-6 Promotion of worker health	Occupational Health and Safety	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	
	403-9 Work-related injuries	Occupational Health and Safety	
	403-10 Work-related ill health		Not applicable
Training and Development			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Management	
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Talent Management	
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Talent Management	
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Management	

Material Topics			
GRI Standard	Disclosure	Section	Remark
Talent Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Talent Management	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Key Social Performance Data	
	405-2 Ratio of basic salary and remuneration of women to men		Not disclosed in this report
Customer Experience			
GRI 3: Material Topics 2021	3-3 Management of material topics	Caring for Customers	
Data Governance			
GRI 3: Material Topics 2021	3-3 Management of material topics	Data Governance and Cybersecurity	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Governance and Cybersecurity	No recorded complaints concerning breaches of customer privacy and losses of customer data
Supplier Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	Supplier Management	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Not disclosed in this report
Integrity and Law-abiding			
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics	
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption		Not disclosed in this report
	205-2 Communication and training about anti-corruption policies and procedures	Talent Management	
	205-3 Confirmed incidents of corruption and actions taken		No case had been recorded

Material Topics			
GRI Standard	Disclosure	Section	Remark
Financial Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics		Not disclosed in this report
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		Not disclosed in this report
	201-2 Financial implications and other risks and opportunities due to climate change		Not disclosed in this report
	201-3 Defined benefit plan obligations and other retirement plans		Not disclosed in this report
	201-4 Financial assistance received from government		Not disclosed in this report