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MESSAGE FROM CHIEF EXECUTIVE



WILSON KWONG
Chief Executive



Hactl has long been synonymous with best practice in air cargo handling. As the leading independent handler in Hong Kong, and a global model for all that's best in our industry, we set high standards in operational excellence and sustainability. Our initiatives foster a greener, more inclusive and safer environment for employees, partners, and communities, reinforcing our role as a responsible leader in cargo handling and corporate sustainability.

As Hactl navigates the complexities of a rapidly changing world, we recognise that our actions today will shape the future for generations to come. The challenges posed by climate change, social inclusion, and operational safety compel us to innovate and collaborate more than ever before. Hactl's 5-year Sustainability Strategy Framework integrates sustainability into all our decisions and operations. Built on four Pillars — People, Partners, Planet and Governance — it informs our business operations and reinforces our commitment to a responsible and resilient future.

Hong Kong's warming climate and frequent extreme weather events highlight the urgent need for proactive climate mitigation measures, and Hactl is dedicated to leading the charge in addressing necessary changes. In 2024, we updated our decarbonisation roadmap and integrated it into budget planning to ring-fence resources for achieving our SBTi targets. We proudly became one of Asia's first two cargo handlers to achieve the IATA Environmental Assessment (IEnvA) Certification, which is a testament to our commitment to environmental best practice. We launched the Green Terminal Pact this year, engaging our tenants in reducing energy consumption and waste, and fostering a culture of sustainability within our community.

Sustainability at Hactl also encompasses our people and our community. We have prioritised inclusion, equity and diversity by signing the Racial Diversity & Inclusion Charter and by collaborating with CareER on workshops and fairs; these promote equal opportunities for individuals with disabilities and special educational needs. We also support the "Hactl x Free Periods Hong Kong – Be My Buddy Buddy" project, advocating for menstrual equity in the workplace, and supporting equity and wellbeing within our wider community.

Innovation is key to tackling sustainability challenges, and is at the heart of Hactl's sustainability strategy. Exemplifying our innovative spirit, we embrace circular economy principles through initiatives such as the **zero-waste upcycling project** – a first-of-its-kind in Hong Kong's aviation industry, transforming redundant staff work wear into 5,000 attractive recyclable cups.

Safety remains paramount in our operations. The successful implementation of Giga Safety Day, along with Hactl's participation in the Occupational Safety and Health Innovation and Technology Expo, underscores our commitment to creating a safer workplace for everyone. Our outstanding performance in occupational safety has earned us prestigious accolades at the Hong Kong Occupational Safety and Health (HKOSH) Awards.

As we reflect on the past year, I am proud to present Hactl's Sustainability Report for 2024, showcasing our unwavering commitment to environmental stewardship, employee wellbeing, and innovation. The dedication of Hactl's team has been instrumental in driving all our initiatives forward, and I am grateful for their hard work and passion. Together, let us continue this journey towards a more sustainable future, in which Hactl not only meets but exceeds its goals for environmental responsibility and social impact.

About this Report

Hong Kong Air Cargo Terminals Limited (referred to as "Hactl", "we", and "our") is pleased to present our fourth annual Sustainability Report providing information about our environmental, social, and governance (ESG)-related approach and performance from 1 January to 31 December 2024.

Unless otherwise specified, the scope of this report covers the plans, operations and activities of Hactl and our wholly-owned subsidiary Hacis over the reporting period. The structure and content of this report is shaped around the four pillars of Hactl's Sustainability Strategy Framework: **People**, **Partners**, **Planet** and **Governance**.



ABOUT THIS REPORT

Main Report – Feature Stories

In the main body of the report, we focus on communicating our approach and performance with illustrative examples of how we implement our sustainability strategy to address the material issues identified at Hactl.

Additional ESG Disclosures

For more traditional content related to sustainability reporting, including comprehensive management approach information, please refer to the **Environmental, Social and Governance (ESG) Disclosure Index**. This Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 framework, and with reference to the Greenhouse Gas (GHG) Protocol, and Recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

Information contained in this report has been assured by Hong Kong Quality Assurance Agency (HKQAA). Details of the scope of the assurance are available in the **Assurance Statement**.

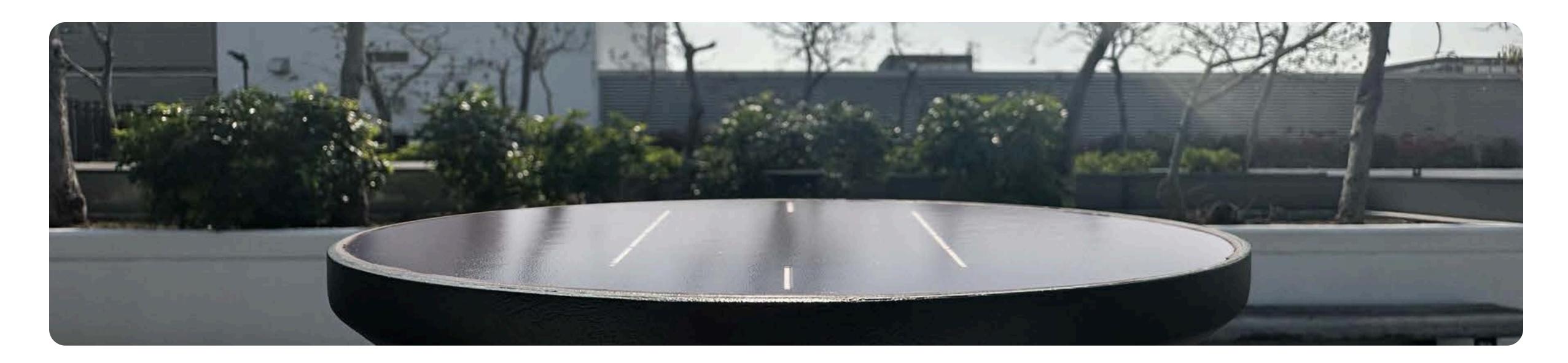
Acknowledgements and Feedback

We sincerely extend our appreciation to our stakeholders for their contributions to this report. We also thank our employees, partners, customers and all other stakeholders who share our sustainability vision and commitments.

We welcome your comments and feedback on this report and its contents. Your feedback can be shared with us at:



Contact us



Sustainability Strategy

Hactl's sustainability strategy is a dynamic and evolving framework that underscores our commitment to adapting to the ever-changing landscape of the air cargo industry. Since our earliest days at Kai Tak, Hactl's air cargo operations have been synonymous with safety culture and high efficiency. The launch of our Green Terminal programme in 2018 marked a significant milestone in our approach, actively amplifying positive contributions to our society and the environment while mitigating adverse impacts.

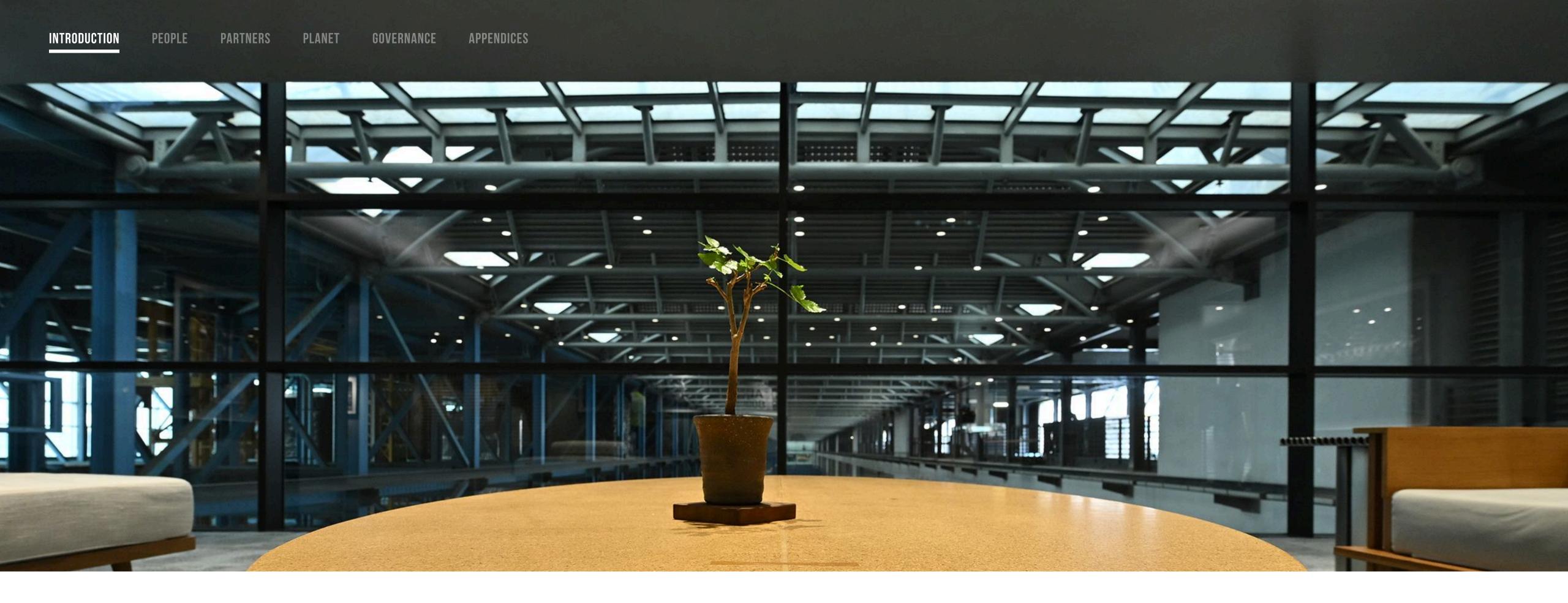
Hactl is passionate about promoting sustainability within the aviation and freight sectors and specifically our community in and around Hong Kong International Airport (HKIA). We proactively engage with our supply chain, customers, industry peers, and other strategic partners to raise awareness about current

and emerging sustainability challenges and push forward with constructive and collaborative solutions. Notably in 2024, we introduced the Green Terminal Pact (GTP), a collaborative tenant initiative designed to drive sustainable practices forward.

Our Sustainability Strategy Framework, established in 2022, sets out our five-year strategic plan for advancing sustainable development. This framework is closely aligned with Hactl's operational priorities and Jardine Matheson's broader sustainability goals, and has been systemically integrated across all operations, enabling effective assessment and evaluation of our progress toward our goals.

In creating this strategy framework, we engaged our stakeholders and conducted a desktop landscape review of our industry to identify ESG and sustainability issues material to Hactl, ensuring our sustainability efforts remain relevant for our current operations and into the future.

The sustainability strategy is organised around four core pillars that support our sustainable development vision: **People, Partners, Planet and Governance**. Each pillar encompasses eight focus areas that guide our sustainability journey. In 2024, we collaborated with internal stakeholders to identify and develop key performance indicators (KPIs) and targets, which have been integrated into the strategic framework under each core pillar.



Our Vision

Driving a more sustainable cargo industry

We are committed to shaping our industry to become greener and more sustainable. This means championing environmental stewardship, acting with integrity, and caring for our people, our partners and our community. Hactl is proud to be a leading air cargo handler operating a world-class Green Terminal; underpinning Hong Kong's place in the logistics world and placing sustainability at the heart of everything we do.

DRIVING A MORE SUSTAINABLE CARGO INDUSTRY

People

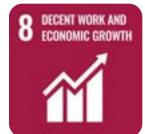
WHERE EVERYONE WANTS TO WORK

FOCUS AREAS

- Safety and Wellbeing
- Employer of Choice
- Development and Training

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS





Partners

BEYOND BUSINESS RELATIONSHIPS

FOCUS AREAS

- Value Chain Management
- Community Engagement and Collaboration

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS



Planet

SUSTAINING LIFE ON PLANET

FOCUS AREAS

- Responsible Resource Management
- Climate Change

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS





Governance

DOING THE RIGHT THINGS RIGHT

FOCUS AREAS

Integrity and Transparency

UNITED NATIONS' SUSTAINABLE DEVELOPMENT GOALS





Implementing Our Strategy

Implementation of Hactl's sustainability strategy is a dynamic and multi-faceted endeavour, ensuring that environmental stewardship and social responsibility permeate every level of operation. With the adoption of our new comprehensive sustainability strategy, we have introduced a suite of robust policies to underpin our sustainability objectives.

Hactl's management approach is data-driven and promotes accountability, underscored by a set of internal sustainability linked KPIs that have received the endorsement of our Senior Management Team.



PERFORMANCE AND DATA-DRIVEN

Hactl's internal sustainability linked KPIs are designed to engender a culture of sustainability across all departments, fostering a spirit of collaboration that will be instrumental for the realisation of our sustainability vision.

PEOPLE



Employer of Choice

Continuous increment in female ratio at Junior Executive level and above and reach 37% by 2030

37%

PROGRESS IN 2024

In progress: We are actively working to attract and retain diverse talent by fostering an inclusive workplace and ensuring an unbiased recruitment process



Safety and Wellbeing

Pursue zero fatalities, zero workrelated injuries and zero prosecution

0%

PROGRESS IN 2024

In progress: 61% reduction in work-related injuries since 2018



Development and Training

Elite Management Trainee programme for long term succession and sustainable growth



PROGRESS IN 2024

In progress: 9 trainees have been recruited to the programme in the past 2 years

PARTNERS



Value Chain Management

50% implementation of Supplier Code of Conduct by 2025

50%

PROGRESS IN 2024

In progress: A Supplier Code of Conduct has been established and will be gradually rolled out to all suppliers



Community Engagement and Collaboration

Invest an amount of up to 0.25% of net revenue to sustainability initiatives

0.25%

PROGRESS IN 2024

0.25% of net revenue invested to sustainability initiatives

PERFORMANCE AND DATA-DRIVEN

PLANET



Responsible Resource Management

75% waste diverted from landfill by 2030

75%

PROGRESS IN 2024

In progress: 67.9% waste diverted from landfill

GOVERNANCE



Commitment

Hactl is firmly committed to upholding the highest standards of corporate governance and has a zero-tolerance policy towards any compliance breaches



Climate Change

reduction in absolute Scope 1 & 2 GHG emissions by 2030 from a 2018 base year

PROGRESS IN 2024

In progress: 29.3% reduction in absolute Scope 1 & 2 GHG emissions since 2018

50.4% 50.4% 20%

reduction in absolute Scope 3 GHG emissions by 2030 from purchased goods and service, fuel-and-energy related activities, waste generated in operations, employee commuting and downstream leased assets from a 2018 base year

PROGRESS IN 2024

In progress: We are working to reduce our Scope 3 emissions by actively engaging suppliers across our value chain to adopt sustainable practices

reduction in energy consumption by 2030 from a 2018 base year

PROGRESS IN 2024

In progress: Beyond improving energy efficiency, we are actively exploring alternative energy sources to diversify and strengthen our energy mix

The Senior Management Team receives regular updates from the Safety, Sustainability and Quality Assurance (SSQ) team, to ensure relevant departments are on track to achieve their sustainability-linked objectives. Cross departmental collectives have been formed, including task forces focusing on waste management and sustainable procurement, bring together colleagues from different teams to ensure that sustainable practices are looked at from multiple angles and embedded throughout our organisation.

The journey towards sustainability presents its challenges. We are committed to effectively engaging our colleagues on these critical issues. To this end, we are innovating communication strategies to foster an understanding of the role each colleague plays in our sustainability narrative. In 2024, we enhanced our digital communications presence with an interactive sustainability website and user-friendly mobile platforms. This year, our interactive website features video interviews with Hactl Leadership and Senior Management, providing in-depth perspectives on our sustainability efforts and objectives.



Where Everyone Wants to Work

At Hactl, our people are the heart of everything we do. We foster a collaborative, caring, and innovative environment where trust and empowerment thrive. As we navigate the dual challenges of an ageing workforce and heightened competition for talent in a tight labour market, our goal is to enhance wellbeing and productivity, attracting and retaining passionate individuals who drive Hactl's success.



PEOPLE

ARTNERS

PLANET

GOVERNAN

APPENDICES

Strategic Focus Areas

Safety and Wellbeing



Employer of Choice



Development and Training





Safety and Wellbeing

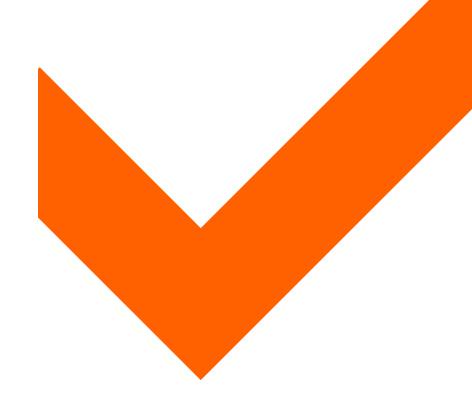
At Hactl, fostering a safety-first culture where our staff feel truly supported is central to our safety enhancement strategy. We engage proactively with our people, contractors and other stakeholders to achieve continuous improvement in safety performance and overall wellbeing.

Our Current Approach

- Our ISO 45001 certification and adherence to international and local safety standards ensure we meet the highest safety benchmarks.
- Our comprehensive risk management system enables us to identify potential risks, and implement mitigation measures to ensure a safe working environment.
- We educate and engage our employees in occupational health and safety, empowering them with knowledge and resources to prioritise their safety and wellbeing.
- We promote healthy lifestyles and initiatives that support the physical and mental wellbeing of our employees.



We aim to pursue zero fatalities, zero prosecution and work-related injuries by 2030



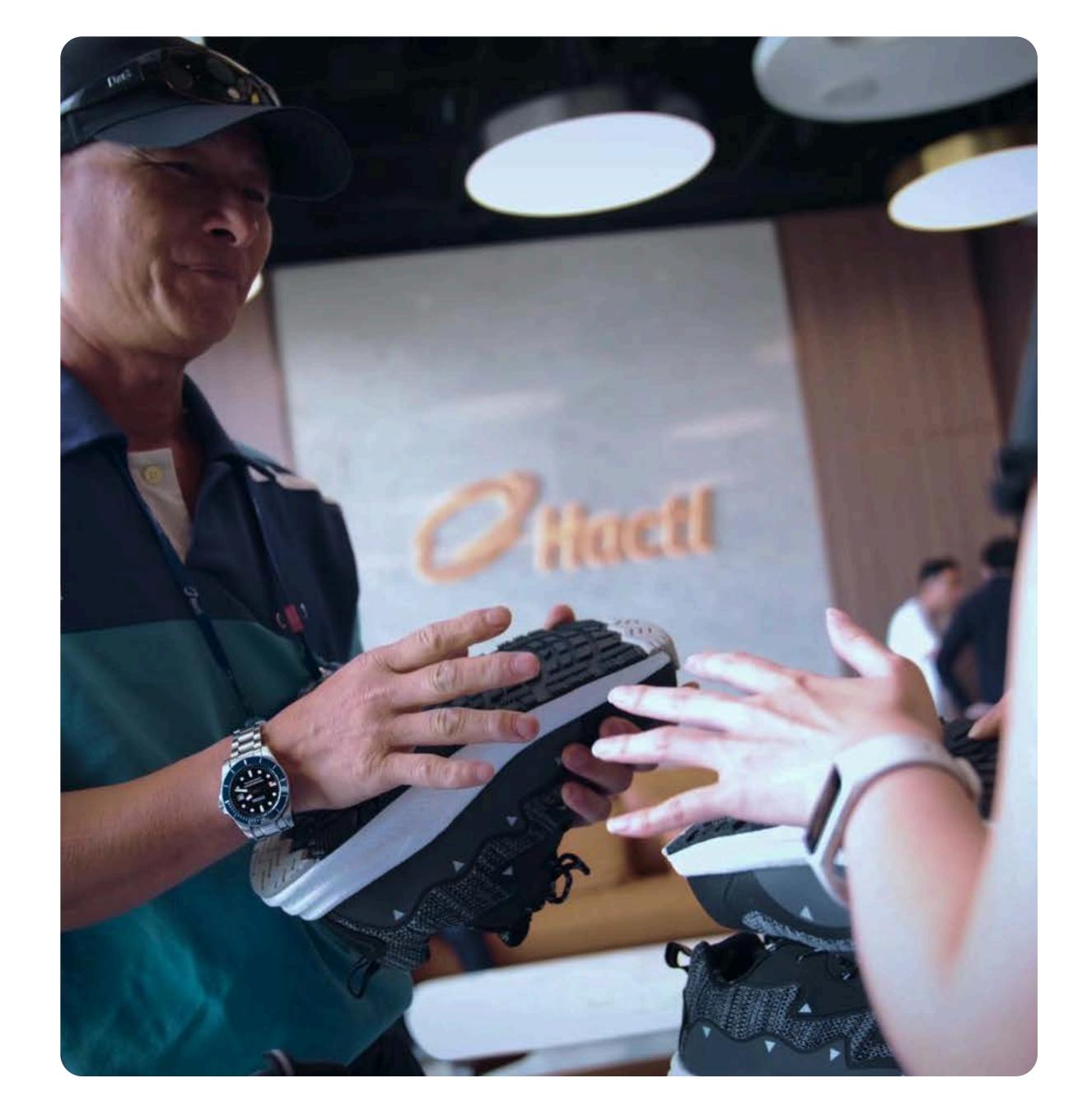
SAFETY AND WELLBEING

Beating the Heat: Our Giga Safety Day

The summer sun can be unforgiving, with temperatures and humidity levels rising to extreme heights on the cargo terminal and ramp, posing a significant risk to the safety and wellbeing of our staff. However, we remain steadfastly determined to keep our staff safe and comfortable, no matter the weather. In response, our Safety Team organised a "Giga Safety Day", to introduce new occupational safety and health equipment we have invested for our cargo terminal and ramp staff, designed to combat heat stress.

On a hot summer day, we unveiled cooling vests with built-in fans to prevent heat stroke and safety shoes featuring enhanced water resistance and reduced weight. This innovation serves as a welcome relief for our staff, enabling them to focus on their work without heat concerns.

Giga Safety Day was more than just a showcase of new equipment. We invited experts from the Occupational Safety and Health Council to share their expertise on best practices for avoiding heat-related illnesses and staying safe in the heat. Our staff were also encouraged to trial the equipment and provide feedback, ensuring we are equipping them with the most effective tools to manage heat stress. By combining technology with expert knowledge, we are empowering our staff to take control of their safety and wellbeing. The result is a safer, healthier, and happier workforce better equipped to meet the challenges of our operations.





SAFETY AND WELLBEING

Leading with Safety: Hactl earns first IATA Enhanced GSE Recognition in Asia

In an industry often driven by the relentless pursuit of operational efficiency, Hactl stands out by prioritising safety as a core value. We are proud to be the **first ground handler in Asia to receive the prestigious IATA Enhanced GSE Recognition Certificate**, a significant milestone that highlights our unwavering commitment to the safety and well-being of our team and the aircraft we serve. Since 2017, we have been dedicated to enhancing ramp safety by equipping our ground support equipment (GSE) with advanced anti-collision systems that alert operators when they are in close proximity to aircraft.

This recognition is not just a testament to our efforts but also a reflection of our belief that a strong focus on safety fosters a healthier work environment for everyone involved. As we celebrate this achievement, we take pride in knowing that our commitment to safety and wellbeing will inspire others in the industry to adopt best practices that protect both people and planes.



SAFETY AND WELLBEING

Stretching for Success: Hactl Sets Guinness World Record celebrating Health and Wellness

In a world where physical wellbeing can often be neglected, we prioritise the health of our people.

One way we encourage this with our people is highlighting the importance of stretching as a key method to reduce injury risk and enhance overall wellness. This year, in pursuit of this goal, our team of overachievers stretched their limits by breaking a Guinness World Record. A group of our 25 colleagues joined 750 participants at the National Day Celebration and Thousand-Person Stretching Exercises event in D-PARK, Tsuen Wan, where they set the record for the largest resistance band class. Guided by professional instructors, our team participated in a lively 30-minute session of resistance band stretching, cheering each other on as they followed along with the instructors before receiving their Guinness World Record certificates.

While we likely will not be breaking another stretching world record anytime soon, this feat was a meaningful reminder of what we can achieve collectively as a team, motivating one another to improve our physical health together.

SAFETY AND WELLBEING

Safety First: Achieving the Gold Standard in Workplace Safety



This year, we are proud to have received several accolades recognising our dedication to excellence in occupational safety.

Hactl was once again honoured by the Airport Authority Hong Kong (AAHK) with the "HKIA Safety Excellence Award – Bronze". This award reflects our successful implementation of our comprehensive occupational safety and health policy to create a safe working environment, which has led to a significant 61% reduction in injuries since 2018.

Hactl also took home four honours at the 23rd Hong Kong Occupational Safety and Health (HKOSH) Awards, including a "Gold Occupational Rehabilitation Award", two Bronze awards for the "OSH Report Award" and "OSH Innovative Award" and one merit award for the "OSH Enhancement Program Award". These achievements are a testament to our dedication to initiatives like our "Smart Safety Management System", providing our team with real-time information on health and safety incidents. Notably, we also partnered with The Hong Kong Society for the Blind, to provide free massage services to staff, helping them to relieve stress while also providing paid employment to the visually impaired.

These accomplishments reflect our heartfelt commitment to maintaining a secure and healthy workplace. Through effective rehabilitation programmes, transparent safety reporting and focus on continuous improvement in safety practices, we strive to create an environment where everyone feels safe and valued.



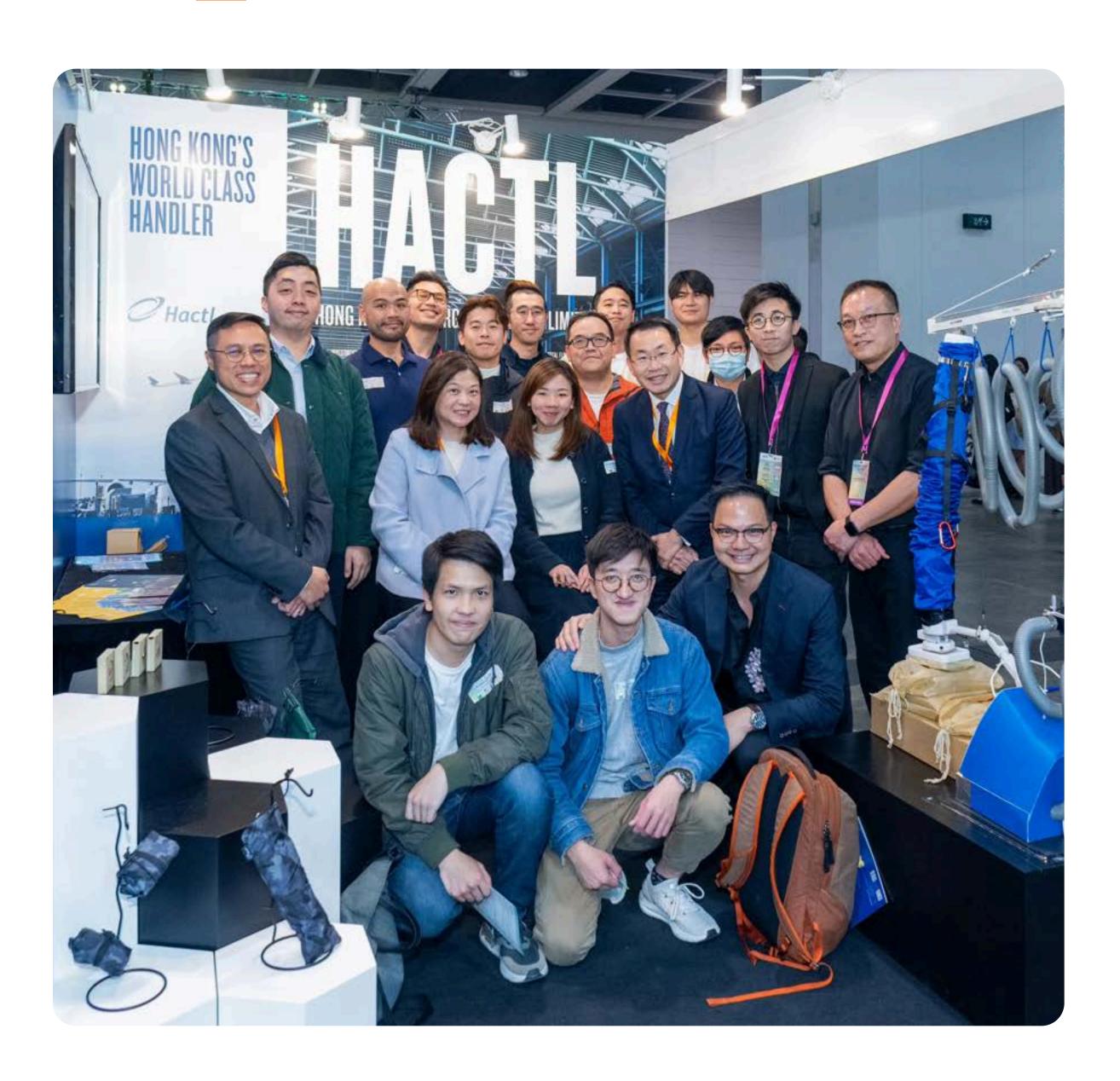
HKIA Safety Excellence Award



HKOSH Awards

GOLD AWARD X1 BRONZE AWARD X2 MERIT AWARD X1

BRONZE



SAFETY AND WELLBEING

A Safer Tomorrow: Showcasing Innovation for Occupational Safety Excellence

By embracing innovation and pushing boundaries, we have achieved outstanding safety records. This year marked a significant milestone as we proudly served as the Diamond Sponsor of Hong Kong's first OSH Innovation & Technology Expo, hosted by the Labour Department and Occupational Safety and Health Council. This inaugural event was a showcase of cutting-edge solutions and technologies that are shaping the future of workplace safety.

At our exhibit, we presented a suite of innovative solutions deployed at our SuperTerminal 1, the largest and one of the most technologically advanced single cargo terminals in the world. Among the highlights was our Smart Safety Management System (SSMS), which leverages real-time big data insights on incidents and irregularities to streamline safety reporting and enhance staff safety.

As a leading air cargo terminal operator, our participation in this important platform underscores our commitment to advancing occupational safety and health standards—not just in Hong Kong, but globally. By sharing our innovations and insights, we aim to inspire others to elevate their safety practices, creating a ripple effect enhancing workplace environments everywhere.

SAFETY AND WELLBEING

One Team, One Dream: Celebrating 11 Years of Safety Excellence

Ensuring the safety and health of our employees is our top priority, and Safety Week plays a vital role in fostering a culture where everyone is empowered to champion workplace safety.

This year, under the inspiring theme "One Team, One Dream," Safety Week delivered an action-packed lineup of engaging activities designed to boost awareness about occupational safety and health. Employees participated in immersive virtual reality experiences that simulated real-life safety scenarios, while remote-controlled challenges tested their teamwork and problem-solving skills. Interactive quizzes and mini games kept the atmosphere lively and dynamic, encouraging friendly competition and reinforcing crucial safety practices.

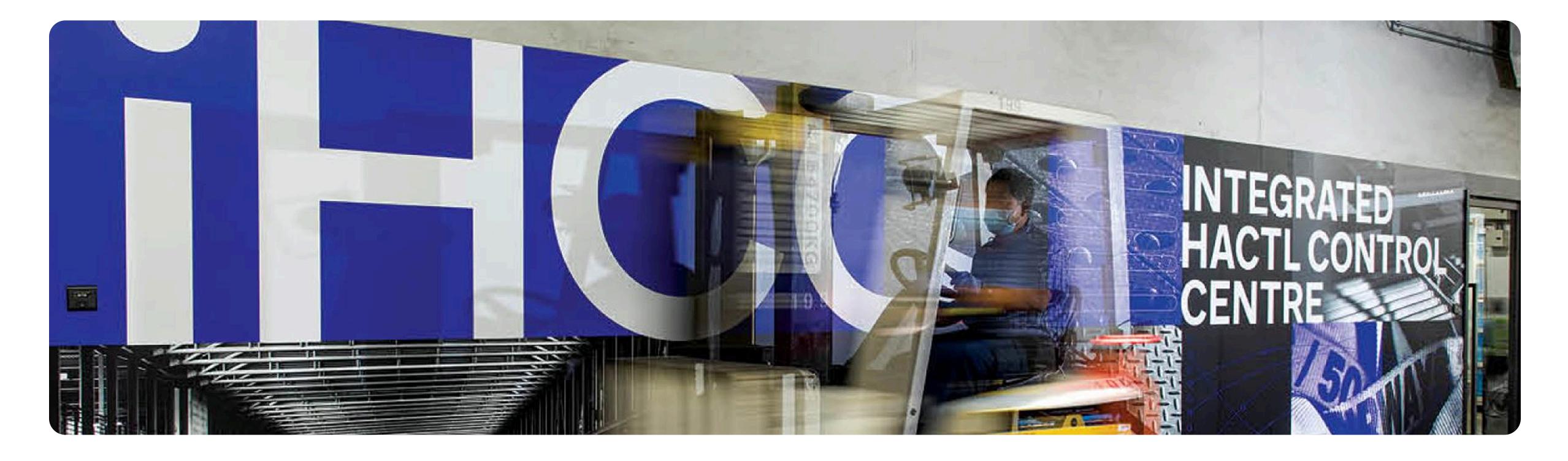
Now in its 11th year, Safety Week proved to be another resounding success, with enthusiastic participation from every department - a testament to our shared commitment to keeping safety front and centre.



Occupational Health and Safety Management System (OHSMS) at Hactl

At Hactl, our comprehensive Occupational Health and Safety Management System (OHSMS) is designed to ensure that safety is not just a protocol, but a core value that underpins every aspect of our air cargo handling services.

Our Environmental, Health and Safety (EHS) Committee, cross-departmental team reformed in 2009, plays a pivotal role in overseeing the delivery of our health and safety ambitions. Through regular bimonthly meetings, the committee coordinates with departments to review EHS matters and ensure effective implementation of guidelines. Additionally, it conducts annual reviews of the OHSMS and holds ad-hoc meetings to address adverse trends, such as increased injuries, with action plans implemented within three working days. In conjunction with this, the SSQ team investigates reported incidents to identify causes and develop corrective actions, further reinforcing our proactive safety approach.





Empowering our People on Safety

True safety is not just about compliance, but about fostering a culture where every individual feels empowered to protect themselves and their colleagues. By providing our people the tools and support they need and fostering a culture of awareness and engagement, we create a work environment where safety is not just a priority, but a way of life.

Safety Mechanisms for our Workers

Every colleague is empowered to intervene and report hazards through our established mechanisms, ensuring that they can keep themselves and co-workers safe. Beyond informing supervisors, workers can approach the People and Culture department or cross-departmental working groups such as the EHS committee and Joint Consultative Committee (JCC) for support. To further support this proactive approach, all staff have access to our Job Hazard Analysis, and Accident and Incident Handling Procedures, which detail potential hazards and provide clear guidelines for accident prevention. Additionally, we ensure that all shift staff review the Safety Alert notice before every shift, reinforcing our commitment to safety awareness and prevention across all operations. Suggestion boxes are also available for staff to provide feedback and concerns.

With our proactive safety measures in place, we encourage workers to actively utilise these mechanisms. Our Safety Incentive Scheme plays a key role in this effort, offering cash rewards when safety KPIs are achieved or exceeded. This not only motivates workers to prevent accidents but also fosters a culture of continuous improvement, empowering our workers to take ownership of safety.

OHS Training

We provide continuous safety training for operational staff, and the training content is in compliance with IATA, the Hong Kong Civil Aviation Department (HKCAD) and other authorities' requirement to ensure that our team is equipped with the latest knowledge and skills. Our annual Safety Week enhances awareness among all employees, while the EHS Committee facilitates discussions on environmental, health, and safety topics between frontline staff and management through regular meetings.

PEOPLE

SAFETY ENGAGEMENT AND AWARENESS

In 2024, through a variety of innovative campaigns, we encourage our staff to take an active role in promoting safety across all departments. Our departmental campaigns are designed to engage staff in unique and interactive ways, ensuring that safety remains at the forefront of our operations:

0 1

"I Have an Idea" Campaign

We encouraged employees to share their innovative ideas on elevating OHS standard.

02

Hacis – OHS Promotion

We brought safety awareness to life with interactive game booths that made learning about safety engaging, enjoyable and accessible for our staff. 03

Engineering and Facilities Services – Lockout Tagout Challenge

Our Engineering and Facilities
Services master the critical lockout/
tagout procedures through
interactive challenges.

04

Terminal Services – Forklift Safety Promotion Day

Our forklift safety day highlights safe forklift operations through safety demonstrations and workshops, which educate our terminal services team on the best practices for safe operations.

05

Ground Services - Safety Video Promotion

We encouraged employees to create their own safety videos, promoting safe operations while allowing staff to share knowledge and experiences across departments.



Employer of Choice

We put our employees first and are committed to their success. Our strategy focuses on nurturing and supporting our talent to ensure Hactl remains a competitive, dynamic and exceptional place to work in the long run.

Our Current Approach

Our employee-centric management approach ensure Hactl remains steadfast and competitive in a fast-paced industry. Our employee is valuable asset, and we aim to create a positive working environment where they feel trusted and cared.

Our employee-centric approach is evidenced by:

- Striving to create a diverse and inclusive workplace where everyone feels respected, valued and empowered to succeed
- Celebrating our employees' achievements and milestones in recognition of the impact they make on our organisation



Empowering Women in Leadership

Hactl is dedicated to fostering a diverse and inclusive workforce, with a specific commitment to enhancing female representation. By 2030, we aim to achieve a significant milestone, increasing the proportion of women in Junior Executive roles and above to 37%.

37%

Empowering Conversations: Advocating Menstrual Equity



At Hactl, we are committed to advancing menstrual equity through our ongoing "Hactl x Free Periods Hong Kong – Be My Buddy Buddy" campaign. This initiative seeks to change the narrative and taboo surrounding the topic of menstruation by addressing critical areas such as accessibility, safety and environmental sustainability of menstrual products.

We supported our charity partner Free Periods Hong Kong to organise a two-week long exhibition on menstrual health in August 2024. The event featured a parent-child workshop, interactive displays and information sessions, drawing over 200 visitors. Visitors left with newfound knowledge about menstrual health and equity, dispelling misconceptions on the subject, and each receiving a "Buddy Buddy Gift Box" filled with menstrual products sponsored by Hactl. Notably, parents attending the session expressed gratitude for learning how to have open conversations on the topic with their daughters, free from embarrassment.

Hactl will continue to work with Free Periods Hong Kong to promote period-friendly concepts and gender equality in schools and the wider community. Internally, we are equally committed to creating an inclusive and supportive environment, providing free menstrual products and "Wellness Boxes" stocked with items for relieving menstrual discomfort, placed in easy-to-access locations such as women's washrooms and office pantries. Together, we are breaking down barriers and building a gender-equal workplace that empowers everyone.

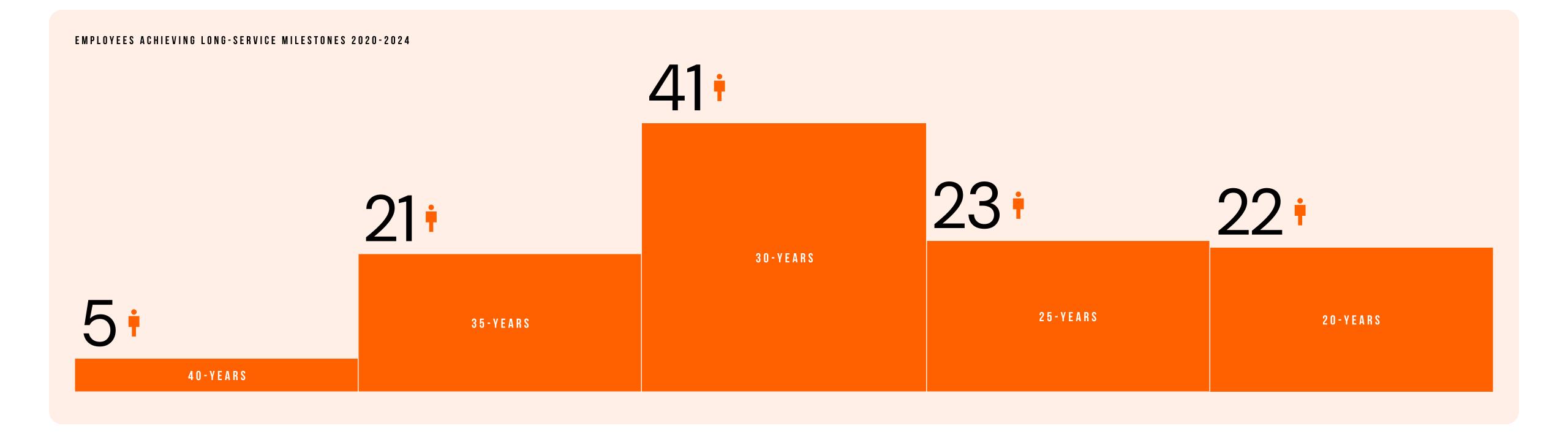


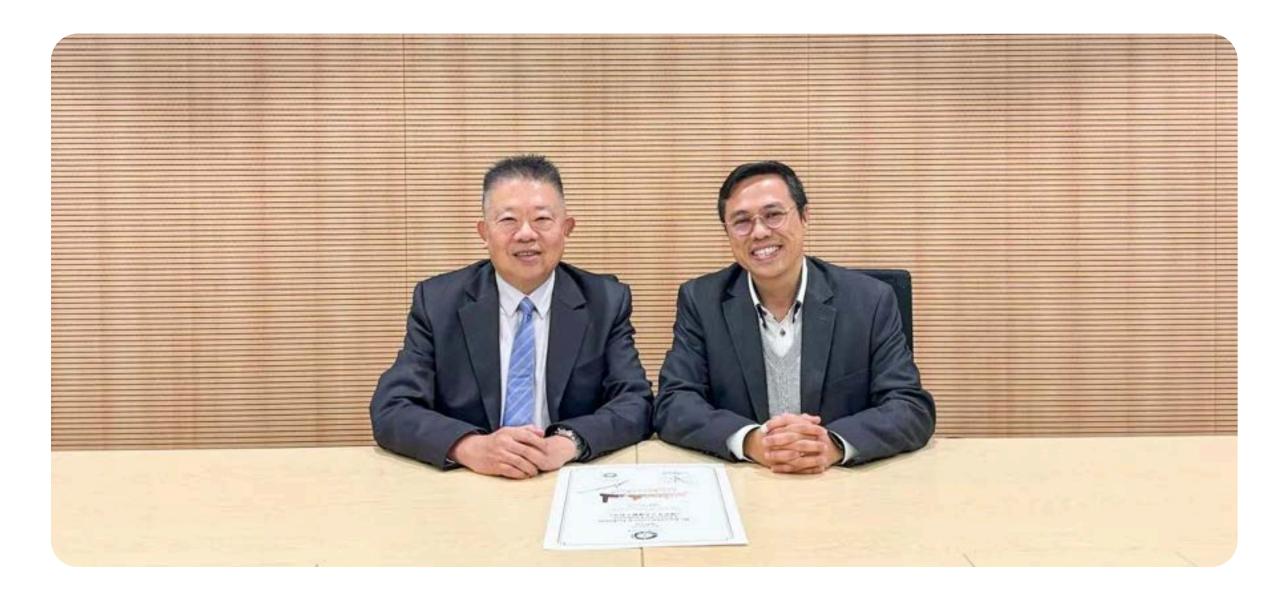


Milestones of Commitment: Celebrating our Long-Serving Employees

When employees join Hactl, we strive to welcome them to a safe, caring, and respectful environment where they can learn and thrive to achieve their full potential. In return, our colleagues have shown remarkable dedication, perseverance and loyalty – almost half of our team has been with us for more than 10 years.

In recognition of the long tenures of our valued team members and their outstanding contributions, we hold a time-honoured tradition – the annual Long Service Awards. This year, we celebrated the long-service of 112 employees, awarding our team with badges for service milestones ranging from 20 to 40 years. This cherished tradition serves as an opportunity to reflect on the journeys of our team and the strong bonds forged here at Hactl.





EMPLOYER OF CHOICE

Embracing Inclusion: Our Achievements in Diversity

At Hactl, we believe that a diverse and inclusive workplace is the key to unlocking our full potential. That is why we are committed to creating an environment where everyone feels valued, respected and empowered to succeed, regardless of their background, including nationality, culture, religion, age, gender, and ability.

We took a significant step forward this year by signing the Racial Diversity & Inclusion Charter for Employers, promoted by The Equal Opportunities Commission (EOC), a powerful symbol of our commitment to Diversity & Inclusion.

Women's Representation And Inclusion

As part of our commitment to enhancing women's representation in our workforce, we have made remarkable progress in increasing the percentage of women in our workforce in line with our 2030 target.

Additionally, in support of this initiative, we ensure that female employees receive equal access to training and career development opportunities. This approach not only fosters a supportive environment but also empowers women to advance in their careers.

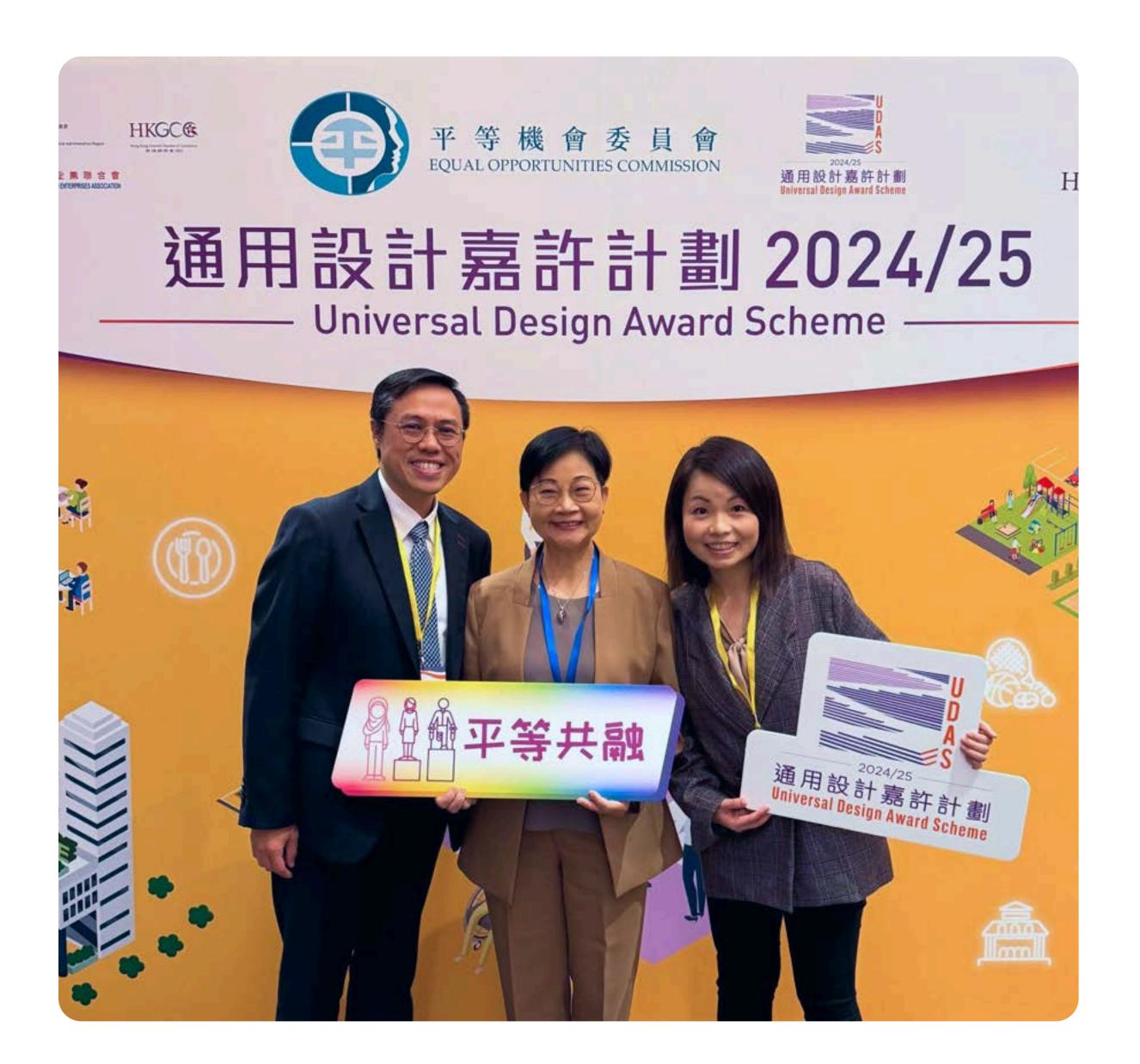
Collaboration with CareER: Promoting Equal Opportunities for People with Disabilities and Special Educational Needs

Our commitment to inclusion is reflected in our initiatives aimed at promoting equal opportunities for individuals with disabilities and special educational needs (SENs). This year, we partnered with CareER on multiple occasion to support these goals.

We invited CareER to conduct a workshop focused on disability inclusion for our colleagues. During the session, colleagues engaged in small group discussions to explore challenges faced by individuals with disabilities in the workplace, examining specific scenarios and proposing practical solutions. This collaborative effort enhanced their understanding of disability inclusion and inspired a commitment to apply this knowledge in their daily work, contributing to a more inclusive environment.

Additionally, we hosted a recruitment workshop at the "CareER Disability Inclusion Index Forum cum Inclusive Recruitment Fair 2024", where we presented our latest job opportunities to CareER members. To assess our progress, we completed the CareER Disability Inclusion Index, a self-assessment tool that has guided our efforts toward creating an inclusive workplace since 2021. This year's score was our highest yet, highlighting areas for improvement and motivating us to collaborate with CareER on Diversity & Inclusion (D&I) manager workshops for our line managers across various departments. This culminated in HactI receiving of the Disability Inclusive Employer Badge for the second consecutive year, highlighting our dedication to advancing employment opportunities for people with disabilities and SENs in Hong Kong.

While we are proud of our achievements, we recognise that our journey to a more inclusive workplace is ongoing. In the years to come, we are committed to supporting CareER initiatives and providing internal training for our staff. By working together with our stakeholders and partners, we can create a welcoming workplace for all.



Creating Inclusive Spaces for All: Hactl Wins Gold in Universal Design

In a world often designed without everyone in mind, the disadvantages of non-inclusive design can leave many individuals feeling marginalised and unsupported. At Hactl, we recognise the importance of inclusivity and are proud to have won the Gold Award in the Office Buildings and Office Spaces category at the Universal Design Award Scheme. This recognition highlights our mission to create an environment where all individuals – regardless of age, ability, or status – can thrive.

By integrating no less than 62 Universal Design features throughout our premises, including accessible parking, lactation rooms, and convenient drinking water stations, we have transformed our facilities into welcoming environments that prioritise accessibility and comfort for all. Our journey to this accolade involved a collaborative effort that included thorough self-assessment, random site visits, and a final judging panel, reflecting our innovative approach to design and service. At Hactl, we believe that true progress means ensuring everyone feels welcome and empowered for everyone who steps through our doors.

GOVERNANCE

APPENDICES

EMPLOYER OF CHOICE

Employee Welfare

All through 2024, we actively organised initiatives that champion employee welfare, aiming to boost the health and happiness of our employees while bringing our team together.

LUNAR NEW YEAR DELICACIES AND DELIGHTS

To celebrate the first Lunar New Year back to normal, we distributed newly designed red packets, as well as ginger tea and sesame glutinous rice balls in the employee cafeteria for colleagues to enjoy the warm festive treats during their breaks, bringing everyone together to embrace the spirit of the season.

WELLNESS DELIVERED: UNPACKING OUR HEALTH GIFT PACKAGES

The health of our employees is a priority for the company, which is why we introduced a comprehensive health gift package that includes vitamins and health supplements suitable for colleagues of all ages and their families to help maintain optimal nutrition and wellbeing.

COOLING OFF TOGETHER: TREATING EMPLOYEES TO ICE CREAM

To help our employees beat the summer heat, we launched our "Refreshing Summer Days" campaign, distributing over 4,000 ice creams and popsicles over two weeks, providing a refreshing treat for our employees during the hottest days.





Development and Training

Great talent is key to our success. By investing in employee development, we not only stay true to our core values but also ensure a sustainable future for our business and the air cargo industry.

DEVELOPMENT AND TRAINING

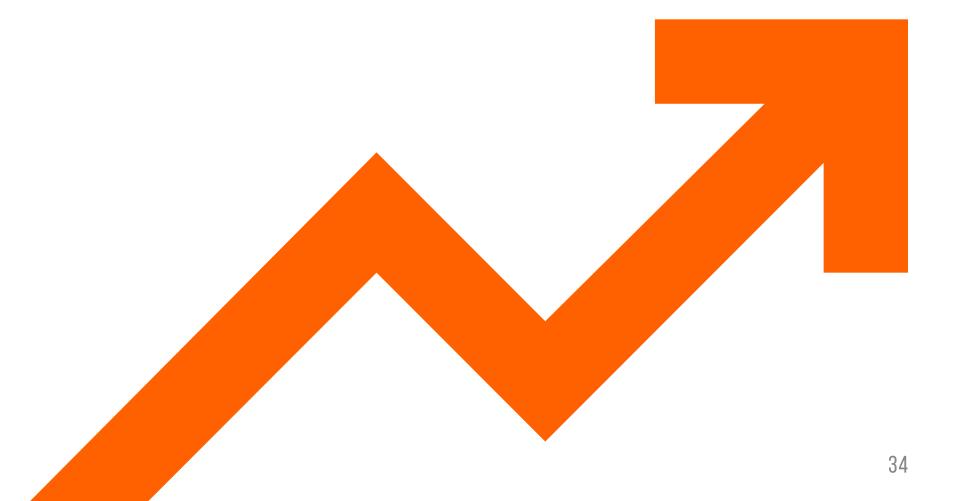
Our Current Approach

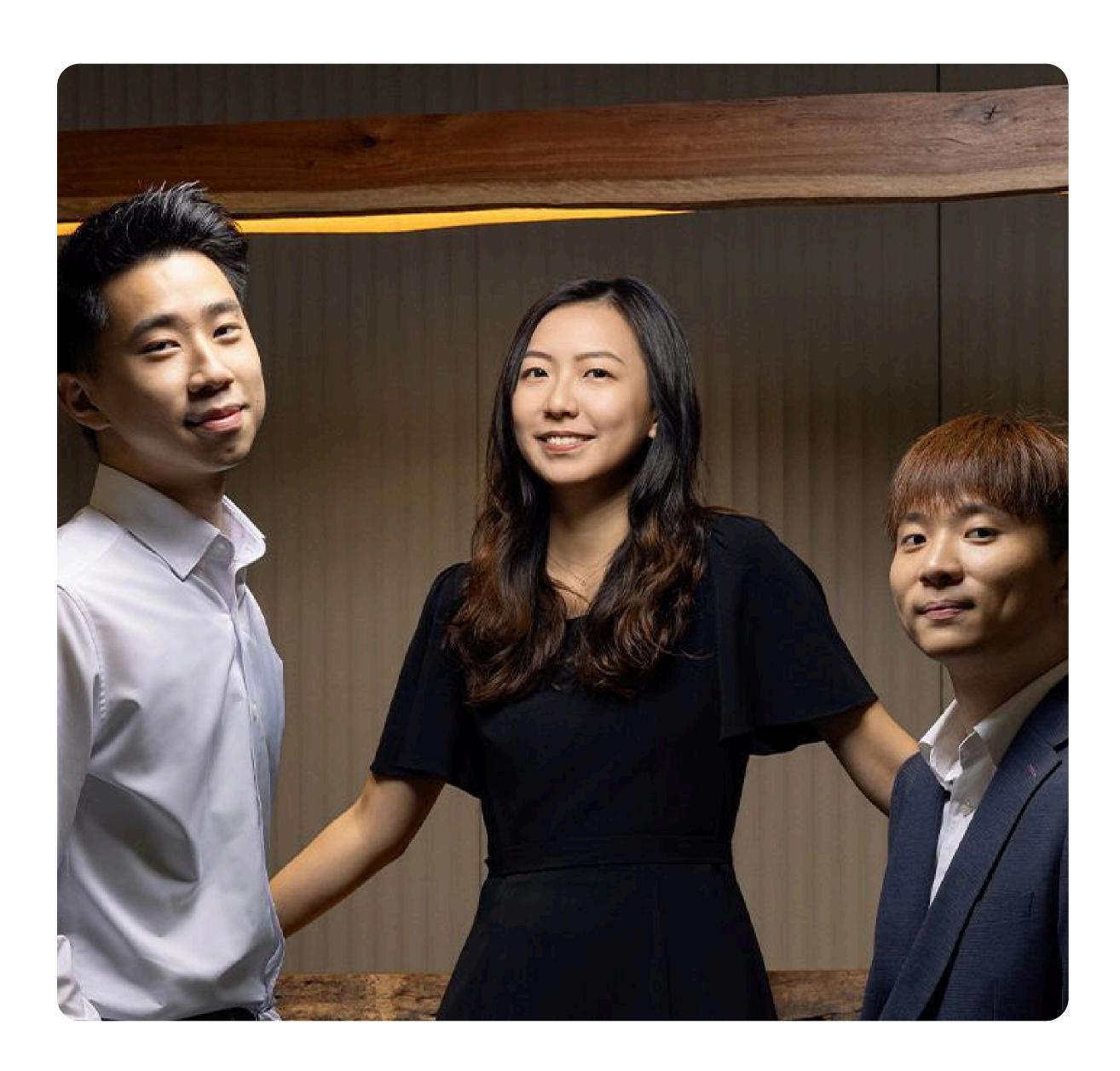
- Our Elite Management Trainee Programme cultivates talents to ensure their long-term success and readiness to take on leadership roles to drive our business forward.
- Our diverse career development opportunities support the professional growth of our employees, unlocking new areas of interest and maximising their potential.
- Our hands-on training initiatives and development schemes provide a platform for employees to gain practical experience, build new skills, and stay ahead in a fast-paced industry.



Elite Management Trainee programme for long-term succession and

Sustainable Growth





DEVELOPMENT AND TRAINING

Rising Stars: Hactl's NextGen Talents Make Their Mark

As a leader in the air cargo industry, we recognise the importance and our responsibility to nurture the next generation of air cargo professionals. At Hactl, we are committed to providing our young talents with the resources, guidance, and opportunities they need to succeed and thrive in the industry. Our development and training initiatives are tailored to drive growth, providing hands-on experience, mentorship and recognition of our talents.

We are proud to see our young talents shine through programmes like the Vocational Training Council (VTC) Earn & Learn Scheme, now in our second year of partnership, which combines on-the-job training with structured classroom learning, equipping them with the skills and knowledge they need to confidently excel in areas of cargo handling, air cargo regulations and safety practices.

Supported by our commitment to talent development, our talents brought home several prestigious accolades this year, including The Hong Kong Management Association (HKMA)'s "Outstanding New Trainer Award", Vocational Training Council's "Outstanding Apprentice Award", and the "Emerging Talent Award" at the Hong Kong's NextGen Logistician Awards. These achievements not only recognise our dedication to nurturing talent but also demonstrate the exceptional calibre of our team members and their personal commitment to continuous learning and improvement.

By investing in our people, we are building a pipeline of talented professionals who will drive the future of our business. We hold utmost pride to see our people grow, develop, and make a meaningful impact in the air cargo industry.

DEVELOPMENT AND TRAINING

Lunch and Learn: Hactl's First Chair Yoga Event

At Hactl, we understand that in the fast-paced environment of air cargo operations, prioritising employee's wellbeing and cultivating personal development are essential for fostering a productive and supportive workplace.

In the midst of another busy workday, over 80 colleagues took a well-deserved break to participate in our inaugural Chair Yoga event at the Sports Centre. Guided stretches were led by professional instructors, who emphasised the critical importance of self-care within their daily routines. By incorporating these gentle movements, participants not only learned techniques to alleviate tension and improve flexibility but also discovered how prioritising their wellbeing can significantly enhance overall productivity.

Our commitment to wellbeing extends beyond this single event. Through our Lunch and Learn workshops, we strive to empower our colleagues to embark on continuous journeys of learning and growth. By providing access to enriching experiences, we aim to inspire our team members to broaden their knowledge, enhance their overall wellness, and discover new passions.



Nurturing our Staff

Investing in our people is the key to unlocking our full potential. By providing a comprehensive suite of training and development opportunities, we empower our staff to excel in their roles and grow professionally.



Technical Training

Our Learning and Development team offers a wide range of technical courses for operations personnel, covering essential skills such as equipment operation, aircraft loading, dangerous goods handling, and special cargo management. All aviation safety training is conducted in compliance with IATA, the HKCAD, and other regulatory requirements. Our internal trainers, experienced in the aviation industry, deliver most technical trainings. We leverage the latest educational technology through our Learning Management System (LMS) e-learning platform and virtual reality simulations for cargo operations.



Professional Development

Beyond technical skills, we invest in soft skills essential for overall professional growth. We are proud to have pioneered courses accredited under the Hong Kong Qualifications Framework (HKQF) and IATA's Competency-Based Training and Assessment (CBTA) Centre Certification.



Career Support and Transition

In addition to training, we offer transition assistance programmes to support employees in managing career changes and ensuring continued employability. This comprehensive approach demonstrates our commitment to nurturing our staff throughout their careers.



Please refer to our ESG Disclosure Index for additional information about material topics linked to this pillar of our strategy.

GRI 401

Employment

GRI 403

Occupational Health and Safety GRI 404

Training and Education

Links to our policies

HUMAN RIGHTS POLICY

INCLUSION, EQUITY AND DIVERSITY POLICY

→ MORE

OCCUPATIONAL HEALTH AND SAFETY POLICY

→ MORE

SUSTAINABILITY POLICY



Beyond Business Relationships

The challenges ahead require more than just business deals—they need courage, cooperation, and trust. At Hactl, we build strong partnerships that inspire positive change and go beyond the ordinary handshake.



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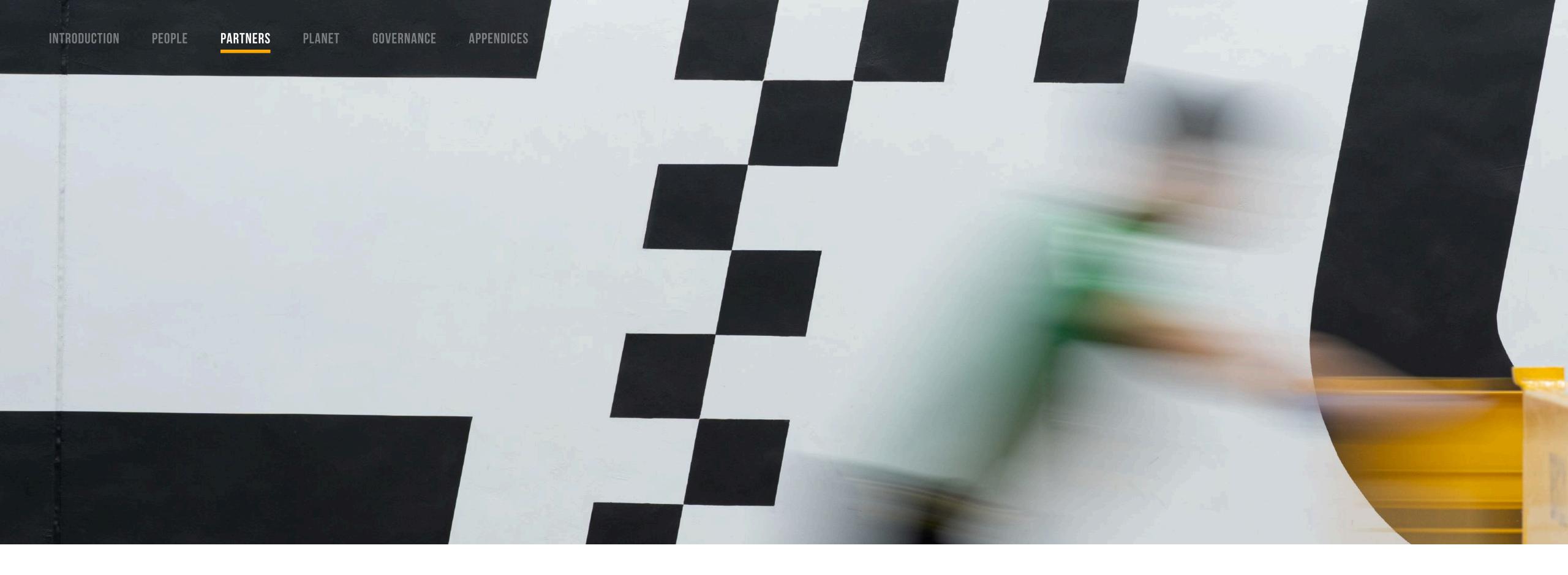
Strategic Focus Areas

Value Chain Management



Community Engagement and Collaboration





Value Chain Management

Our commitment to value chain sustainability is not just an ethical imperative – it is a key driver of our business success. We work closely with our direct and indirect suppliers to uphold our rigorous environmental and social standards. By empowering our top-performing partners to excel, supporting those needing improvement, and pioneering industry-wide sustainability solutions, we are building a more resilient and sustainable value chain.

Our Current Approach

Hactl's approach to value chain management is twofold: We reward exceptional performers and support suppliers in need of improving their sustainability performance

- We adhere to local laws and regulations, alongside our internal Supplier Code of Conduct.
- Our vendor selection criteria require strict adherence to safety standards, relevant certifications and sustainability requirements.
- We conduct annual supplier evaluations against our Qualification Report to ensure supplier adherence to our sustainability, safety and quality standards.
- We incentivise and support contractors to invest in cleaner and more efficient operation processes through our Green Procurement Plan.
- We engage our tenants in supporting our sustainability commitments through our GTP, launched in 2023.



50% of direct suppliers to adopt HACTL's Supplier Code of Conduct by 2025.

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VALUE CHAIN MANAGEMENT

Pact for the Planet: Hactl's new Green Terminal Pact (GTP) for SuperTerminal 1 Tenants

Our world-class Green Terminal exemplifies our commitment to shaping a sustainable cargo industry. While our operations reflect this dedication, we recognise the need to look beyond our own operations and drive collective action and engagement across our entire value chain. We launched the GTP, a collaborative initiative empowering our SuperTerminal 1 tenants to actively reduce energy consumption, minimise waste, and increase recycling efforts.

The GTP is designed to drive Hactl and its tenants' action, featuring smart meter installation in tenant offices to track energy usage, implementation of new waste recycling infrastructure to streamline waste management, and regular briefings to monitor progress. To incentivise our tenants, our Performance Reward Scheme offers attractive awards for tenants who set and achieve waste and energy reduction targets.

Currently, tenants occupying over 70% of SuperTerminal 1's rented office space have signed the Pact. This has not only yielded environmental benefits, but has also deepened our engagement with our tenants. This enthusiastic participation is highly encouraging; however, we understand this is just the beginning. We will continue to explore further ways to engage and collaborate with our tenants, welcoming those who have yet to join us on this sustainability journey.



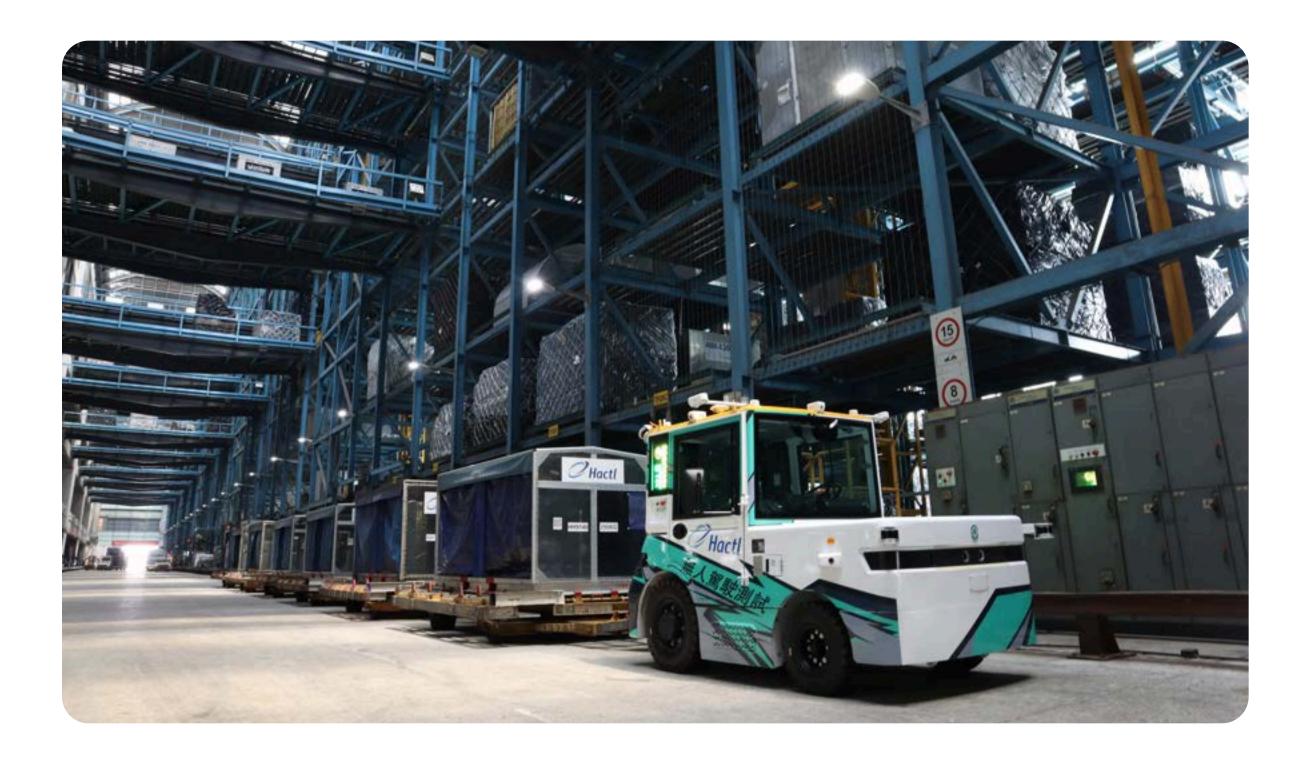
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VALUE CHAIN MANAGEMENT

Ramping up efficiency: Hactl's Autonomous Electric Tractors (AETs)



For years, our ground handling operations have relied on diesel-powered tractors to transport cargo and containers. While our system has been successful, we recognise the need to address potential inefficiencies that come with manual handling, complex transportation routes, and ever-present safety risks. As the HKIA expands into a Three-Runway System, technological innovation is crucial for meeting increased cargo demand. The emergence of new technologies has presented an opportunity to transform our operations and processes, driving us to evolve and adapt with the launch of our new Autonomous Electric Tractors (AETs).

By integrating AETs into our ramp operations, we aim to streamline our value chain, minimise safety risks, and reduce manual handling. Developed in partnership with Westwell Holdings (Hong Kong) Ltd, our AETs use advanced sensors, including LiDAR and HD cameras, to detect obstacles and transport cargo with precision. By automating routine tasks, this allows our team to focus on value-added activities, such as overseeing operations and ensuring delivery, ultimately driving greater efficiency, reduced risk, and a more agile operation.

The switch to electric-powered AETs also aligns seamlessly with our sustainability goals, with initial trial routes already demonstrating notable emission savings. As we expand our AET deployment, we are poised to make a substantial reduction on our environmental footprint.

Looking ahead, we plan to expand the AETs' routes to accommodate longer and more intricate tasks, gradually phasing out traditional diesel models, marking a significant shift in our operations. With autonomous technology at the forefront, we can optimise routes, reduce congestion, and increase productivity, forging a smarter, more efficient, and more sustainable air cargo ecosystem. Together with our partners, we are committed to redefining what is possible in air cargo logistics through continuous innovation.

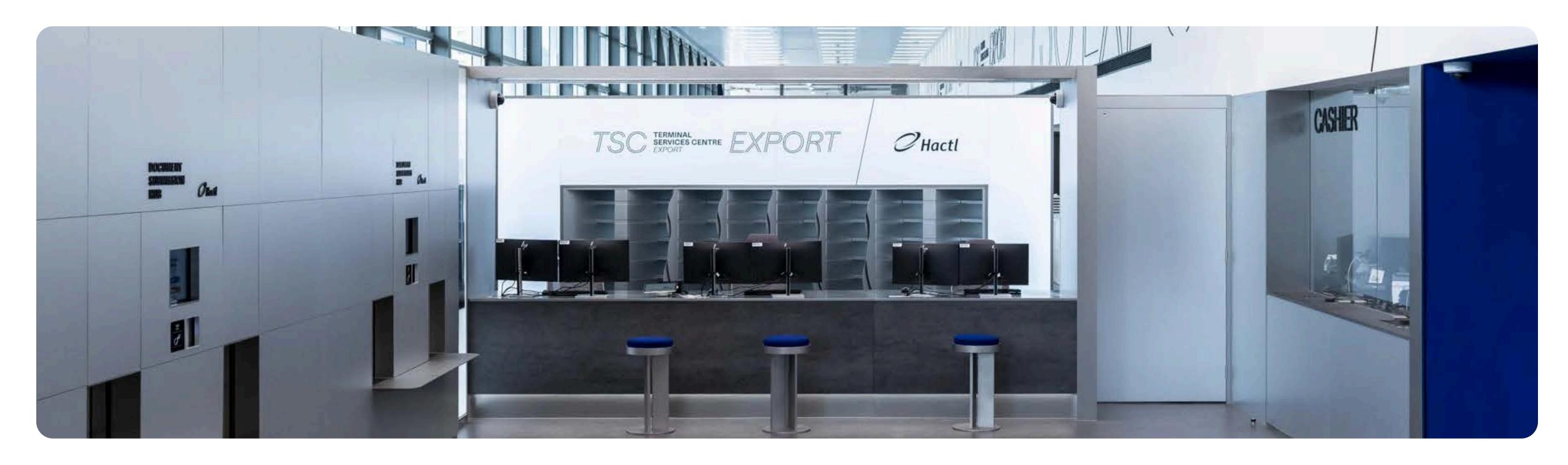
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VALUE CHAIN MANAGEMENT

Streamlining Air Cargo Success: Unveiling our new Terminal Services Centre

For over 26 years, Hactl has been the trusted partner for airlines customers seeking reliable air cargo documentation services. This year was no exception, as we proudly launched our new and improved Terminal Services Centre Export (TSCE), marking a significant advancement in our operations.

Our state-of-the-art TSCE aims to transform the way we work by integrating digital processes and automation, enhancing the way goods move from point A to B while bridging together efficiency, sustainability and improved customer experiences. Featuring fully digital, paperless workflows and a streamlined Document Management System, Hactl's new TSCE accelerates our export cargo processing decision-making for our freight agents and staff. Agents can now submit documents effortlessly through the automated document submission hub, providing real-time updates to agents, airlines and our teams. Additionally, our COSAC-Mobile app simplifies dangerous goods inspection reservations, while our upgraded real-time build-up monitoring system ensure live updates and real-time monitoring of unit load device (ULD) build-up progress at workstations.

These enhancements directly benefit our customers and staff, with freight forwarders enjoying instant updates on document acceptance, saving time and courier costs, while airline customers from quicker flight close-outs and more flexible bookings. Our TSCE represents a major milestone in our commitment to embracing digital transformation and sustainability in air cargo operations, contributing to a more sustainable future for the industry.

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VALUE CHAIN MANAGEMENT

Smart Security: Hactl's Al-Powered Thermal Detection System

The air cargo industry is navigating an era of increasing safety and security demands, particularly with the rise of sensitive goods like lithium batteries. Recognising this evolving landscape, Hactl has become the world's first air cargo terminal to deploy an Intelligent Cargo Thermal Detection System, adopting a proactive and innovative approach to fortifying the air cargo value chain, safeguarding our operations, and strengthening overall resilience.

Developed by Aerovision Technology Limited (ATL), the globally patented system represents a significant leap forward in cargo safety. By integrating artificial intelligence (AI) with thermodynamics, fluid mechanics, and thermal imaging, our smart solution surpasses traditional monitoring limitations. It not only enables real-time temperature monitoring, but also allows us to rapidly identify anomalies across a diverse range of cargo types and environmental conditions, triggering immediate alerts. This proactive approach thereby minimises the potential for fire hazards, protects personnel, and reduces risks and losses for airlines, freight companies, airports, and passengers, ensuring a more resilient air cargo value chain and setting a new benchmark for safety in the industry.





VALUE CHAIN MANAGEMENT

Powering Safe Skies and Supply: Hactl's new Lithium Battery Zone

The increasing prevalence of lithium batteries in global commerce presents both opportunities and challenges for air cargo. While these power sources fuel numerous industries, their inherent flammability poses a potential threat to the integrity of the air cargo value chain. To proactively address this risk, we have launched a dedicated Lithium Batteries Storage Zone at our SuperTerminal 1 facility.

Hactl's specialised zone incorporates advanced engineering and technology to mitigate potential risks. Equipped with advanced CO₂ fire suppression systems and fire-resistant partitions, the zone is designed to effectively contain potential thermal events and minimise the risk of propagation. Strategically placed LED signage also helps ensure accurate storage and efficient retrieval, reducing the potential for human error. Additionally, Hactl's automated Box Storage System (BSS) has been re-engineered to prioritise accessibility and isolation, ensuring that lithium batteries are not only easily reached in an emergency but also separated from other cargo. This multi-layered approach complements Hactl's existing intelligent cargo thermal detection systems, creating a robust defence against battery-related incidents.

This strategic investment exemplifies our commitment to comprehensive value chain and risk management by integrating advanced safety protocols and operational innovation to keep our people, our partners, and the entire air cargo value chain safe. By proactively addressing the challenges posed by lithium batteries, Hactl strengthens its value chain, ensures the safe and reliable transport of goods, and reinforces its position as a trusted partner in the global marketplace.

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Beyond upholding the highest environmental and social standards internally, we prioritise sustainability throughout our supply chain. We recognise that sustainable procurement drives benefits including cost savings, reduced emissions, and business continuity, while mitigating risks such as increased carbon footprint and operational disruptions. Collaborating closely with our direct and indirect suppliers, we ensure they are aligned with our values and approach to sustainability, and with their support, have taken proactive steps to create powerful solutions that nurture adherence to the highest environmental and social standards across the entire supply chain. Given the large scale of our operations and those of our suppliers, our commitment to sustainable procurement offers significant potential for positive impact.



Responsible Supplier Selection

To ensure responsible supplier participation in our tender selection process, we use approved vendor selection criteria that incorporate key sustainability components. These criteria assess ESG performance factors such as staff engagement, energy management, green initiatives, adherence to safety and HACCP/IATA PRC principles. We also consider environmental credentials including ISO 9001, ISO 14001, ISO 45001, ISO 50001, or equivalent standards. In 2024, 100% of suppliers were screened using these environmental and social criteria.



Monitoring Supplier Performance and Compliance

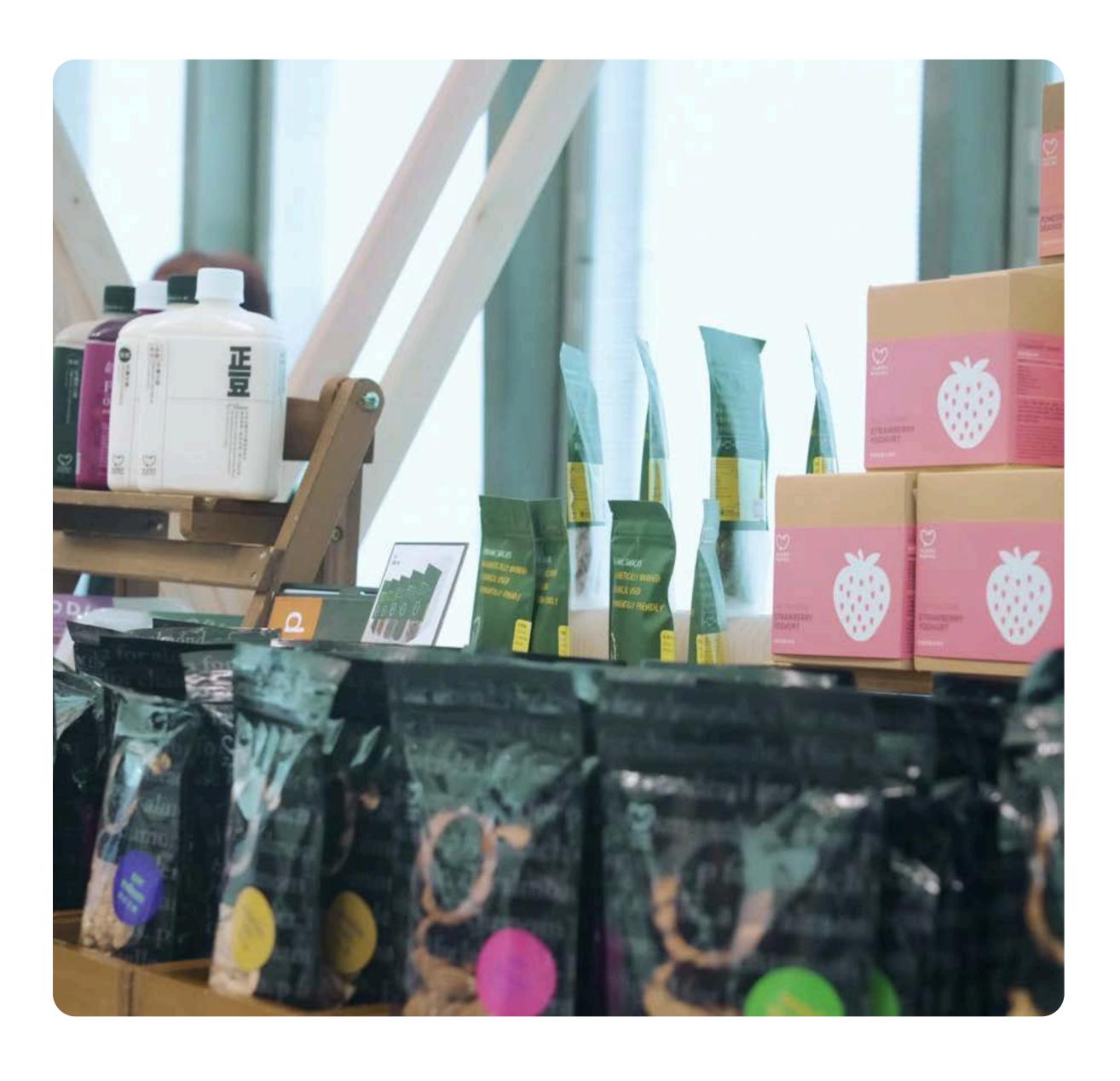
Each department conducts an annual evaluation of suppliers in accordance with Hactl's Supplier and Sub-contractor Qualification Report. We require adherence to the highest standards, and underperformance in environmental factors may result in contract termination.



Continuous Improvement through Incentives and Support

Since establishing our Green Procurement Plan in 2013, we encourage suppliers to invest in cleaner, more efficient operations to reduce the environmental footprint throughout the supply chain. We provide incentives for contractors who exceed contractual KPIs and conduct immediate reviews and develop improvement plans for underperformers.

INTRODUCTION PE



Supplier Code of Conduct

We have taken concrete steps towards strengthening sustainability in our value chain with the launch of our Supplier Code of Conduct this year. With our target to achieve 50% implementation across our supply chain by 2025, our code sets clear expectations for our suppliers, particularly in addressing and mitigating the impacts of climate change. In partnership with a third-party consultant, we are developing a workplan based on a detailed evaluation of our carbon footprint as well as to identify our principal Scope 3 challenges, and assess carbon management among our suppliers. We are adopting a phased implementation approach, commencing with our primary partners, to ensure the code we collectively develop is both ambitious and attainable.







Community Engagement and Collaboration

As a socially responsible business, we seek to improve the lives of the people around us. By embracing our caring culture and the passions of our employees, we foster engagement and make a meaningful impact where it counts to the communities we operate and serve in.

Our Current Approach

We work closely with local partners and community organisations, leveraging our expertise and resources to infuse positive social and environmental impacts within our communities.

- We actively engage and partner with Small and Medium Enterprises (SMEs), empowering them to thrive while contributing to a more sustainable and resilient community.
- We support the community by launching volunteering programmes and creating job opportunities for individuals with disabilities.
- We promote environmental responsibility through the use of certified sustainable materials and responsible sourced local products
- We provide sustainability updates regularly to our customers



Invest an amount of up to 0.25% of net revenue to sustainability initiative

0.25%

INTRODUCTION PE



COMMUNITY ENGAGEMENT AND COLLABORATION

Blending Business with Purpose: The Social Enterprise Supporter Plus Award

For the third consecutive year, we were honoured to receive the Social Enterprise Supporter Plus Award from the Fullness Social Enterprises Society (FSES). This award, nominated by the social enterprises themselves, affirms our enduring commitment to supporting organisations that blend sound business practices with impactful social missions, addressing Hong Kong's most pressing social and environmental challenges while advancing social inclusion and sustainability.

Our approach is defined by meaningful partnerships with impactful organisations, including social enterprises such as DOSHA woodcraft, FruitsMama, G&C Consultant Company Limited, and Gingko House. Beyond providing financial support, we actively integrate their missions into our operations. This includes co-sponsoring impactful community projects, incorporating goods and services produced by marginalised individuals into our annual corporate giving program, and leveraging our network to amplify the vital work of these enterprises by connecting them with our customers and business partners, helping to expand their reach and impact.

As we celebrate this honour, we extend our deepest gratitude to the social enterprises that nominated us and eagerly look forward to continuing our collaborative journey, working hand in hand to build a brighter future for our community.

COMMUNITY ENGAGEMENT AND COLLABORATION

Competition Builds Collaboration: Hactl's International Forklift and Pallet Building Competition Forges Aviation Ties

Amid increasing complexities and supply chain challenges in the aviation industry, the need for strong partnerships and collaborative problem–solving has never been greater. Responding to this imperative, Hactl proudly hosted the 13th International Forklift and Pallet Building Competition, bringing together teams from nine international airlines and engaging over 300 participants in a unique opportunity to exchange best practices, enhance operational skills, and fortify industry partnerships. The competition featured two key challenges simulating real terminal conditions: Forklift Competition tested the ability of contestants to manoeuvre forklift trucks accurately and safely over complex courses, and a Pallet Building Competition, where teams raced against the clock to build up cargo on pallets according to strict IATA standards.

Beyond the spirit of competition, our event served as a catalyst for strengthening partnerships and mutual growth within the aviation sector, providing a dynamic platform for seasoned professionals and rising talents alike to combine from various airlines to collaborate, exchange knowledge and skills, and promote an environment of shared learning focused on aviation and occupational safety. Hactl's International Forklift and Pallet Building Competition served as a testament to the power of partnerships and the shared pursuit of excellence within the aviation community, proving that aviation companies and projects can grow stronger by building together toward the same goal.



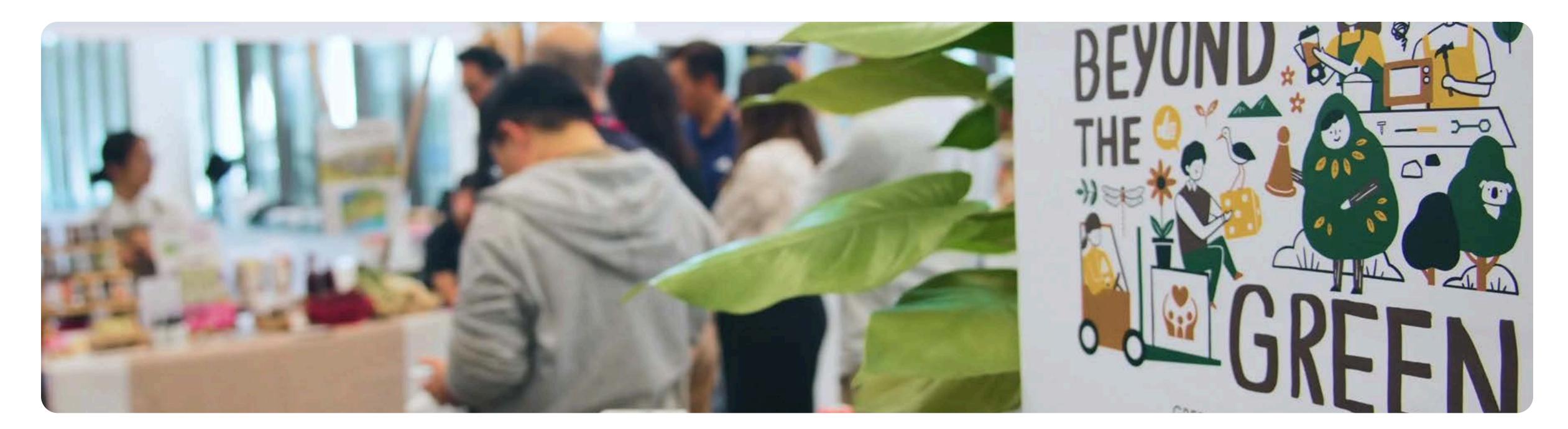
COMMUNITY ENGAGEMENT AND COLLABORATION

Artistry Meets Advocacy: Celebrating Local Talent through Our Mid-Autumn Festival Gift Project

Our Mid-Autumn Festival Gift Project is much more than a seasonal celebration; it's an opportunity for us to connect with our community in a meaningful way. In a city where individuals with disabilities often face marginalisation and limited opportunities, we seek to create new pathways and empower those who are typically overlooked. While others may view corporate gift-giving as a festive formality, we see this project as an opportunity to bring a little extra warmth to our staff, customers and community during this special season, while promoting traditional crafts and culture.

Each gift box features a beautifully hand-woven bamboo lantern designed by local artist Inkgo Lam, delicious mooncakes from local social enterprise Mustard Seed Bakery, and premium tea from the historic Cheung Hing Tea shop. The boxes were carefully hand-packed by individuals with intellectual disabilities through St. James Settlement. By celebrating and embracing local talent from all communities, we aim to foster inclusivity and create a lasting impact that extends far beyond the festive season.





COMMUNITY ENGAGEMENT AND COLLABORATION

Beyond the Green: Hactl's 9th Annual Green Week

At Hactl, we believe true sustainability extends beyond environmental responsibility. It involves cultivating vibrant communities, supporting individuals, and nurturing societal wellbeing in our everyday lives. For our 9th annual Green Week held at SuperTerminal 1, we embraced the theme of "Beyond the Green", exploring sustainability concepts from environmental protection, physical and mental health, to community engagement with our staff and tenants.

To bring our sustainability vision to life, we partnered with Captain Softmeal, a social enterprise, to host a workshop focused on caring for elderly individuals with dysphagia, demonstrating how social sustainability begins with our immediate surroundings. We also co-hosted a Green Market with six community partners, featuring a diverse range of green and fair-trade products in a vibrant marketplace celebrating sustainable living. At our rooftop garden space, TO-GATHER, we organised organic workshops, providing staff and partners with hands-on experience in organic farming and cyanotype printing, fostering a deeper appreciation for nature and provided a platform for knowledge sharing among like-minded individuals.

For Hactl, Green Week is more than just an event – it is a continuous pursuit to demonstrate that sustainability is not just a distant concept, but a tangible reality that can be woven into the fabric of our daily lives, empowering us all to make a meaningful impact every day.

PEOPLE PARTNERS PLANET GOVERNANCE

More ESG Disclosures

Please refer to our ESG Disclosure Index for additional information about material topics linked to this pillar of our strategy.

GRI 204

Procurement Practices

GRI 413

Local Communities

Links to our policies

Please view our policies to learn more about Hactl's commitment to creating positive value.

RESOURCE AND CIRCULARITY POLICY

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SUSTAINABILITY POLICY

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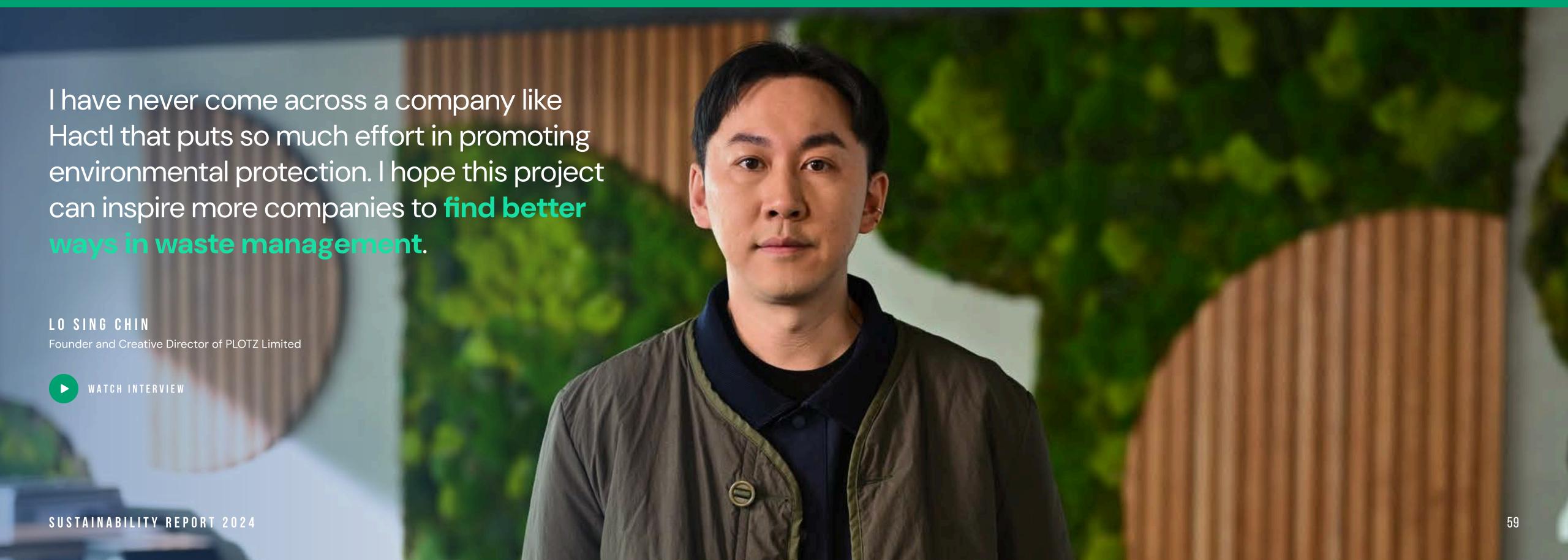
SUSTAINABILITY REPORT 2024

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Sustaining Life on Planet

Our planet is our home, and it is our duty to protect and nurture it. Hactl is at the forefront of leading a low-carbon future, integrating innovative sustainability practices into every aspect of our world-class operations.



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Strategic Focus Areas

Responsible Resource Management



Climate Change





Responsible Resource Management

Tackling waste reduction and diversion is vital for Hactl as we nurture a culture of environmental responsibility and contribute to our broader sustainability goals. By embracing sustainable waste practices, we alleviate the burden on landfills, conserve precious natural resources, and lower emissions.

Waste management is a key focus in our bi-monthly EHS committee meetings, with our Property Management Team overseeing daily operations through cleaning and waste contractors. Our SSQ team monitors waste data to optimise performance and compliance. Our Engineering and Facilities Services and Information Services departments ensure proper disposal of hazardous and e-waste through engaging licensed contractors supported by the SSQ team.

Our Current Approach

SuperTerminal 1 generates considerable waste from Hactl's operations and its tenants. We reduce waste wherever feasible through innovation and technology to help us achieve our ambitious goals. For unavoidable waste, we focus on enhanced processes for sorting, up-and recycling and other circular solutions for waste disposal.

We aim to manage this through two strategic pillars:

- Waste Reduction We are minimising paper consumption and promoting digital documentation, while prioritising material reuse and offering surplus materials for repurposing. In 2024, we launched the GTP: Performance Award Scheme to encourage tenants to set targets for waste reduction and increase recycling, with quarterly tenant gatherings to uphold strong stakeholder engagement.
- Waste Diversion We employ effective recycling and upcycling strategies, adhering to circular economy principles while directing unavoidable waste toward responsible disposal through licensed contractors.



75% waste diverted by 2030

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RESPONSIBLE RESOURCE MANAGEMENT

Zero Waste Uniform Upcycling Project: Old Uniforms, Brand New Life



When designing the new uniforms for all frontline workers in 2022, Hactl carefully planned how to responsibly manage its old uniforms. Given that Hong Kong faces a pressing textile waste issue – with recycling rates stagnating at around 11% – discarded uniforms, often made from blended materials, tend to be overlooked in recycling efforts, further compounding the landfill crisis.

Instead of viewing these garments as disposable waste, we saw an opportunity for innovation and a chance to redefine waste management practices. This vision, aligned with our commitment to achieving a 75% waste recycling rate by 2030, led to a first-of-its-kind initiative in Hong Kong's aviation industry: a zero-waste upcycling project transforming our old uniforms into 5,000 new, recyclable cups.

By employing advanced techniques such as melt-granulation, we converted durable polyester fibres from the old uniforms into raw plastic granules, which were then moulded into functional, recyclable plastic cups. This project not only helped minimise waste at Hactl but also demonstrated the potential for repurposing discarded textiles into functional, high-value products. Through this upcycling initiative, we hope to inspire other industries to rethink their waste management strategies and to embrace innovative, sustainable practices, and contribute to a circular economy.



WATCH OUR "SUSTAINABILITY GOES FULL CYCLE"





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RESPONSIBLE RESOURCE MANAGEMENT

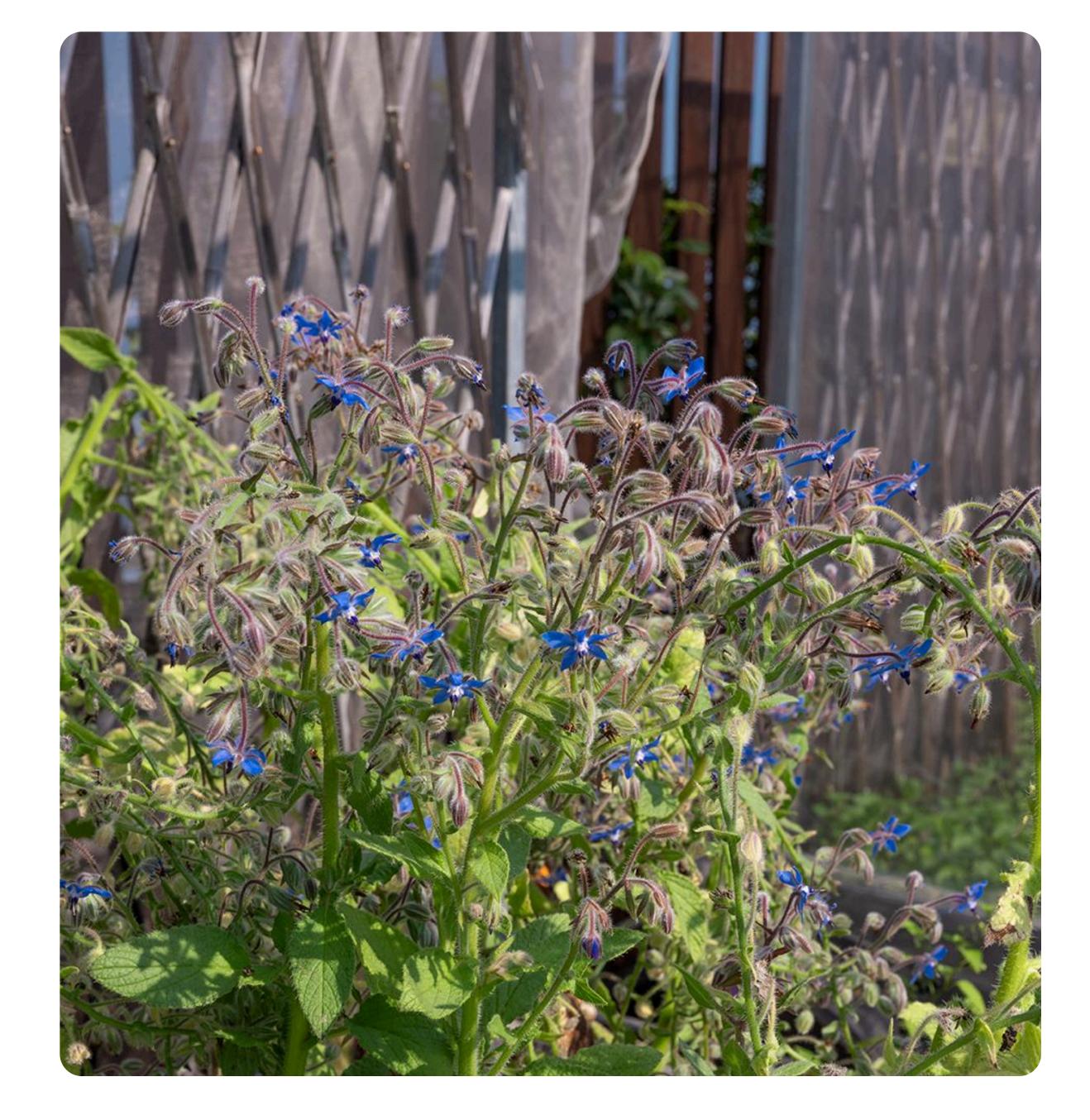
Enhancing circularity: Tackling single-use plastics through innovation

The aviation industry, while vital to global connectivity, has long been associated with environmental challenges, particularly the extensive use of single-use plastics. These materials, while practical for protecting cargo, contribute significantly to the planet's growing waste crisis. As a company committed to sustainability, we saw this not as an insurmountable challenge, but as an opportunity for innovation and to redefine how we think about cargo protection.

In early 2024, we partnered with Nano and Advanced Materials Institute (NAMI), a local R&D institution, to embark on a pivotal initiative: enhance the recycled content of cargo protection sheets while maintaining quality by utilizing packaging materials collected at our SuperTerminal 1, marking an exciting step towards enhancing circularity and reducing single-use plastics in the aviation industry.

Our collaboration with NAMI reflects a shared vision for a sustainable future. Their expertise enables us to explore circular solutions, creating cargo protection sheets that are both functional and environmentally responsible. By utilising recycled materials, we would not only reduce the demand for virgin plastic but also encourage others in the industry to rethink their usage of single-use products. The potential impact is immense – less plastic in landfills, reduced carbon footprints, and a stronger commitment to sustainability.

As we move forward with this initiative, we are not only reducing single-use plastics but also setting a precedent for innovation in the aviation industry, fostering a culture where eco-friendly practices are the norm rather than the exception. Together with NAMI, we are proud to be at the forefront of this initiative.





Climate Change

At Hactl, we recognise the pressing urgency of climate change and are committed to leading our industry toward a net-zero future. This commitment goes beyond compliance; it involves taking proactive steps necessary to create a thriving environment where both people and nature can flourish together. We implement this vision through our policies, actions and partnerships as we continue to steer the industry towards a sustainable future.

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Our Current Approach

Our focus is on reducing our carbon footprint, strengthening operational resilience and setting a precedent for others in the aviation sector. Our approach is shaped by:

- A robust Climate Change Policy driving the continuous identification and management of climate-related risks and opportunities, including decarbonisation.
- Alignment with Hong Kong's Climate Action Plan 2050, which outlines four key decarbonisation strategies for our city: "net-zero electricity generation", "energy saving and green buildings", "green transport", and "waste reduction".
- Adoption of innovative climate risk analyses report and disclose in alignment with internationally recognised TCFD recommendations.
- Implementation of our Energy Management System (EnMS), as outlined in our Energy Management Manual.



50.4%

reduction in absolute Scope 1 & 2 GHG emissions by 2030 from a 2018 base year

50.4%

reduction in absolute Scope 3 GHG emissions by 2030 from purchased goods and service, fuel-and-energy related activities, waste generated in operations, employee commuting and downstream leased assets from a 2018 base year

20%

reduction in energy consumption by 2030 from a 2018 base year

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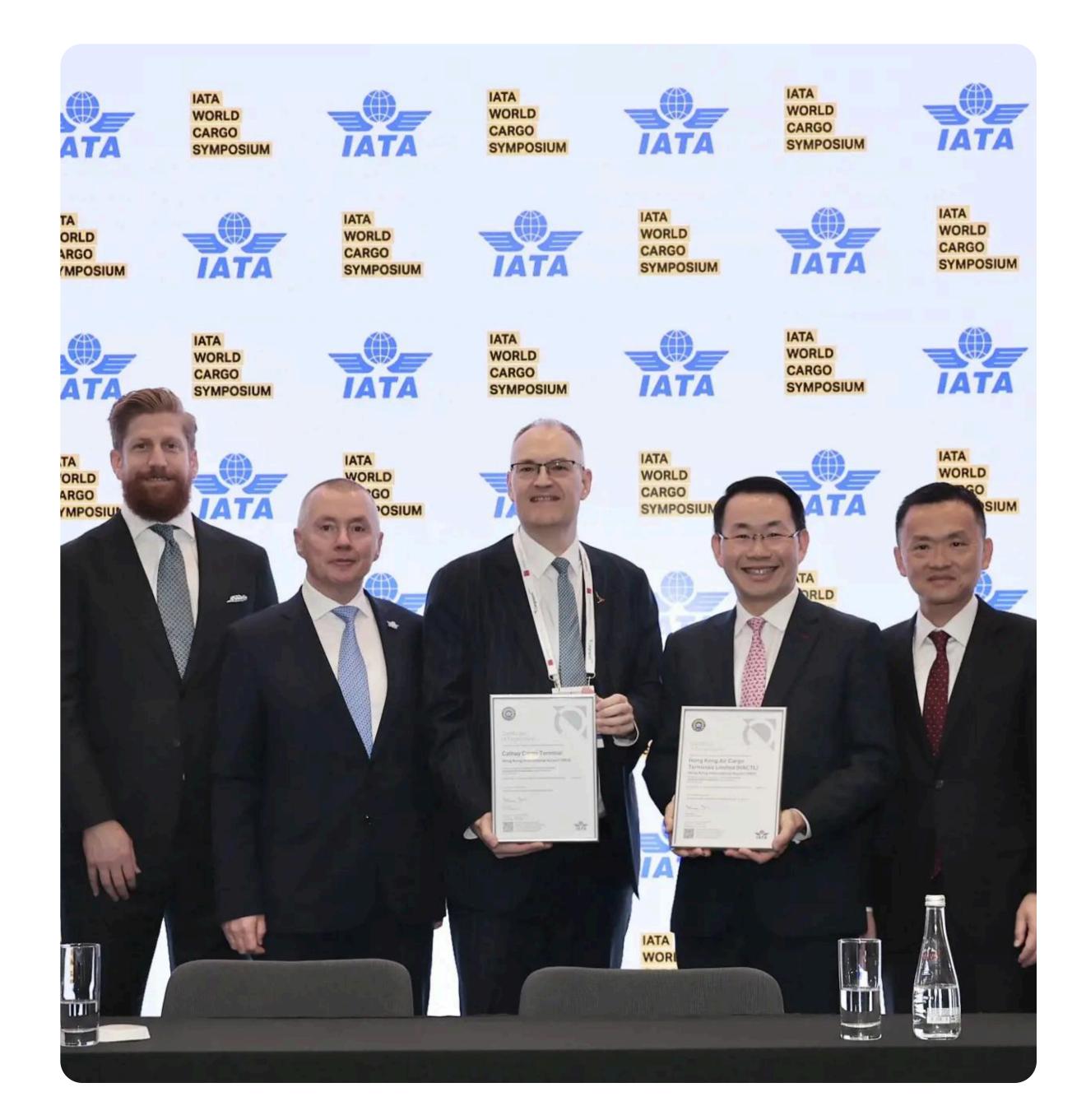
CLIMATE CHANGE

Certified Asia's First: Trailblazer for IATA IEnvA Certification

In an industry pivotal to the fight against climate change, Hactl is rising to the challenge in the aviation sector by achieving the IATA Environmental Assessment (IEnvA) certification. As one of the first cargo handlers in Asia to earn this distinction, we aim to set a powerful example for our peers that operational excellence and environmental responsibility can go hand in hand.

Hactl's journey to IEnvA certification was challenging, requiring a thorough assessment of our operations against the rigorous environmental standards set by the International Air Transport Association (IATA) based on ISO 14001. However, the hard work invested in this process has yielded significant results. By adopting strict IEnvA standards and implementing robust environmental management systems, Hactl is actively reducing greenhouse gas emissions and minimising its ecological footprint.

IEnvA certification is more than just a badge of honour; it signifies Hactl's deep commitment to environmental stewardship, validated through a framework of continuous improvement in environmental performance. With this achievement, we are not only setting a new standard for excellence in the air cargo industry but also making a meaningful impact in the global effort against climate change.



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CLIMATE CHANGE

Fuelling a Sustainable Future: Our Renewable Diesel Pilot

At Hactl, we believe in fuelling a sustainable future, often by challenging the status quo. While traditional diesel powers ground vehicles at airports and contributes to emissions, we took a bold step in a different direction. In partnership with AAHK and Shell Hong Kong Limited, we launched a pilot project to explore and pilot the application of hydrotreated vegetable oil (HVO) as a renewable diesel alternative within our value chain.

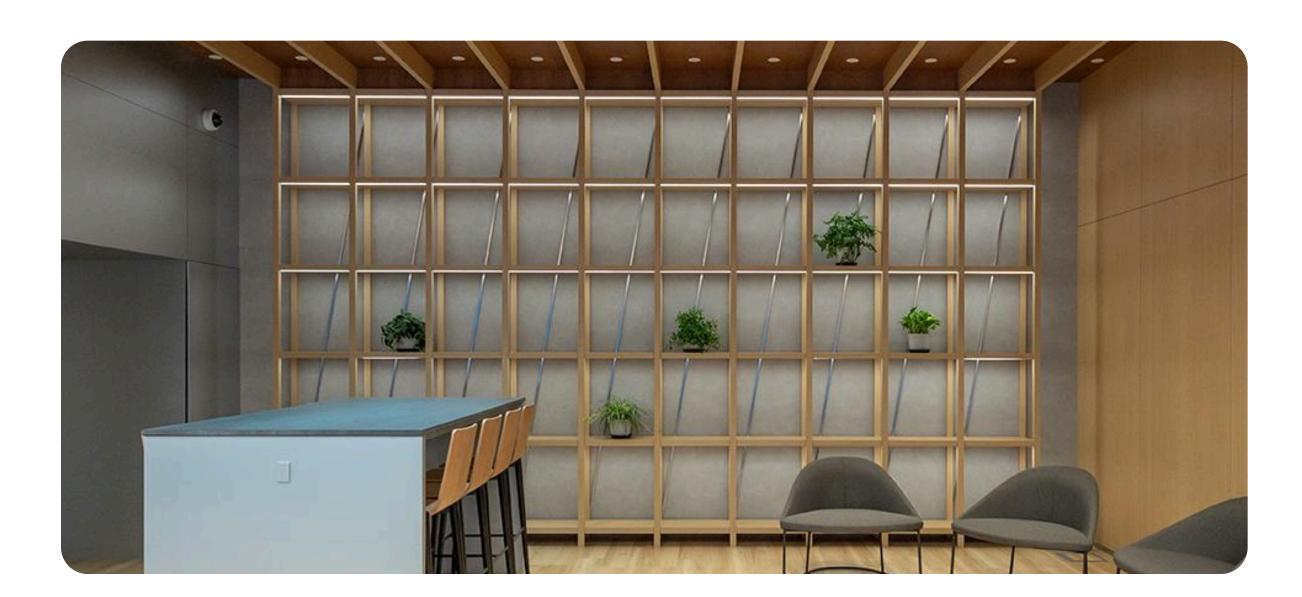
Over the course of 12 months, we began using HVO in ramp vehicles that are not easily replaced by electric alternatives. As a "drop-in fuel", HVO requires no modifications to our existing diesel engines and is sourced from renewable materials, such as waste animal fats and used cooking oil. While this pilot project is still in its early stages, its potential impact is vast. By fully integrating HVO, we could **reduce greenhouse gas emissions by up to 87% compared to conventional diesel**.

As the largest independent handler at HKIA, this initiative represents an opportunity to transform our value chain and support our shared goal with HKIA of becoming the world's greenest airport under its Net Zero Carbon Pledge. This pilot not only marks a promising step forward but a larger leap towards impactful decarbonisation, fuelling a cleaner, greener future.

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CLIMATE CHANGE

Our SBTi Progress

In November 2023, Hactl's GHG mitigation targets were validated by the Science Based Targets initiative (SBTi). This endorsement underscores the credibility of Hactl's commitment to upholding best practices in science-based target setting.

In 2024, we made significant progress towards our SBTi targets through strategic initiatives across our value chain. Recognising the critical role of suppliers in addressing our Scope 3 emissions, we completed the first phase of our supplier engagement exercise, reaching out to 10 key suppliers to identify decarbonisation opportunities and emission-reducing interventions and inform our overall Scope 3 reduction planning. We have also updated our decarbonisation roadmap, incorporating business forecasts and the potential impact of various initiatives, and integrated decarbonisation considerations into our budget planning to ensure sufficient resource allocation for achieving our SBTi targets. We remain committed to actively engaging our suppliers as we continue to accelerate decarbonisation efforts together.

Our science-based targets:

50.4%

50.4%

Reduce absolute scope 1 and 2 GHG emissions by 50.4% by 2030, from a 2018 base year.

Reduce absolute scope 3 GHG emissions by 50.4%3 by 2030, from a 2018 base year.

SBTi



The SBTi is a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI), and Worldwide Fund for Nature (WWF). It is a well-respected, global organisation championing the adoption of science-based target as a normative standard for corporate responsibility. By participating in this initiative, Hactl officially joins the global commitment to halve GHG emissions by 2030 and achieve net-zero by 2050.

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OUR SBTI PROGRESS

To achieve our ambitious science-based targets, Hactl is implementing a range of strategies, including upgrading to energy efficient lighting and mechanical ventilation and air conditioning (MVAC) systems, reducing refrigerant leakage from our cold rooms, electrification of our vehicles and Ground Support Equipment, and procurement of Renewable Energy Certificates (RECs).

Reduction in energy consumption since 2018



Energy Efficiency

Guided by our ISO 50001 Energy Management System, we establish internal targets for total, MVAC system, and lighting electricity consumption, with annual energy consumption as a key corporate sustainability target. To achieve these targets, we proactively seek out energy-efficient technologies and adopt the internationally recognised "Plan, Do, Check, Act" management system to drive continuous improvement in energy savings. This commitment is driven by our EHS committee meetings, which feature energy use as a top-priority agenda item.

In 2024, we achieved energy reductions through a range of initiatives, including energy-efficient lighting retrofits on the third and fourth floors of our warehouse, advanced chiller sequencing to upgrade our cooling systems, a Proof of Concept implementation for Quantum Optimisation Technology (QOT) to improve electricity transmission efficiency, the replacement of Primary Air Units (PAUs) and Air Handling Units (AHUs), and the installation of smart meters in tenant offices under the GTP, promoting precise energy monitoring and management.



Electrification

In cooperation with the AAHK and CLP Power Hong Kong, we are exploring the feasibility of installing e-GSE charging stations and accelerating our efforts towards equipment electrification.



Renewable Energy

To support the broader renewable energy market in Hong Kong, we purchased Renewable Energy Certificates (RECs) from China Light and Power (CLP). These represent the equivalent of 6,800,000 kWh of energy from local renewable sources, including solar, wind and landfill gas projects, signifying the largest such contribution to development of local renewables within the airport community to date.



Supplier Engagement

Our scope 3 reduction efforts are centred around supplier engagement strategies, particularly on purchased goods and services. We are also pioneering waste diversion techniques with a focus on wood, paper, plastics and mixed waste, with an aim to significantly reducing emissions from landfill waste disposal.

In 2024, we completed the first phase of our supplier engagement exercise, reaching out to 10 key suppliers to identify decarbonisation opportunities, emission-reducing interventions, and potential synergies in our Scope 1 and 2 decarbonisation efforts. This engagement directly informs our overall Scope 3 reduction planning and has enabled us to update our decarbonisation roadmap, incorporating business forecasts and the potential impact of various initiatives. Decarbonisation considerations are integral to our budget planning to ensure that we allocate sufficient resources to meet our SBTi commitments. We are committed to advancing these collaborative efforts to drive emissions reductions across our value

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CLIMATE CHANGE

Stairway to Sustainability: "Life on Land"

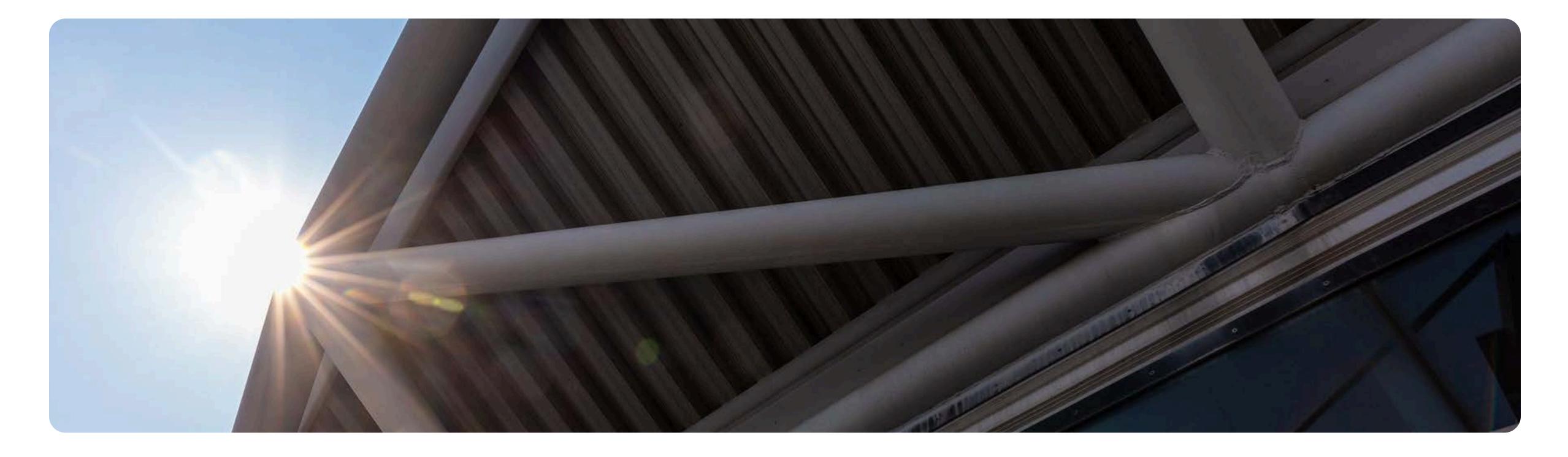
We believe that small steps can lead to significant changes. This year, we transformed the 4-6/F stairwell of our North Office Block into a colourful pathway celebrating the United Nations' Sustainable Development Goals (SDGs) of "Life on Land".

To make stair climbing an enjoyable experience rather than a chore, we set up an engaging space installed with informative messages and interactive quizzes. These elements not only encourage our staff to take the stairs for their daily exercise, but also educate them about the rich ecosystems of Hong Kong and the importance of environmental conservation. To further enrich this experience, we installed an opinion wall where employees could share their favourite local plants and animals, along with their thoughts on wildlife conservation, fostering interactive and important conversations about biodiversity.

Throughout the year, we continued to decorate the staircase with various themes, promoting the United Nations' 17 SDGs and inspiring our team to embrace more sustainable practices in their daily lives. By blending wellness with environmental education, we are not just climbing stairs – we are taking strides toward a healthier and more ecoconscious workplace.

Environmental Management at Hactl

Hactl's Environmental Management System (EMS) encompasses resource allocation, policy design and implementation, employee engagement, environmental impact assessments and compliance in accordance with ISO 14001 and IEnvA requirements. Implementation of the EMS is overseen by the Chief Sustainability Officer and Head of Safety, Sustainability and Quality Assurance. Our management structure, as outlined in the EMS Manual, ensures a systematic approach to the management of environmental impacts throughout our operations.



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More ESG Disclosures

Please refer to our ESG Disclosure Index for additional information about material topics linked to this pillar of our strategy.

GRI 302

Energy

Emissions

GRI 306
Waste

Links to our policies

Please view our policies to learn more about Hactl's commitment to preserving the planet for future generations.

RESOURCE AND CIRCULARITY POLICY \rightarrow MORE CLIMATE CHANGE POLICY \rightarrow MORE SUSTAINABILITY POLICY \rightarrow MORE



SUSTAINABILITY REPORT 2024

Doing the Right Things Right

For over 48 years, Hactl has thrived by doing business the right way. Our commitment to a sustainable future is built on robust governance, responsive risk management, and ethical decision—making, ensuring we contribute positively to our planet, people, and partners.

In a world facing increasing challenges brought by climate change, resource scarcity, and growing environmental regulations, sustainability governance isn't something "nice-to-have", it's a business imperative.

AMY LAM Cheel Sustainability Officer, Hong Kong Air Cargo Terminals Limited

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Strategic Focus Areas

Integrity and Transparency





Integrity and Transparency

At Hactl, integrity is fundamental to who we are and how we operate. With our unwavering commitment to strong governance practices, we conduct our business in an ethical and fair manner and ensure compliance with all applicable regulatory requirements. In doing so, we maintain the trust we have earned over our 48 years of success as a reliable air cargo terminal and drive long-term value creation. We uphold the highest standards of corporate governance and have a zero-tolerance policy towards any compliance breaches.

INTEGRITY AND TRANSPARENCY

Our Current Approach

We have established robust structures for corporate leadership and control and a comprehensive set of policies that guide us in implementing strong governance practices, supported by a responsive risk management framework under our Enterprise Risk Management Programme.

Led by our Board of Directors, Hactl's Operations Committee oversees our governance approach. It is supported by our senior management who ensures the effective implementation of corporate policies and compliance with all applicable regulatory requirements.

Our unwavering commitment to strong governance practices, high ethical standards, and protection of our customers' data is reflected in our policies and guidelines.



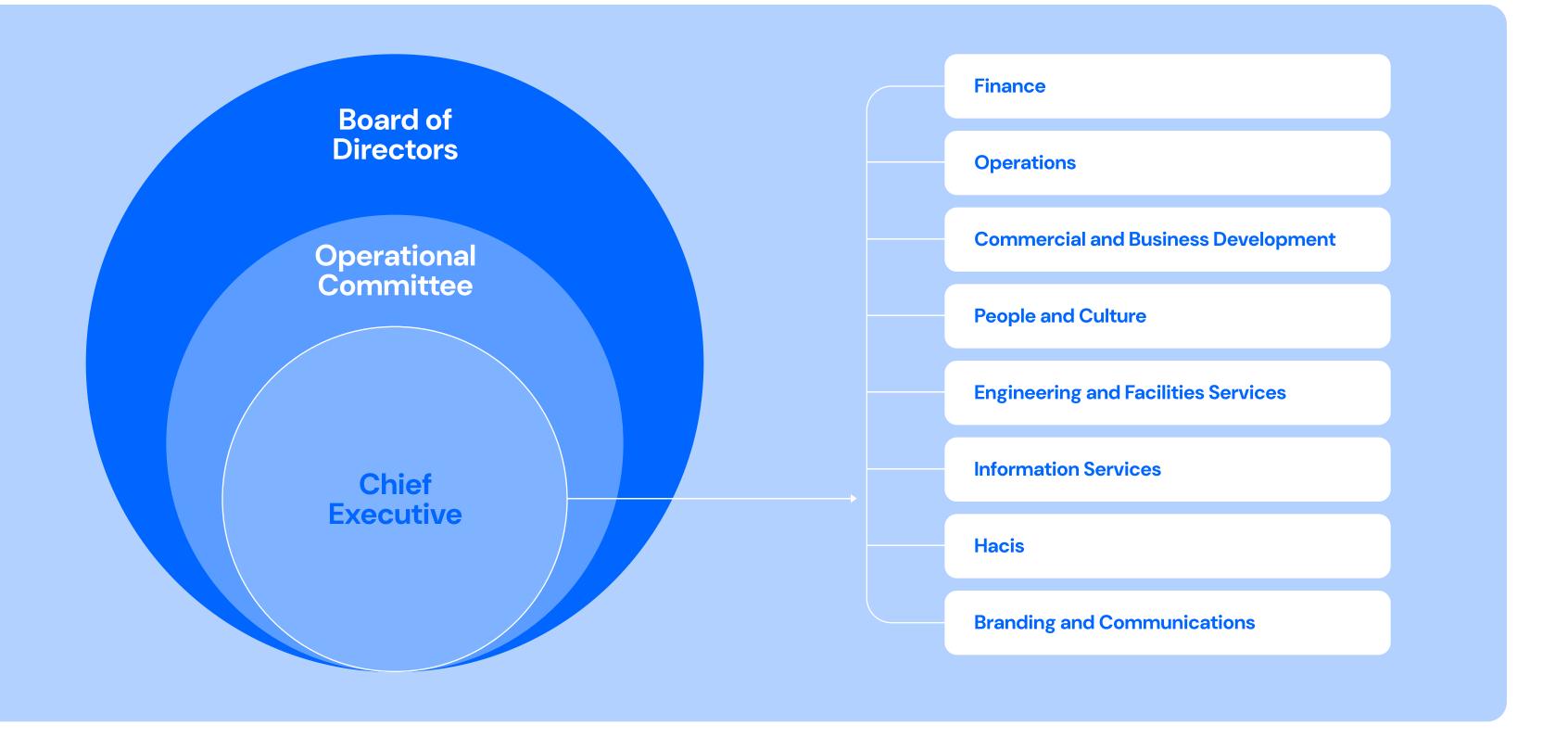
Corporate Governance at Hactl

Hactl's success as a reliable air cargo terminal owes to our robust governance practices. We are committed to conducting our business in an ethical and fair manner, ensuring compliance with all relevant regulatory requirements. We recognise the potential risks of reputational damage from failing to uphold strong governance practices and the increased costs of compliance associated with evolving regulations.

To address these concerns, Hactl has a comprehensive set of policies in place covering various aspects of corporate governance. Relevant committees at the Board and Senior Management level are established to oversee compliance and promote effective governance.

Each department is responsible for monitoring compliance with applicable legal and statutory requirements.

Hactl's Corporate Governance and Organisational Structure



Hactl's corporate governance structure stems from the Board of Directors (the Board), which meets 4 times per year, and its Operational Committee (OC), which meets monthly and reports regularly to the Board.

The Board of Directors consists of representatives from Hactl's four shareholders, with two seats held by Jardine Matheson. Its members are fully committed to the highest standards of accountability, transparency and governance practices.

The OC comprises representatives from each of Hactl's four shareholders, appointed and selected by the shareholders, and our Senior Management . The Board and OC holds monthly meetings and plays a pivotal role in guiding and

overseeing all aspects of Hactl's corporate governance, including providing independent and objective counsel to align our business decisions with Hactl's long-term strategic direction. Selection criteria for the OC include relevant skills and experience for making positive contributions to Hactl's performance. The views of other stakeholders, diversity and independence are not explicitly or systematically taken into consideration.

The OC is chaired by our Chief Executive (CE), who is responsible for ensuring the profitability, operational efficiency and administrative success of SuperTerminal 1 and all subsidiary companies. The CE provides regular progress updates on all operational matters to the OC and the Board, including Hactl's performance against operational criteria outlined in our franchise agreement with the AAHK.

The Board and OC has delegated responsibility of day-to-day management of Hactl's operations to the Senior Management Team in close collaboration with departmental and team heads to ensure effective implementation of corporate policies. The Senior Management Team, led by the CE, communicates regularly with consultation committees and the labour union, including the Joint Consultative Committee for Junior Staff, the Joint Consultative Committee for Supervisory Staff, and the Hong Kong Air Cargo Terminals Employee Union. These channels provide vital conduits for ongoing engagement and connection between management and all valued team members.

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Sustainability Governance

The Board, supported by the OC, is ultimately accountable for sustainability development strategy and performance at Hactl. The OC convenes monthly to oversee Hactl's impacts on the economy, environment and people. It engages with shareholders to bolster Hactl's risk management and sustainability strategy, evaluating the effectiveness of these initiatives in managing Hactl's impacts. In 2024, we appointed a Chief Sustainability Officer (CSO) to reinforce our commitment to the effective and transparent implementation of our Sustainable Framework while strengthening our overall sustainability governance. Reporting directly to the CE, our CSO provides oversight on our sustainability strategy across departments, ensuring resources are strategically allocated to achieve our ambitious sustainability goals while simultaneously strengthening alignment and coordination within the Senior Management Team on sustainability-related matters. By streamlining senior-level communications, the CSO helps address the growing expectations of our stakeholders and facilitates the integration of sustainability into our core

business decisions and processes, including capital allocation and budgeting.

The Board and OC has delegated the oversight of Hactl's material sustainability topics, as well as the development, approval, and updating of Hactl's sustainability-related objectives, strategies, policies, goals and the Sustainability Report to the Senior Management Team led by the CE, who holds a seat at both the Board and the OC. The delegation of review streamlines reporting efficiency and allows the Senior Management Team to manage day-to-day operations related to sustainability matters, leveraging their familiarity with relevant information. The Senior Management team is responsible for setting the overall tone and direction for sustainability initiatives at Hactl. They are involved in strategic decisions related to sustainability, ensuring that these initiatives are aligned with company objectives, and overseeing policy implementation across all levels.

The SSQ team is tasked with day-to-day implementation of sustainability policies and initiatives and reports to the Executive Director and Chief Financial Officer (EDCFO) and the CSO. The team works closely with different departments to ensure that sustainability goals are being met.

Each department within the organisation has specific responsibilities related to sustainability, with Heads/Managers ensuring that policies are implemented within their respective departments and teams.

To enhance competency at various levels, different training programs are provided. For example, the SSQ team participates in training on reporting standards, occupational health and safety, environmental management, and energy management.

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Upholding Best Practices

Hactl diligently pursues various certifications against relevant standards to ensure our services are consistently benchmarked for full compliance with industry best practices. Our <u>current accreditations</u> across multiple operational facets underscore our organisational ethos of navigating business responsibly.

BUSINESS ETHICS: OUR CODE OF CONDUCT

Upholding ethical standards is non-negotiable. We recognise that in order to maintain the highest standards of business integrity, our policy commitments and governance-related procedures must be fully integrated into our organisation, regularly updated and consistently communicated across teams and departments.

We employ a multi-faceted approach to enforce Hactl's Code of Conduct, including regular Code of Conduct e-learning training in collaboration with the Jardine Matheson Group. Additionally, general training on ethical conduct ensures that all relevant staff completed ethical training courses in 2024. In 2024, 100% of our staff received written communication about corporate anti-corruption policies and procedures.

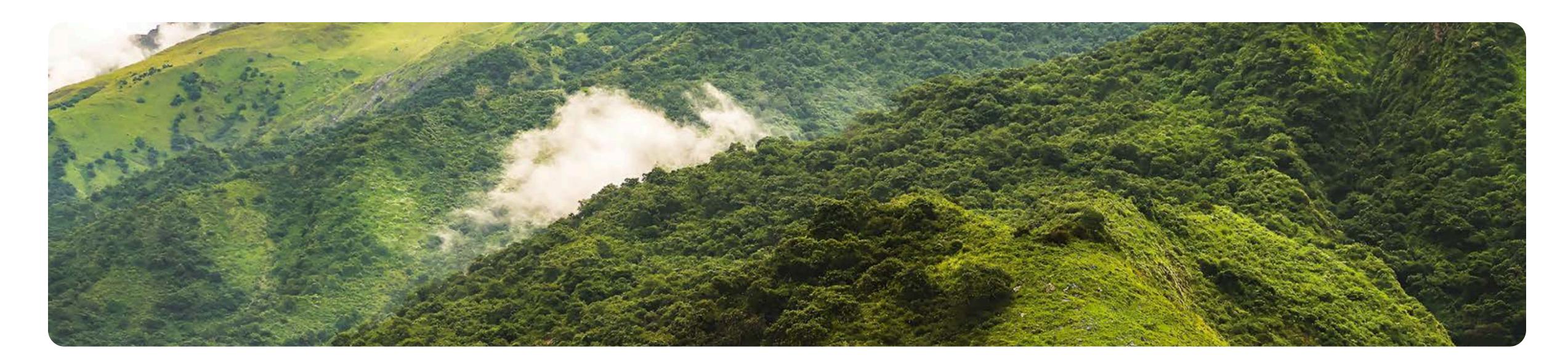
Hactl's corporate culture of continuous adaptation and refinement is well exemplified by the ERMCF's quarterly policy and procedure review process. This proactive approach ensures that we maintain strict compliance with evolving regulations and affirms our unwavering commitment to governance excellence. Our employees are also encouraged to support early detection and resolution of any breaches of legal or regulatory requirements. The Policy on Disclosure of Matters of Serious Concern establishes clear channels and procedures for colleagues to report concerns without fear of retribution.

In 2024, there was no reporting on breaches on conflicts of interest.

100%

of our staff receiving written communication about corporate anti-corruption policies and procedures.

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Hactl's Risk Management

Recent shifts in regional and global priorities have underscored the critical need for resilient risk management to effectively navigate the challenges and opportunities that lie ahead for our business. From air cargo safety to broader ESG risks, we are acutely aware of the potential risks associated with service disruptions and the reputational harm that can arise from critical incidents. In response, we take a proactive and holistic approach to risk management, regularly reviewing our risk registers and implementing various Business Continuity Management activities as part of our Enterprise Risk Management (ERM) programme in order to better identify and address the full spectrum of risks.

Our ERM programme encompasses training, risk reviews, climate risk, business continuity management, information security, cybersecurity, and data privacy. The programme is structured around two key bodies: the Enterprise Risk

Management Steering Committee (ERMSC), which composed of the Senior Management Team, and the Enterprise Risk Management Coordinating Forum (ERMCF), which comprises representatives from various departments. These bodies meet regularly to evaluate departmental and corporate risks, business continuity, and team training effectiveness. The Senior Management Team oversees our Corporate Risk Register, while individual Departmental Risk Registers are managed and owned by our department heads.

The annual Management Review Meeting, attended by representatives from our Senior Management, serves as an important platform to conduct a rigorous yearly review of key sustainability risks and their corresponding mitigation measures.

Specialised working groups such as the EHS Committee, ERMCF and Data

Governance Committee (DGC), meet regularly to provide oversight and management of specific risk areas, including new policies and initiative to address emerging risks. Each working group is led by a management representative who collaborates with members from the SSQ team and other related departments.

Through our ERM programme, we believe in fostering accountability by decentralising responsibility to each department for compliance with relevant requirements and expectations in line with our corporate culture of ownership and excellence. Management representatives, Department Heads, and Line Managers tailor their working plans to address sustainability risks specific to their operations. These customised plans are regularly reported to Senior Management Team during our Management Review Meetings.

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HACTL'S RISK MANAGEMENT

Managing Sustainability Risks

Long-term sustainability-related risks present material challenges to our business, given the far-reaching consequences. Hence, we integrated these risks into our ERM framework to better identify and address the full range of sustainability risks.

For each of our material topics, we have identified several sustainability risks and outlined specific response actions to mitigate their impacts. These principal risks were informed by our Corporate Risk Register and materiality assessment results.

Hactl is acutely aware of physical risks posed by climate change to our operations, such as rising sea levels and extreme weather events. To proactively manage these risks, our ERMCF is in place to oversee climate-related risks, alongside our EHS Committee, which is responsible for managing and reducing our environmental impacts. In 2022, we engaged an external consultancy to assist us in conducting a comprehensive climate risk scenario analysis to help us gain a deeper understanding of our exposure to the full remit of physical and transition climate-related risks and opportunities.

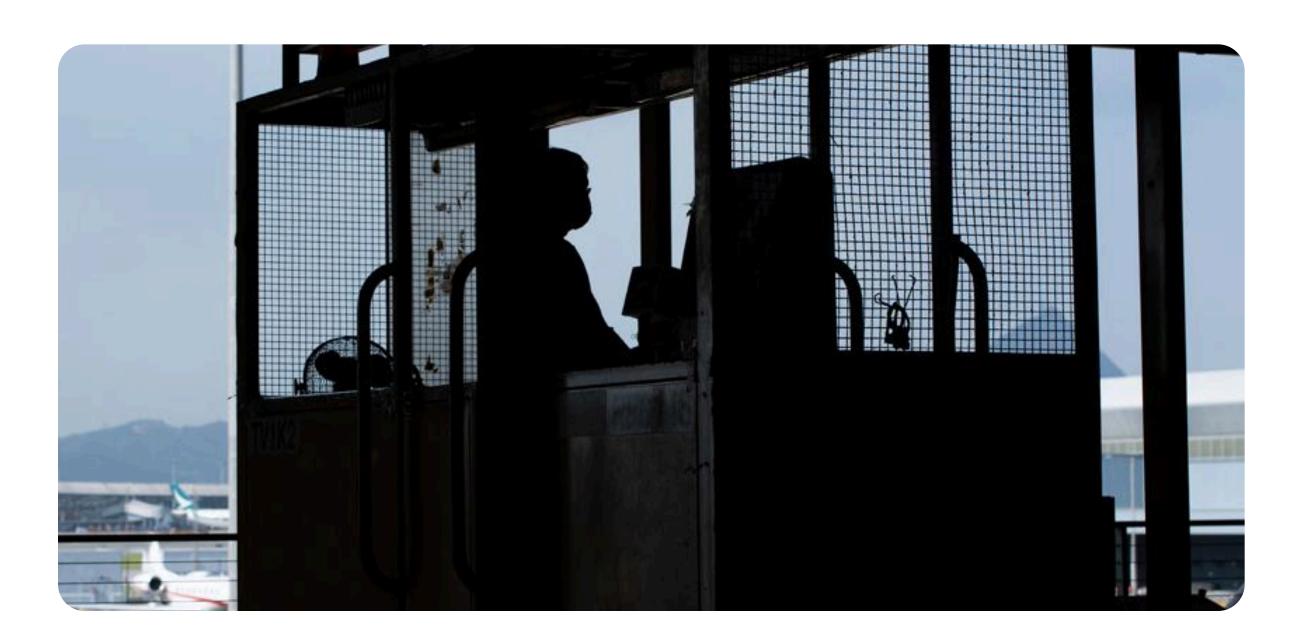
To integrate climate resilience into our business operations, we have adopted a science-based approach aligned with Recommendations from the TCFD. Please refer our <u>TCFD Statement</u> for more information on how we build resilience into our business.



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Weathering Storms: Building Hactl's Resilience through comprehensive Typhoon Preparedness



In response to the growing risks of adverse weather events including increasingly frequent and stronger typhoons, we are continuously testing and refining our emergency preparedness plans to ensure the safety of our people and the continuity of our operations.

Our annual cross-departmental drills are key to strengthening our risk control measures and contingency planning. These exercises ensure that everyone understands their roles in the event of an emergency, allowing for quicker, more coordinated responses during real emergencies. Members from all departments actively participate in the exercise and subsequent review, contributing valuable insights and learnings to further strengthen our emergency preparedness and response plans.

This year's typhoon drill introduced new scenarios designed to test the resilience of our communication and coordination mechanisms. A key simulation involved addressing challenges caused by uprooted trees obstructing roads and disrupting the transportation of goods between the Express Centre and the Main Building.

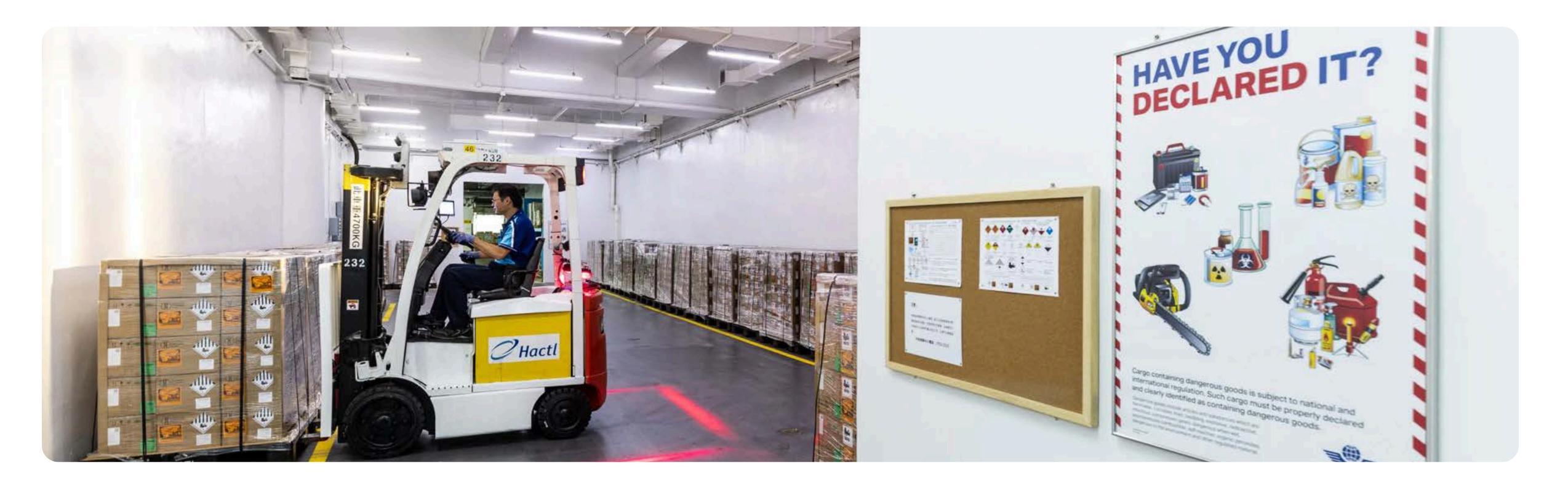
Additionally, we anticipated the potential challenge of temporary closures on the Hong Kong–Zhuhai–Macau Bridge (HZMB) during typhoons, as many staff under the import labour scheme rely on this route. Recognising that such closures could strand a significant number of staff in Hong Kong, we tested our existing procedure to utilise the Sports Centre in SuperTerminal 1 as a temporary resting area. Even though its usage has been minimal in recent years due to improvements in public transportation and timely notifications from the Hong Kong Observatory, we understand the importance of remaining prepared for all eventualities, which was why it was specifically tested as part of our Typhoon Drill. Following the drill and a thorough evaluation, we enhanced the procedure and setup by providing tents, instead of just sleeping bags, to protect staff privacy, and by adding charging facilities for their phones, ensuring that we are better prepared to support our staff during adverse weather conditions.

In 2024, the temporary resting area was activated five times during typhoons and other adverse weather conditions.

Corporate Compliance

We recognise that compliance is not just a legal obligation but a vital component of our corporate integrity and sustainability strategy. By staying informed and aligned with regulations such as data protection and labour laws, we can effectively manage risks, enhance our reputation, and contribute positively to the communities we serve.

In line with our commitment to transparency and accountability, we continuously review and update our compliance measures to adapt to evolving laws and industry standards, allowing us to navigate challenges while proactively seizing opportunities for growth and innovation. In 2024, there were no significant instances of non-compliance with laws and regulations during the reporting period for which fines, non-monetary sanctions were incurred.



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Data Privacy and Cybersecurity

Given the significant volume of data transactions Hactl manages daily, we recognise that data breaches pose risks, including legal liabilities, financial losses, and, most importantly, the loss of trust from our long-term customers. We believe that trust is crucial in the relationships between Hactl and our customer airlines and by safeguarding the confidentiality and security of data, we foster customer trust and loyalty in the long run. To that end, we ensure that our corporate values extend seamlessly into the digital realm by safeguarding the confidentiality and security of all entrusted personal data in strict adherence to Hong Kong's Personal Data (Privacy) Ordinance and the European Union's General Data Protection Regulation (GDPR) as defined by our Privacy Notice on our website. The Executive Director and Chief Financial Officer (EDCFO) serves as Hactl's Data Protection Officer and chairs the Data Governance Committee (DGC) with responsibility for ensuring consistent quality of data management across our operations and control measures in our daily operations. Department data stewards monitor their respective departments' activities related to data privacy, while the DGC meets three times a year to review monitoring status and discuss the latest updates and trends. Hactl also reports relevant updates to the Board regularly.

Recognising the evolving and complex nature of the digital landscape, we empower our staff with training and resources to counter fraud, scams and cybercrimes using robust technical and organisational control measures. To help us prepare for unforeseen incidents, we implement regular drills focused on data leakage and cybersecurity incidents. In addition to 24/7 security monitoring and ongoing enhancements to cybersecurity measures, Hactl aims to enhance the awareness and competency of our staff through required monthly cybersecurity online training for all email users, with additional tailored training for particular groups such as the Senior Management Team and high-risk departments. Monthly phishing email assessments are also conducted to raise user awareness.

In 2024, we did not receive any customer complaints or convictions regarding data loss or breaches of data privacy in Hong Kong.

Whistleblowing and Grievance Mechanism

We have a Policy on Disclosure on Matters of Serious Concern in place to support our whistleblowing and grievance mechanisms and facilitate the early detection of potential legal, financial, operational and reputational risk. This policy encourages our people and third parties to come forward and report suspected wrongdoing while providing guidance and assurance to those who come forward. The policy outlines various reporting mechanisms, and breaches submitted through these channels are managed by an independent and anonymous team that communicates directly with designated Hactl representatives. All complaints under this policy are thoroughly investigated to ensure prompt remedial action is taken where appropriate.

The staff grievance mechanism is available on our internal intranet called Hactl+. Should staff have any grievance, they should bring it to the attention of their immediate supervisor and/or the People and Culture department. If circumstances require, interviews with the higher level of management can be arranged. Internal complaints are monitored and overseen by the People and Culture department.

The staff grievance mechanism

Hactl+ Supervisor Ma

Management

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CORPORATE COMPLIANCE

Customer support and Complaint Handling

Hactl recognises that we may contribute to negative impacts—whether environmental, social, or economic—and we are committed to addressing these concerns from our stakeholders. To facilitate open communication and gather valuable feedback, we have established multiple communication channels for stakeholders to reach us, all of which are listed on our website.

Upon receiving a complaint, we follow our internal procedures to evaluate, investigate, and resolve the issue. Our Customer Feedback and Claim Handling Procedure, in addition to our Customer Satisfaction Survey Procedure, outlines how feedback is collected and managed. Our dedicated Customer Services team monitors and tracks all external complaints to ensure thorough handling and resolution.

We follow our internal procedures

01
Evaluate
→

Investigate

Resolve

Protection of Human Rights

Hactl is committed to upholding international principles aimed at protecting and promoting human rights, as outlined by the United Nations' Universal Declaration on Human Rights, the International Bill of Human Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Our Human Rights Policy reflects this commitment, ensuring that we operate in compliance with applicable local laws while striving to meet higher international standards whenever possible.

We believe that respect for human rights is essential to our corporate culture and is further supported by our Inclusion, Equity, and Diversity Policy, as well as our Occupational Health and Safety Policy. Together, these policies create an environment where everyone is treated with dignity and fairness, free from discrimination or harassment. At Hactl, we are dedicated to fostering a workplace that values diversity and inclusion, ensuring that all voices are heard and respected.

International Principles

Human Rights

Corporate Culture

Diversity and Inclusion

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More ESG Disclosures

Please refer to our ESG Disclosure Index for additional information about material topics linked to this pillar of our strategy.

GRI 205

Anti-corruption

GRI 408

Child Labour

GRI 409

Forced or Compulsory Labour GRI 418

Customer Privacy

Links to our policies

Please view our policies to learn more about Hactl's commitment to ensuring integrity and transparency.

HUMAN RIGHTS POLICY \rightarrow MORE PRIVACY NOTICE \rightarrow MORE SUSTAINABILITY POLICY \rightarrow MORE

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8 Our Performance

PLANET | ENVIRONMENTAL PERFORMANCE

Indicator	Unit	2024	2023
EMISSIONS 1,2,3,4			
Scope 1			
Direct GHG Emissions	Matria tara of CO a (tCO a)	7,202.62	7,822.81
Biogenic CO ₂ emissions	Metric tons of CO ₂ e (tCO ₂ e)	214.92	162.45
Scope 2			
Location-based energy/indirect GHG emissions	Matria tana of CO a (tCO a)	11,266.02	11,222.04
Market-based energy/indirect GHG emissions	Metric tons of CO ₂ e (tCO ₂ e)	8,682.02	9,233.04

Scope 3				
Other indirect GHG emissions	Metric tons of CO ₂ e (tCO ₂ e)	21,319.60	20,147.54	
GHG emissions intensity				
Scope 1 GHG emissions intensity		0.004	0.005	
Scope 2 GHG emissions intensity	tCO₂e/ tonnage of cargo handled	0.006	0.007	
Scope 3 GHG emissions intensity		O.O1	O.O1	
Reduction of GHG emissions ⁵				
Scope 1 & 2 reduction against 2018 base year	Percentage	29.3%	24.4%	
Scope 3 reduction against 2018 base year	Percentage	O.32%	5.8%	

Indicator	Unit	2024	2023		
ENERGY	ENERGY				
Non-renewable					
Petrol		31.14	185.02		
Diesel		1,938.05	1,400.58		
Non-biogenic component of diesel	Gigajoules (GJ)	48,446.29	40,120.31		
Electricity		82,250.69	85,228.11		
Total non-renewable energy consumption		132,666.17	126,934.01		
Renewable					
Total renewable energy consumption	Gigajoules (GJ)	27,903.41	20,700.23		
Total energy consumption					
Total energy consumption	Gigajoules (GJ)	160,569.58	147,634.25		

Energy intensity				
Energy Intensity	Gigajoules (GJ)/ square meter	0.34	0.32	
Indicator	Unit	2024	2023	
RESOURCE USE				
Non-hazardous waste ⁶				
Waste generated		7,565.29	7,638.63	
Waste diverted	Tonnes	5,127.39	4,776.15	
Waste directed to disposal		2,437.90	2,862.48	
Paper				
Waste generated		522.92	489.69	
Waste diverted	Tonnes	503.50	471.12	
Waste directed to disposal		19.42	18.57	

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Plastic				
Waste generated		990.37	932.60	
Waste diverted	Tonnes	987.64	928.58	
Waste directed to disposal		2.73	4.02	
Wood				
Waste generated	Tonnes	4,288.71	4,382.01	
Waste diverted		3,559.59	3,310.01	
Waste directed to disposal		729.12	1,072.00	
Miscellaneous/ others				
Waste generated		1,763.29	1,834.33	
Waste diverted	Tonnes	76.66	66.44	
Waste directed to disposal		1,686.63	1,767.89	

Hazardous waste ⁷			
Waste generated		19.75	15.00
Waste diverted	Tonnes	19.75	15.00
Waste directed to disposal		Ο	O
Total waste			
Waste generated		7,585.04	7,653.63
Waste diverted	Tonnes	5,147.14	4,791.15
Waste directed to disposal		2,437.90	2,862.48



- Greenhouse gas (GHG) emissions are calculated with reference to the Greenhouse Gas Protocol (GHG Protocol) developed by World Resources Institute (WRI) and World Business Council on Sustainable Development (WBCSD) and "Guidance to Account for and Report on Greenhouse Gas Emissions and Removals for Building (Commercial, Residential or Institutional Purpose) in Hong Kong (2010 Edition)" published by the EPD and the Electrical and Mechanical Services Department (EMSD).
- Direct (Scope 1) GHG emissions include emissions from stationary and/or mobile fuel (diesel, petrol and diesel component of the B5 and B7 biodiesel) and refrigerant (R22 and R134a) consumption. Biogenic CO₂ emissions include emissions from biogenic component of the B5 and B7 biodiesel. Indirect GHG (Scope 2) emissions include emissions from purchased electricity consumption. Other indirect GHG (Scope 3) emissions are generated from purchased goods and services, fuel- and energy-related activities, waste generated in operations, employee commuting and downstream leased assets.
- Our GHG inventory includes carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HCFs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), chlorodifluoromethane (HCFC-22), and nitrogen trifluoride (NF₃). GHG emissions are computed using emission factors from the following sources:
 - "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong" published by the EPD and the EMSD of the Hong Kong Government
 - Sustainability report of CLP Holdings Limited
 - Sustainability report of Hong Kong Water Suppliers Department
 - "CEDA 5.0" published by VitalMetrics Group
 - "UK Government Greenhouse Gas Conversion Factors for Company Reporting" published by DEFRA of the UK Government
- 4 Global Warming Potential (GWP) values are referred to the Fifth Assessment Report (AR5) by the Intergovernmental Panel on Climate Change (IPCC).
- 5 The indicators for reduction of GHG emissions are calculated in line with SBTi criteria with the base year of 2018.
- Food waste generated in our staff canteen is managed by the canteen operator and collected via HKIA Food Waste Rescue Programme. The amount of waste diverted from disposal is calculated from invoices and daily records provided by the waste management contractor.
- There was no significant generation of hazardous waste. Our operations generate of a limited amount of hazardous waste, in the form of a small quantity of battery, electronic waste and lubricant.

Indicator	2024			2023		
EMPLOYMENT						
	Female	Male	Total	Female	Male	Total
Number of employees at the end of the reporting period	354	1,974	2,328	312	1,669	1,981
Number of employees at the beginning of the reporting period	310	1,663	1,973	283	1,747	2,030
New hire rate¹	33.13%	30.85%	31.20%	30.25%	18.21%	20.00%
Turnover rate²	19.28%	14.52%	15.25%	22.52%	25.83%	25.64%
Employees by employment contract						
Permanent contract	304	1,465	1,769	300	1,509	1,809
Temporary contract	50	509	559	12	160	172

	Female	Male	Total	Female	Male	Total
Employees by type of employment						
Full time	335	1,880	2,215	289	1,571	1,860
Part time	19	94	113	23	98	121
Employees by age group						
Under 30	110	216	326	83	155	238
30-50	132	908	1,040	123	682	805
50 above	112	850	962	106	832	938
Employees by category						
Manager	30	63	93	32	62	94
Non-manager	324	1,911	2,235	280	1,607	1,887

	Female	Male	Total	Female	Male	Total
New hire	110	561	671	90	311	401
Under 30	57	138	195	48	116	164
30-50	40	336	376	29	98	127
50 above	13	87	100	13	97	110
Turnover	64	264	328	67	407	474
Under 30	22	49	71	35	114	149
30-50	27	67	94	17	126	143
50 above	15	148	163	15	167	182

Indicator	2024	2023
HEALTH AND SAFETY		
Work-related injuries		
Total workforce	2,328	1,981
Total working hours	5,087,856	4,564,209*
Recordable work-related injuries (excluding fatalities)	14	16
High-consequence work-related injuries (excluding fatalities)	Ο	Ο
Fatalities as a result of work-related injury	Ο	O
Rate of recordable work-related injuries	O.55	0.70*
Rate of high-consequence work- related injuries (excluding fatalities)	Ο	Ο
Rate of fatalities as a result of work- related injury	Ο	O

Fatalities as a result of work-related ill-health 0 Recordable cases of work-related ill-health 0 O O	Work-related ill health		
		Ο	O
		O	O

^{*} The data has been adjusted to reflect actual situation.

Indicator	2024	2023

EMPLOYMENT

Average hours of training per employee per year

	Female	Male	Total	Female	Male	Total
Number of employees attending the trainings	354	1,974	2,328	312	1,669	1,981
Manager	30	63	93	32	62	94

	Female	Male	Total	Female	Male	Total
Non-manager	324	1,911	2,235	280	1,607	1,887
Number of training hours	8,521	52,322	60,843	6,562	32,888	39,450
Manager	437	810	1,247	752	2,082	2,834
Non-manager	8,084	51,512	59,596	5,810	30,806	36,616
Average training hours	24.07	26.51	26.14	21.03	19.71	19.91
Manager	14.57	12.86	13,41	23.50	33.58	30.15
Non-manager	24.957	26.96	26.66	20.75	19.17	19.40

New hire rate = Total number of new hire/ Average number of employees as of 1 January and 31 December 2024

² Turnover rate = Total number of turnover/ Average number of employees as of 1 January and 31 December 2024

PARTNERS

Indicator	2024	2023
COMMUNITY ENGAGEMENT		
Sustainability investment (HK\$ million)	8.85	7.06
Number of orgnisations benefited	26	22

GOVERNANCE | GOVERNANCE PERFORMANCE

Indicator	2024	2023			
ANTI-CORRUPTION					
Communication, training and policies	Communication, training and policies				
Employees who have received written communication about corporate anticorruption policies and procedures	2,328 (100%)	1,981 (100%)			
Employees who have received anti- corruption training	2,328 (100%)	1,981 (100%)			
Confirmed incidents of corruption and actions taken	O	O			
Incidents of corruption	Incidents of corruption				
Number of confirmed incidents of corruption	O	O			
Number of confirmed incidents in which employees were dismissed or disciplined for corruption	O	O			

GOVERNANCE | GOVERNANCE PERFORMANCE

Number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	O	O
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	O	O

Indicator	2024	2023			
CUSTOMER PRIVACY					
Substantiated complaints concerning bro	Substantiated complaints concerning breaches of customer privacy and losses of customer data				
Total number of substantiated complaints received concerning breaches of customer privacy	O	0			
Complaints received from outside parties and substantiated by the organisation	O	0			
Complaints from regulatory bodies	O	O			

GOVERNANCE | GOVERNANCE PERFORMANCE

Number of complaints addressed	Ο	O
Total number of identified leaks, thefts, or losses of customer data	O	O
Number of customers, users, and account holders whose information is used for secondary purposes	O	O

9 Materiality Assessment

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

As a business with a diverse array of stakeholders, it is our responsibility to engage with these groups to foster strong long-lasting relationships and ensure that we understand our impacts and create value for our stakeholders. In 2022, we worked with a third-party consultant to conduct a comprehensive ESG engagement with both our internal and external stakeholders on issues material to Hactl, as well as assessing the impacts of our sustainability initiatives. The stakeholders engaged in this manner included, shareholders, Jardine Matheson Group sustainability representatives, members of our management team, employees, business partners, customers, and interested parties from local green groups and NGOs and social enterprises.

Our stakeholder engagement approach adheres to key principles outlined in the HKEX ESG Reporting Guide, AA1000 Stakeholder Engagement Standard and the GRI Standard. It represents a critical component of Hactl's sustainability strategy, ensuring that we align our operations with stakeholder expectations while addressing relevant ESG issues.

Stakeholder Engagement Approach

We have identified 25 stakeholders, including both internal and external stakeholders, and are committed to engaging them in a manner that is both effective and inclusive. We identified stakeholder groups and prioritised them based on their perceived importance to Hactl and our business. Specifically, we selected stakeholders based on their level of involvement or familiarity with our operations and the nature of their relationship with the company. We regularly engage with these stakeholders through various channels, including surveys, focus groups, interviews, publications, websites, social media and face to face meetings. All stakeholder feedback is integrated into our decision-making process, ensuring that their needs and perspectives are thoroughly understood and addressed.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholders	Why We engage	Engagement Channels
Shareholders	Our shareholders determine the direction of Hactl's long-term development through their investment strategy	Regular meetings with the Board and the OC; Working groups within the Jardines group.
Employees	Our staff inform us how best to execute daily operations and voice their thoughts on how to make things happen better	Regular meetings with Joint Consultative Committees, The Union, Environmental, Health and Safety Committee; Suggestions Box; Staff events such as Green Week; Internal Staff Magazine (i.e. Voice of Hactl).
Customers	The valuable input from our customers on our services and facilities is key to our success	Regular meetings with customers; Customer Satisfaction Survey; Green Terminal Pact (GTP) events; Hactlink.
Business partner	Our business partner supports and enables close industry ties that help us overcome hurdles and attain both community and industry-based achievements	Regular meetings with industry working groups
Suppliers	Our suppliers are all vital to our successful operations, efficient management of cargo, as well as to the long-term sustainability of our organisation	Supplier engagement project; Regular meetings with key suppliers
NGOs and Green groups	We support many NGOs and green groups, by listening to their concerns and seeking ways to achieve sustainability goals with collective action	Annual Green Week; Community projects; Site visits

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Double Materiality Assessment

In 2022, we carried out a detailed double materiality assessment as a critical component of our sustainability strategy and to ensure our Report aligns with best global reporting practices. We examined more than 37 topics using a three-pronged approach, including assessment of potential impact on society and the environment, potential organisational impacts for Hactl, and taking into account broader stakeholder perspectives.

To guarantee transparency and impartiality, the analyses were conducted by an independent third-party consultant. To reinforce the thoroughness and credibility of our findings, we used the internationally recommended three-step process of Identification, Prioritisation and Validation when conducting our double materiality assessment.

Identification	Prioritisation	Validation
Reviewed and identified a long list of potentially material sustainability topics examining:	Narrowed down our list of material topics for disclosure through:	Prioritised list of material issues was presented to Senior Management for discussion and validation.
Sustainability mega-trends	 Insights gathered from internal and external stakeholder interviews 	
Industry standards	Online surveys	
Peer benchmarking	Further desktop review	
Regulatory landscape	Topic prioritisation and rankings	
International sustainability frameworks		

Materiality Matrix

In 2022, our stakeholder-driven materiality assessment provided us with a refined list of 15 material topics, selected from an initial pool of 37 relevant issues. The assessment was guided by the principle of double materiality, considering both the positive and negative impacts on enterprise value, as well as the effects on the economy, environment and society. Approved by senior management, the results from this materiality assessment results allow us to most efficiently disclose and manage the associated ESG challenges.

The table outlines our most material topics and where to find them in this report. Moving forward, we will continue to gather the views and perspectives of our stakeholders to ensure that our material topics remain relevant and will adjust our topics for future reporting accordingly, as needed. In line with best practices, which recommend conducting a comprehensive materiality assessment at least every three years, we plan to undertake a full materiality assessment in 2025.

INTRODUCTION PEOPLE PARTNERS PLANET GOVERNANCE APPENDICES

MATERIALITY MATRIX

PEOPLE

Employee health and safety
Employee development and training
Employee welfare and labour rights
Employee engagement and fostering a
healthy working culture
Diversity and inclusion

PARTNERS

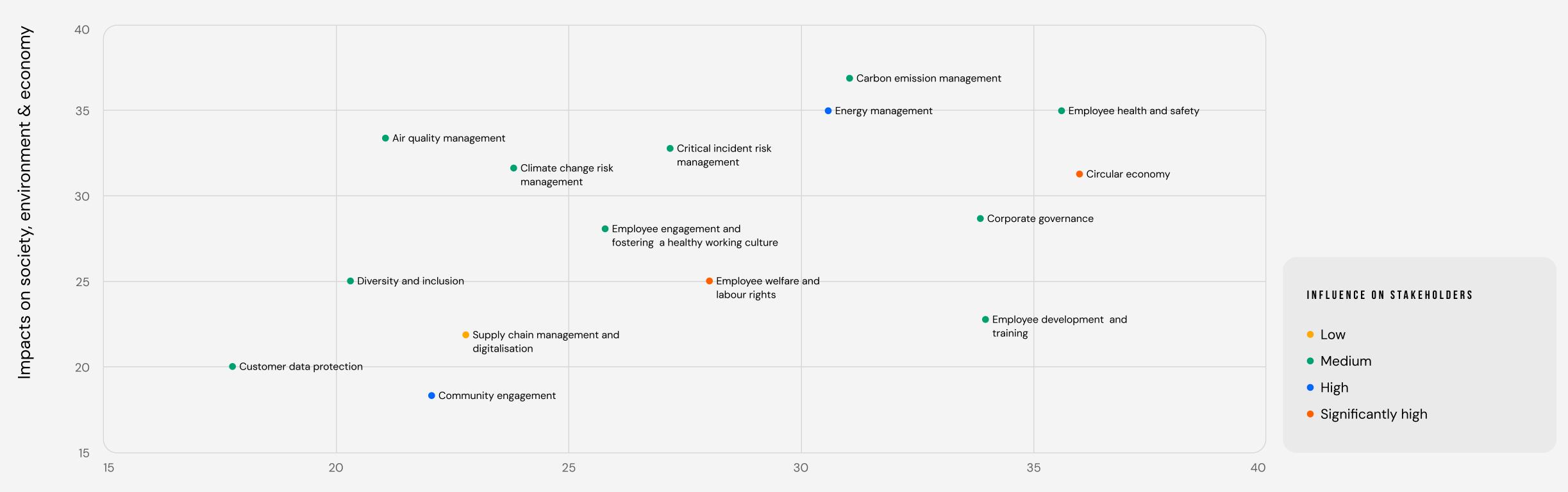
Supply chain management and digitalisation Community engagement

PLANET

Carbon emission management
Circular economy
Energy management
Climate change risk management
Air quality management

GOVERNANCE

Corporate governance
Critical incident risk management
Customer data protection



Impacts on organisation (risks and opportunities)



10 ESG Disclosures Index

This index contains traditional content for sustainability reporting, including comprehensive management approach information, disclosures and notes. Relevant data tables can be found in the Our Performance section. This content references international standards and guidelines for sustainability reporting, including the Global Reporting Initiative (GRI), Greenhouse Gas (GHG) Protocol, and Recommendations by the Task Force on Climate-related Financial Disclosures (TCFD).

GRI 2: GENERAL DISCLOSURES 2021

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
The organisation and its reporting practices		
2-1	Organisational Details	About Hactl
2-2	Entities included in sustainability reporting boundary	About Hactl About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	ESG Disclosures Index
2-5	External assurance	Assurance Statement

Activities and workers		
2-6	Activities, value chain and business relationships	About Hactl
2–7	Employees	Our Performance
2-8	Workers who are not employees	Our Performance
Governance		
2-9	Governance structure and composition	Corporate Governance at Hactl
2–10	Nomination and selection of highest governing body	Corporate Governance at Hactl
2–11	Chair of the highest governance body	Corporate Governance at Hactl
2-12	Nomination and selection of highest governing body	Corporate Governance at Hactl
2–13	Delegation of responsibility for managing impacts	Sustainability Governance
2-14	Role of highest governance body in sustainability reporting	Sustainability Governance

2–15	Conflicts of interest	Business Ethics: Our Code of Conduct Code of Conduct
2–16	Communicating critical concerns	Whistleblowing and Grievance Mechanism
2–17	Knowledge of the highest governing body	Members of the Board and OC receive sustainability specific training from their respective organisations. Please refer directly to disclosures provided by our shareholders for more details. Hactl ensures OC members are kept up to date on sustainability trends and related matters through regular reporting from the Senior Management Team.
2–18	Evaluation of the performance of the highest governing body	Our shareholders assess the performance of their representatives on evaluating the effectiveness of the highest governing body.
2–19	Renumeration policies	
2-20	Process to determine renumeration	Hactl does not disclose information on remuneration due to confidentiality constraints.
2-21	Annual total compensation ratio	

Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Strategy
2-23	Policy commitments	Governance – Our Current Approach Human Rights Policy Privacy Notice Sustainability Policy Policy on Disclosure on Matters of Serious Concern
2–24	Embedding policy commitments	Governance – Our Current Approach Business Ethics: Our Code of Conduct Corporate Compliance
2-25	Processes to remediate negative impacts	Governance – Our Current Approach Materiality Assessment Whistleblowing and Grievance Mechanism Customer Support and Complaint Handling

2-26	Mechanisms for seeking advice and raising concerns	Governance – Our Current Approach Materiality Assessment Whistleblowing and Grievance Mechanism Customer Support and Complaint Handling
2-27	Compliance with laws and regulations	Corporate Compliance
2-28	Membership associations	Programme and awarding Nature of Membership institution
		Air Cargo Customer Liaison Corporate Group
		Air Operator's Certificate Corporate
		British Chamber of Corporate Commerce
		Business Environment Corporate Council
		CAPA—Centre for Aviation Corporate

2-28	Membership associations	Programme and awarding institution	Nature of Membership
		Hong Kong Green Building Council	Gold Patron
		Carrier Liaison Group	Corporate
		Data Protection Officers' Club	Corporate
		Employers' Federation of HK	Corporate
		Hong Kong Airline Service Providers Association	Corporate
		Hong Kong General Chamber of Commerce	Corporate
		Hong Kong Institute of Human Resource Management	Corporate
		Hong Kong Management Association	Corporate

2-28	Membership associations	Programme and awarding institution	Nature of Membership
		IATA Cargo iQ	Corporate
		International Air Transport Association	Strategic Partner
		IEnvA Oversight Council	Corporate
		IATA Ground Handling Conference	Corporate
		Transported Asset Protection Association	Corporate
		The Chartered Institute of Logistics and Transport in Hong Kong	Corporate
		The International Air Cargo Association	Trustee

Stakeholder engagement		
2-29	Approach to stakeholder engagement	Sustainability Strategy Materiality Assessment
2–30	Collective bargaining agreements	Not applicable. The majority of our employees are located in Hong Kong, where there is currently no established legal framework for collective bargaining with trade unions. Our Human Rights Policy states our commitment to respecting employees' rights to form, join, or refrain from joining labour unions without the risk of reprisal, intimidation, or harassment.

GRI 3: MATERIAL TOPICS 2021

GRI Standard Disclosure		Relevant Section and URL / Direct Answers
Materiality assessment		
3–1	Process to determine material topics	Materiality Assessment
3–2	List of material topics	Materiality Assessment



People Material Topics

GRI 401: EMPLOYMENT 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
GRI Standard 3-3	Management of material topics	Materiality Assessment Employer of Choice Human Rights Policy Sustainability Strategy We do our utmost to adhere to the requirements of the following ordinances governing equal opportunities, fair labour practices and employment schemes: Disability Discrimination Ordinance (Cap. 487) Employees' Compensation Ordinance (Cap. 282) Employment of Children Regulations under the Hong Kong Employment Ordinance (Cap. 57B) Employment Ordinance (Cap. 57)
		 Family Status Discrimination Ordinance (Cap. 527) Immigration Ordinance (to prevent unlawful employment) (Cap. 115) Mandatory Provident Fund Schemes Ordinance (Cap. 485) Minimum Wage Ordinance (Cap. 608) Occupational Retirement Schemes Ordinance (Cap. 426) Race Discrimination Ordinance (Cap. 602)

GRI 401: EMPLOYMENT 2016

3-3	Management of material topics	 Sex Discrimination Ordinance (Cap. 480) Through our compliance checks we have not identified any of the following situations in our supply chain: Work does not take place within appropriate institutional and legal frameworks Persons working for suppliers are not provided the social and labour protection that they are entitled to receive by Hong Kong labour law Working conditions do not meet international labour standards and Hong Kong labour law Work is inadequately remunerated Situations of disguised employment relationships Work undertaken at home is not subject to legally recognised contracts
401-1	New employee hires and employee turnover	Our Performance - Social Performance
401-2	Benefits provided to full-time employees	Employee Welfare Hactl Careers website

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
GRI Standard 3-3	Management of material topics	Materiality Assessment Safety and Wellbeing We ensure that everyone on our team adheres to the following ordinances and best practices relating to occupational health and safety: • Factories and Industrial Undertakings Ordinance (Cap. 59) • Factories and Industrial Undertakings (Loadshifting Machinery) Regulation (Cap. 59AG) for certifying that fork-lift truck operators have attended training courses for proper use of the load shifting machine • Hong Kong Occupational Safety and Health Ordinance (Cap. 509) To deliver our desired level of operational safety and security, our Quality Assurance Programme (QAP) complies with the following standards and/or regulatory requirements:
		 AAHK Airside Driving Handbook Section 2.5 (General Driving Conduct) Factories and Industrial Undertakings (Cargo and Container Handling) Regulation (Cap. 59K) Factories and Industrial Undertakings (Noise at Work) Regulation (Cap. 59T) Fire Services (Installations and Equipment) Regulations (Cap. 95B) Occupational Safety and Health Ordinance (Cap. 509A) Alignment with the IATA Safety Audit for Ground Operations (ISAGO) standard underscores our dedication to best-in-class performance. We also observe the following regulations and guidelines pertaining to aviation safety, which is relevant for safety of our workers and other stakeholders: Dangerous Goods (Consignment by Air) (Safety) Regulations — Subsidiary Legislation for certifying when operational staff attend related courses according to their job duties (Cap. 384)

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

3–3	Management of material topics	 Airport Authority Bylaw (Cap. 483A) Section 35 (Flight Safety Hazard) Aviation Security Ordinance (Cap. 494) Hong Kong Occupational Safety and Health Ordinance (Cap. 509) To deliver our desired level of operational safety and security, our Quality Assurance Programme (QAP) complies with the following standards and/or regulatory requirements: Hactl Service Standards IATA Airport Handling Manual (AHM) 610, 612 and 621 IATA Dangerous Goods Regulations (DGR) Technical Instructions for the Safe Transport of Dangerous Goods by Air (International Civil Aviation Organisation [ICAO] Part 7 (Operator's Responsibilities)) Various customer airlines' requirements
403-1	Occupational health and safety management system	Safety and Wellbeing
403-2	Benefits provided to full-time employees	Safety and Wellbeing
403-3	Occupational health services	Safety and Wellbeing
403-4	Worker training	Development and Training
403-5	Promotion of worker health	Safety and Wellbeing
403-6	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety and Wellbeing

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-9	Work-related injuries	Our Performance – Social Performance
403-10	Work-related ill health	Our Performance – Social Performance

GRI 404: TRAINING AND EDUCATION 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3–3	Management of material topics	Materiality Assessment Development and Training
404-1	Average hours of training per employee per year	Our Performance – Social Performance
404-2	Programmes for upgrading employee skills and transition assistance programmes	Materiality Assessment Development and Training

INTRODUCTION



Partners Material Topics

GRI 204: PROCUREMENT PRACTICES 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3–3	Management of material topics	Materiality Assessment Value Chain Management
204–1	Proportion of spending on local suppliers	Our Performance – Social Performance

GRI 413: LOCAL COMMUNITIES 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3-3	Management of material topics	Materiality Assessment Sustainability Policy Inclusion, Equity and Diversity Policy Human Rights Policy

GRI 413: LOCAL COMMUNITIES 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3-3	Management of material topics	As a business-to-business company operating solely at Hong Kong International Airport, Hactl has minimal negative impacts on local communities due to its remote location. We have long-term collaborations with organizations including Free Periods Hong Kong and New Life Psychiatric Rehabilitation Association, and annually identify new partners to support. Additionally, we prioritize products and services from nongovernmental organizations and social enterprises for company events and gifts. Implementation involves cross-functional collaboration among the Branding and Communications, People and Culture, Safety, Sustainability, and Quality Assurance teams. We also have a feedback mechanism in place, collecting insights from partner organizations and event participants. We track community investment every half-year, with a consistent annual increase in project funding to continuously enhance our community engagement efforts.
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement and Collaboration
413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement and Collaboration

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Planet Material Topics

GRI 302: ENERGY 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3-3	Management of material topics	Materiality Assessment Environmental Management at Hactl Climate Change
302-1	Energy consumption within the organisation	Our Performance – Environmental Performance
302-3	Energy intensity	Our Performance – Environmental Performance

GRI 305: EMISSIONS 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3–3	Management of material topics	Materiality Assessment Environmental Management at Hactl Climate Change

305–1	Direct (Scope 1) GHG emissions	
305–2	Energy indirect (Scope 2) GHG emissions	
305-3	Other indirect (Scope 3) GHG emissions	Our Performance – Environmental Performance
305-4	GHG emissions intensity	
305-5	Reduction of GHG emissions	

GRI 306: WASTE 2020

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3-3	Management of material topics	Materiality Assessment Environmental Management at Hactl Responsible Resource Management
		Hactl's EMS ensures compliance with the following ordinances governing waste impacts: Hazardous Chemicals Control Ordinance (Cap. 595) Waste Disposal Ordinance (Cap. 354) Water Pollution Control Ordinance (Cap. 358)

GRI 306: WASTE 2020

306-1	Waste generation and significant waste-related impacts	Environmental Management at Hactl Responsible Resource Management
306-2	Management of significant waste-related impacts	Environmental Management at Hactl Responsible Resource Management Hactl's Resource and Circularity Policy
306-3	Waste generated	
306-4	Waste diverted from disposal	Our Performance – Environmental Performance
306-5	Waste directed to disposal	

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Governance Material Topics

GRI 205: ANTI-CORRUPTION 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3–3	Management of material topics	Materiality Assessment Corporate Governance at Hactl Business Ethics: Our Code of Conduct
205-2	Communication and training about anti-corruption policies and procedures	Our Performance – Governance Performance
205-3	Confirmed incidents of corruption and actions taken	Our Performance – Governance Performance

Disclosure	Relevant Section and URL / Direct Answers
Management of material topics	Materiality Assessment Protection of Human Rights Human Rights Policy
	This topic relates to universally recognised human rights abuse set out in the International Labour Organisation (ILO) Convention 138 'Minimum Age Convention'. Given the highly regulated and secure nature of air cargo operations, risk of illegal labour practices is extremely low and is not considered to be a material topic for our business.
Operations and suppliers at significant risk	Protection of Human Rights Human Rights Policy
	There are no operations and suppliers considered to have significant risk for incidents of child labour or young workers exposed to hazardous work. Hactl's Human Rights Policy reflects our commitment to upholding internationally recognised fundamental human rights. We advocate for protection of human rights and labour standards by taking measures to ensure our suppliers do too. Hactl has been a member of the Supplier Ethical Data Exchange (SEDEX) since 2014. We report and collect comprehensive information about health and safety, business ethics, environmental impacts, and human rights in our value chain

GRI 409: FORCED OR COMPULSORY LABOUR 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3–3	Management of material topics	Materiality Assessment Protection of Human Rights Human Rights Policy
		Given the highly regulated and secure nature of air cargo operations, risk of illegal labour practices is extremely low and is not considered to be a material topic for our business.
409-1	Operations and suppliers at significant risk	Protection of Human Rights Human Rights Policy
		There are no operations and suppliers considered to have significant risk for incidents of forced or compulsory labour. Hactl's Human Rights Policy reflects our commitment to upholding internationally recognised fundamental human rights. We advocate for protection of human rights and labour standards by taking measures to ensure our suppliers do too.
		Hactl has been a member of the Supplier Ethical Data Exchange (SEDEX) since 2014. We report and collect comprehensive information about health and safety, business ethics, environmental impacts, and human rights in our value chain through this platform.

GRI 418: CUSTOMER PRIVACY 2016

GRI Standard	Disclosure	Relevant Section and URL / Direct Answers
3-3	Management of material topics	Materiality Assessment Data Privacy and Cybersecurity Privacy Notice
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our Performance – Governance Performance

11 About Hactl

Hong Kong Air Cargo Terminals Limited (Hactl) is the largest independent handler in Hong Kong — the world's best-connected, top-ranking air cargo hub. Hactl serves over 100 airlines and over 1,000 freight forwarders and logistics service providers.

Hactl's home is SuperTerminal 1: a groundbreaking, highly-automated, multi-level facility with annual capacity up to 3.5 million tonnes. Opened in 1998 at a cost of USD1 billion, and regularly upgraded since, SuperTerminal 1 features a giant Container Storage System accommodating 3,500 ULDs; a Box Storage System with 10,000 stillages for loose cargo; over 400 pallet build-up/breakdown stations; dedicated zones for specific cargo types; and over 300 under-cover truck docks.

Hactl has impressive facilities for handling every type of air cargo — including temperature-sensitive commodities; hazardous cargo; live animals including high value race horses and showjumpers; valuable goods; outsize cargo; and aero engines. Our new Cool Chain Complex — the largest facility of its kind in Hong Kong — provides a seamless, climate-controlled environment for all handling processes to ensure cargo is maintained at optimal temperature. Our Lithium Batteries Storage Zone provides ultra-safe, carefully—monitored conditions for the holding of this potentially hazardous commodity away from other cargo.

Hactl also provides ramp handling services, loading and unloading freighter aircraft of every type in operation today.

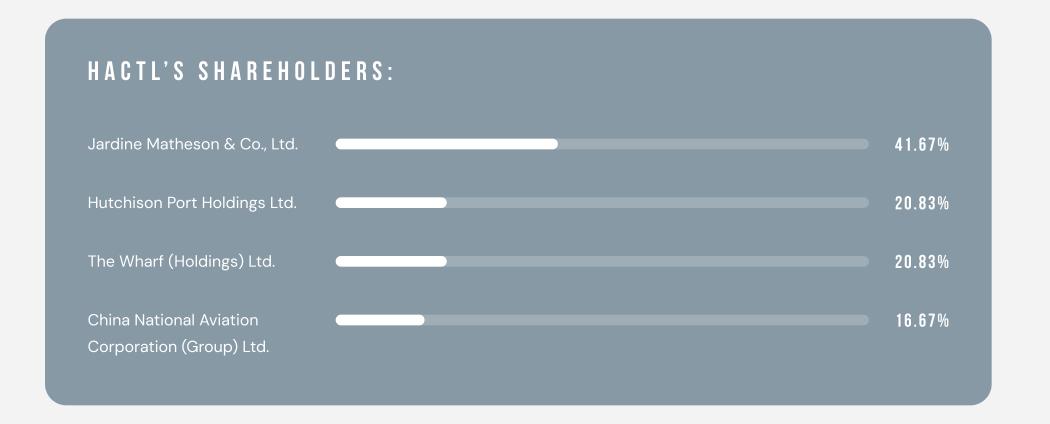
Highly-sophisticated IT systems control Hactl's vast operations, continuously-maintained and upgraded by an in-house developer team. Our Integrated Hactl Control Centre centralises the control and monitoring of all Hactl operations, providing real-time data and workload forecasts to enable rapid response to fluctuating demand through optimal deployment of staffing and resources. A suite of mobile apps enables customers to pre-book handling slots, pre-submit documents, and gain fast-track access to truck parking and document processing. Our new, state-of-the-art Terminal Services Centre (Export) accelerates export cargo processing for customers through fully digital systems.

Robotics are an increasing feature of Hactl's operations, with patrol robots enhancing terminal security, the Automated Parts Store dispensing spare parts around the clock to keep Hactl's machinery working, and driverless tractors now towing cargo dollies on the ramp.

Hactl began operations in 1976 at Hong Kong's old Kai Tak Airport, with the brief to streamline the airport's cargo handling by optimising use of its severely-restricted cargo space. Since then, efficiency has been in Hactl's DNA, and its drive for continuous improvement is spearheaded by the Performance Enhancement team, whose goal is to identify and eradicate all inefficiencies.

Hactl's aim is to be the benchmark for its sector. It is accredited under every relevant standard including ISAGO (world's first), WHO GDP (first in Hong Kong), IATA Environmental Assessment (IEnvA), and it is the world's first cargo handling company to achieve all four IATA CEIV certifications (Fresh, Pharma, Li-batt, Live Animals). Hactl's in-house training services provide IATA-accredited dangerous goods third-party training to the latest Competency-based Training and Assessment format, and several of Hactl's courses are recognised under the Hong Kong Qualifications Framework.

Hactl's subsidiary Hong Kong Air Cargo Industry Services Limited (Hacis) operates Customs-bonded scheduled road feeders to and from mainland China, as well as providing value-added logistics services including e-commerce fulfilment from its dedicated on-airport facility.



12 Task Force on Climate-Related Financial Disclosures (TCFD) Statement

Globally, the effects of climate change are evident, as organisations and communities experience more frequent and intense extreme weather events, longer droughts, and increasing temperatures and sea levels.

Global and regional efforts are being made to stabilise and reduce the volume of greenhouse gas emissions generated from human activity, through a concerted transition to low carbon.

This disclosure demonstrates Hactl's commitment to managing and reporting climate-related risks, aligned with the Recommendations of the TCFD. Published in 2017, the TCFD recommendations provide a framework that guides the reporting and disclosure of material climate-related risks and opportunities within our organisation.

The TCFD recommendations are structured around pillars that represent focus areas around an organisation's approach to addressing climate change:

GOVERNANCE

Organisational governance around climate-related risks and opportunities

STRATEGY

Actual or potential impact of climaterelated risks and opportunities on business, strategy and financial planning

RISK MANAGEMENT

Organisational processes to identify, assess and manage climate-related risks

METRICS AND TARGETS

Metrics and targets used to assess and manage relevant climate-related risks and opportunities.

Hactl's response to recommendations by the TCFD		References in this report
Governance		
1.1 Describe the Board's oversight of climate-related risks and opportunities	Hactl's corporate governance structure stems from the Board of Directors (the Board) and Operations Committee (OC). Led by the Board of Directors (the Board), shareholders appoint members of the Operational (OC) to administer all aspects of Hactl's corporate governance, including full responsibility for making business decisions. OC members meet with the Hactl Senior Management Team on a monthly basis to discuss revenue, critical business agenda items, and ongoing development matters, including those related to climate change and implementation of our sustainability framework more generally.	Governance
1.2 Describe management's role in assessing and managing climate-related risks and opportunities	Hactl's Senior Management Team is led by our Chief Executive (CE) and comprises of number of executive directors and directors. Hactl's governance processes for assessing and managing climate-related risks and opportunities are continually evolving. In follow up to our comprehensive Climate Risk Assessment conducted in 2022, meetings took place with the Senior Management Team to communicate the outcomes of the study. In 2023, we initiated an Enterprise Risk Management (ERM) restructuring project focused on increasing emergency response efficiency and efficacy. Led by an external consultant, the project was informed by research, internal stakeholder interviews, and benchmarking against industry peers. Climate-related risks are governed at Hactl under a decentralised ERM framework. Risks are managed by their respective departments. Updates on climate-related risks are shared with the Senior Management Team when needed and via the Enterprise Risk Management Coordinators Forum (ERMCF), which is held every quarter to facilitate regular review of all departmental risks and overall corporate risks. The Corporate Risk Register is reviewed biannually by the Enterprise Risk Management Steering Committee (ERMSC).	Governance

Strategy			
2.1 Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	As part of the 2022 Climate Risk Assessment, climate-related risks to assets, operations and services were assessed under medium and long-term time horizons to understand how risks change overtime and identify intervention points for adaptation measures. Two-time horizons were considered, 2030 and 2090, taking into account the design lives of various asset components. For an account of identified risks and opportunities, please refer to the Summary of Climate		2022 Sustainability Report Summary of climate risk assessment study (p.92-93)
	Risk Assessment Study published in our 2022	•	
2.2 Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Our key climate-related risks and adaptation actions are managed by the Senior Management Team. We aim to implement proposed adaptation actions from our Climate Risk Assessment and will routinely monitor and reassess our progress. For an account of identified risks and opportunities, please refer to the Summary of Climate Risk Assessment Study published in our 2022 Sustainability Report.		2022 Sustainability Report Summary of climate risk assessment study (p.92-93)
2.3 Describe the resilience of the organisation's strategy, taking into	The Climate Risk Assessment considered four Intergovernmental Panel on Climate Change (• • • •	2022 Sustainability Report Summary of climate risk assessment study (p.92-93)
consideration different climate-related scenarios, including a 2°C or lower scenario	RCP8.5 – Business as usual 3.2 – 5.5°C	RCP6.0 – High-moderate transition 2.0 – 3.7°C	
	Continuing current carbon emissions to 2100 and beyond. Increased economic and social development coupled with exploitation of fossil fuels and resource and energy intensive lifestyle	A moderate reduction in carbon emissions which peaks at around 2080, then reduces and stabilises at around 2100.	

2.3 Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	RCP4.5 – Low-Moderate transition 1.7 – 3.2°C A moderate reduction in carbon emissions which peaks at around 2045, then reduces and stabilises at around 2080.	RCP2.6 –Accelerated transition 0.9 – 2.3°C A strong emissions reduction pathway which peaks around 2020 and then rapidly declines, reaching net zero emissions by 2070.	2022 Sustainability Report Summary of climate risk assessment study (p.92-93)
	Social, economic, and technological trends shift minimally from historical patterns	A gradual shift towards a sustainable pathway.	
Risk Management			
3.1 Describe the organisation's process for identifying and assessing climate-related risks and opportunities	The Risk Register matrix from our ERM framework has been adapted to enable climate-related risks to be assessed under the same risk parameters as other operational risks to support a smooth integration of climate-related risks into our ERM framework. Identified climate-related risks have been integrated into the Departmental Risk Register. In the Corporate Risk Register, two categories of risk covering physical climate risks and transition climate risks have been included.		Governance
3.2 Describe the organisation's process for managing climate-related risks	Hactl actively monitors our operational risks and considers global established and emerging risks through their inclusion into our Corporate Risk Register, Departmental Risk Register, and the ISO 14001 and ISO 50001 Register of Risks and Opportunities. Updates on climate-related risks are shared with the Senior Management Team when needed and via the Enterprise Risk Management Coordinators Forum (ERMCF), which is held every quarter to facilitate regular reviews of the departmental risks and overall corporate risks. The Corporate Risk Register is reviewed biannually by the Enterprise Risk Management Steering Committee (ERMSC).		Governance

2 3

Describe how processes for identifying assessing and managing climate-related risks are integrated into the organisation's overall risk management

The processes for identifying, assessing, and managing climate-related risks are seamlessly integrated into our overall risk management framework. Climate-related risk elements are documented within our risk register. This ensures that these risks are continuously monitored and evaluated alongside other critical risks, facilitating a holistic approach to risk management.

In addition to the general risk register, we maintain a dedicated climate risk register. This specialised register is updated biannually and submitted to Jardine Matheson. It provides detailed insights into the specific climate-related risks we face, their potential impacts, and the mitigation strategies in place.

We keep detailed records of all environmental data, including electricity usage, waste and recycling. Hactl regularly reviews and analyses the data to develop continuous improvement plans. In addition to our regular monitoring, we annually identify an Energy Management Opportunities (EMO) to help conserve energy and enhance energy efficiency in SuperTerminal 1.

Governance

Metrics and Targets

4.1

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

Since 2021, we disclosed our Scope 1 and 2 greenhouse gas emissions, our energy consumption and key initiatives related to mitigating climate change. We receive independent and limited assurance from the Hong Kong Quality Assurance Agency to affirm that our annual Sustainability Report is prepared in accordance with the GRI Standards, illustrates the sustainability performance of Hactl, covering all material aspects in a balanced, comparable, clear and timely manner; and the data and information disclosed is reliable and complete.

We have adopted the latest ISO 50001:2018 certification – Energy Management System since 2020. This standard focuses on the continual improvement in energy performance. We have adopted this standard since 2013 and is the first cargo terminal and ramp handling operator at the HKIA to have obtained ISO 50001 certification.

Our Performance

4.2 Disclose Scope 1, Scope 2, and if appropriate Scope 3 greenhouse gas emissions and the related risks	Environmental Performance in the Our Performance section of this Report.	Our Performance
4.3 Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Hactl is a proud signatory of HKIA's Long Term Carbon Pledge to achieve carbon neutrality by 2050 as well as the Hong Kong Business Environment Council's (BEC) Net–Zero Carbon Charter. In November 2023, Hactl announced the following GHG mitigation targets that have been validated by the Science Based Targets initiative (SBTi): Reduce energy consumption by 20% (2018 – 2030) Reduce absolute scope 1 and 2 GHG emissions by 50.4% (2018 – 2030)	Planet

13 Assurance Statement

Scope and Objective

Hong Kong Quality Assurance Agency ("HKQAA") was commissioned by Hong Kong Air Cargo Terminals Limited (hereinafter referred to as "Hactl") to conduct an independent verification for its Sustainability Disclosures (the "Selected Disclosures") stated in its Sustainability Report 2024 ("the Report"). The selected disclosures covered the period from 1st January 2024 to 31st December 2024 and represented the sustainability performance of Hactl.

The objective of this verification is to provide an independent opinion with a limited level of assurance on whether the selected disclosures are prepared in accordance with the following reporting criteria:

• the Global Reporting Initiative's Sustainability Reporting Standards ("GRI Standards")

Level of Assurance and Methodology

HKQAA's verification procedure has been conducted with reference to the International Standard on Assurance Engagements 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000") issued by the International Auditing and Assurance Standards Board. The evidence gathering process was designed to obtain a limited level of assurance as set out in the ISAE 3000 by using a risk-based approach.

Our verification procedure included, but not limited to:

- Sampling the sustainability information stated in the Report, e.g. claims and performance data for detail verification;
- Verifying the raw data and supporting information of the selected samples of the sustainability information;
- Interviewing responsible personnel; and
- Checking the internal control mechanism

Roles and Responsibilities

Hactl is responsible for the organization's information system, the development and maintenance of records and reporting procedures in accordance with the system, including the calculation and determination of sustainability information and performance. HKQAA verification team is responsible for providing an independent verification opinion on the selected disclosures provided by Hactl for the reporting period. The verification was based on the verification scope, objectives and criteria as agreed between the Hactl and HKQAA.

Independence

HKQAA did not involve in collecting and calculating data or compiling the reporting contents. Our verification activities were entirely independent and there was no relationship between HKQAA and Hactl that would affect the impartiality of the verification.

Limitation and Exclusion

The following limitations and exclusions were applied to this verification due to the service scope, nature of verification criteria, and characteristics of the verification methodology.

- Our verification scope is limited to verifying the transcription/transformation of the raw data or information into the selected disclosures, e.g., Claims and Performance Data stated in the Report. This Sustainability Information may be subject to inherent uncertainty.
- Evaluating the quality of execution and implementation effectiveness of the ESG practices, the appropriateness of the assumptions made, and the estimation techniques applied are outside the scope of our verification.
- The verification of raw data or information is based on the use of a sampling approach and reliance on the client's representation. As a result, errors or irregularities may occur and remain undetected.
- Any information outside the established verification period has been excluded.

Conclusion

Based on the evidence obtained and the results of the verification process, it is the opinion of the verification team that, with a limited level of assurance, nothing has come to the team's attention that the Report has not been prepared, in all material respects, in accordance with the GRI Standards.

Signed on behalf of Hong Kong Quality Assurance Agency

K T

KT TINGChief Operating Officer
April 2025