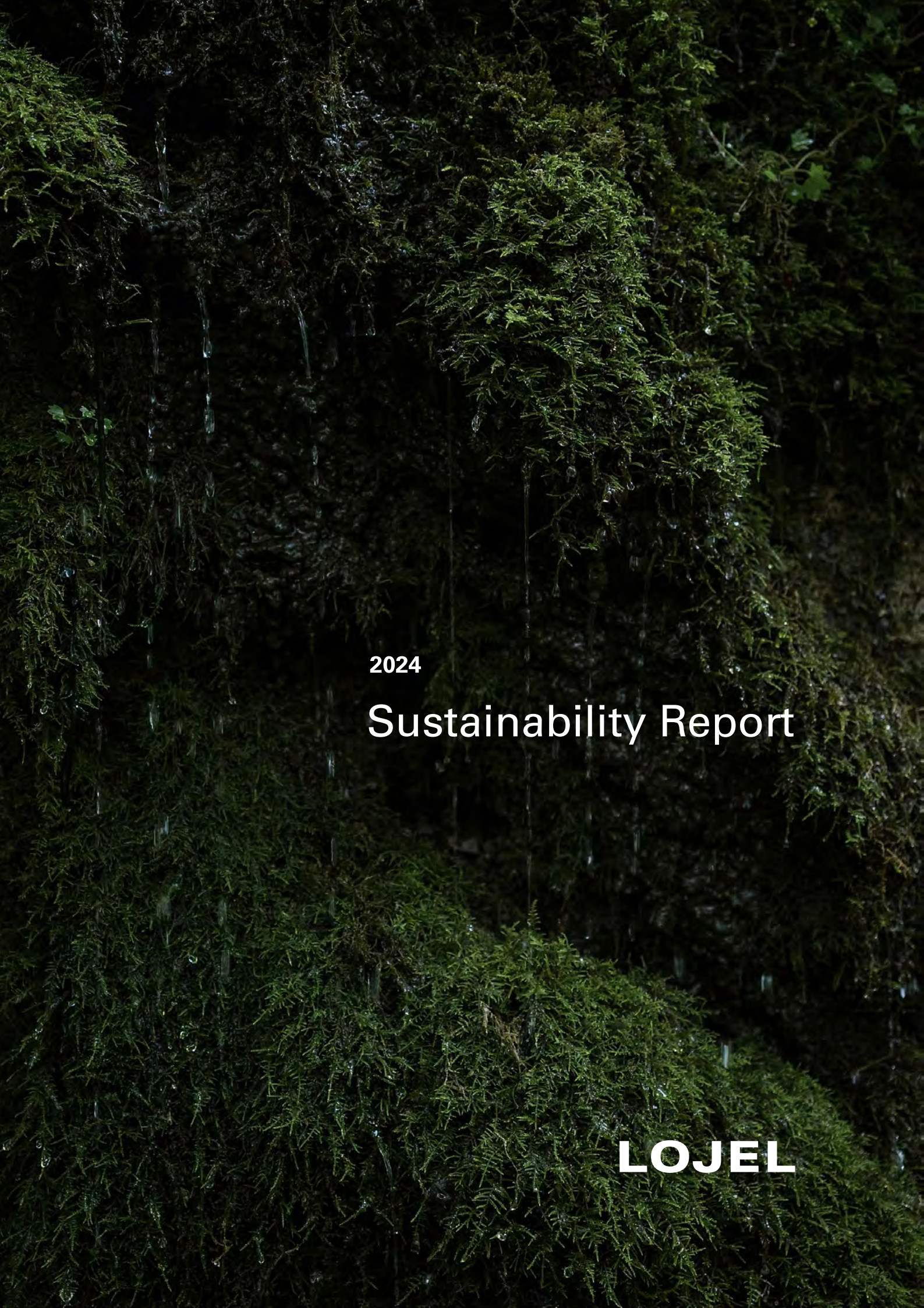




2024

Sustainability Report

LOJEL

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PREFACE

Our official second sustainability report is a mark of progress and transparency. Sharing these reports year on year we hope to give you an insight into what we are doing to reach our larger goals.

Much of these reports may seem like small steps but together they make up progress for LOJEL and give a real glimpse into what needs to be done to improve.

For our customers, partners, suppliers and shareholders we hope this encourages you to be a more conscious individual.



A Note From Our CEO

“ It is obvious to us that an organization cannot exist indefinitely without consideration of its impact on society and the environment. It is also clear to us that if we want to be around in a few years, we must create a stronger and more sustainable version of our brand. Such a direction is not optional or just “cool” anymore, it’s just a way to be.

As a brand, we look at sustainability as a vector of progress and we refuse to frame these topics as a marketing tool or profit-generating strategy. We’d rather remain focused, communicating about gradual improvements in the most transparent way possible. By doing so, we hope to retain a humble attitude, recognizing that we are not yet where we want to be but are working hard to get there.”



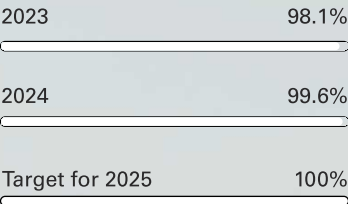
An Chieh Chiang
Chief Executive Officer



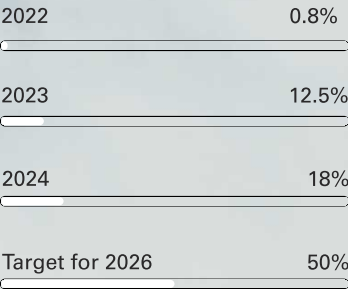
2024 Key Progress



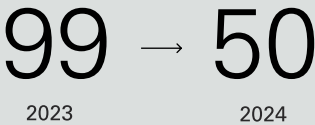
No plastic in
packaging materials



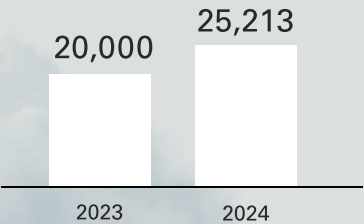
Sustainable materials used
in products (recycled and or
lower impact)



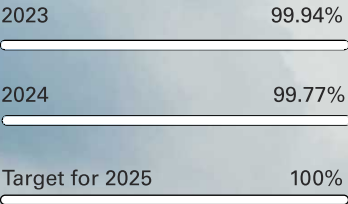
Luggage donated to
local communities



Luggage
repaired



Eliminate all air freight
for finished goods to
North America



OUR PROGRESS

Reduce harm inflicted on the planet through our products and operations.

In 2024 we’ve worked on addressing key impacts to the environment that we’ve identified in 2023. Namely our climate impact and material choices.





OUR PROGRESS

Design Philosophy

Sustainable design is key to achieving our targets. We have conceptualized products with the ethos of “Less, but Better,” and this is reflected in our 3 key aspects for sustainable design:



Minimalist design

Reducing the need for unnecessary parts and simplifying construction to reduce waste



Circularity

Designing products for repair to increase longevity



Low impact

Opting for lower impact materials without compromising on quality



OUR PROGRESS

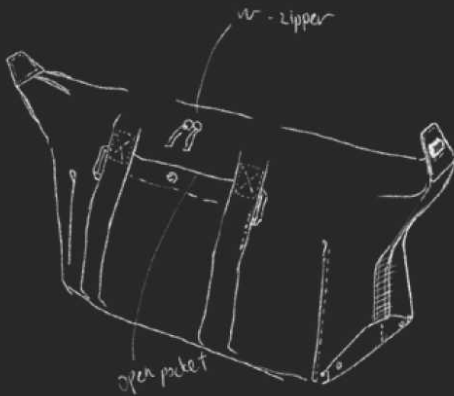
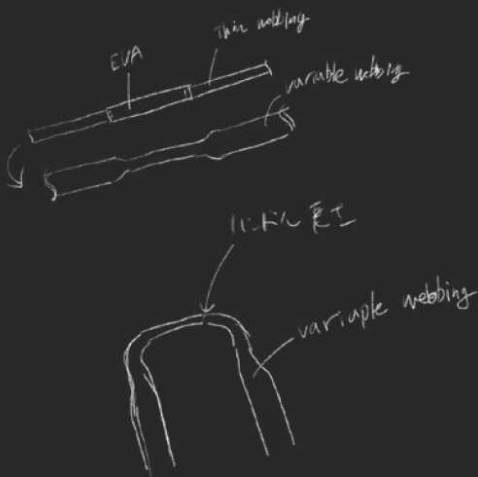
Our journey to product sustainability

“Every product is the result of hundreds of layers of assumptions and choices -- the top layers are superficial and easy to change, but the deeper layers were often shaped decades earlier and have become the foundations of large systems.

Our journey towards making sustainable products is to continually progress deeper into the layers, re-evaluating every choice, questioning long-held assumptions, and ultimately making increasingly meaningful impact.

As we progress on this journey, we strive to make intentional product choices for every detail we can control, while staying committed to the hard work of reforming the systems we have inherited.”

Kenzo Yoneno
Chief Product Officer

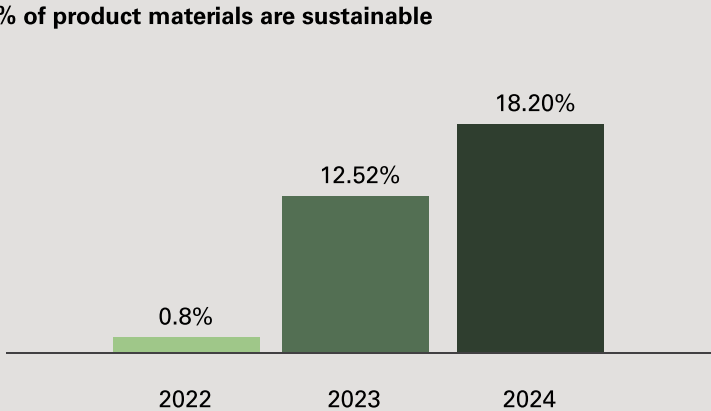


OUR PROGRESS

Product Material Choices



In 2024, we focused on adapting our best seller, Cubo, to be as low impact as possible without compromising quality while launching new bag and accessories collections made of recycled materials. The following data is the percentage of recycled materials by weight used to create our products in 2024.



Key Collections



CUBO

20% recycled



NIRU

35% recycled



PATCHES

100% recycled



OUR PROGRESS

Emission Management

LOJEL has earned The Climate Label for 2025!

What does this mean?

We assessed our emissions (Cradle-to-customer) - measured in alignment with the Greenhouse Gas protocol and consistently funded solutions to reduce our carbon emissions over time, and meet the requirements of The Climate Label Certification Standard.

This verifies that we have long term climate targets backed up by immediate funding and actions.



Key projects we've invested in:

- Cubo Recycled Lining
- Niru Natural Material Packaging
- Upcycled Luggage Tags
- Semo Recycled Materials
- Iloj Collection Natural Packaging
- Fashion Walk Facade Panels
- Niru Recycled Materials

\$179,685

Our total Climate Transition Budget, based on an internal carbon fee of \$15 per tonne.

\$203,294

Our climate funding in 2024

OUR PROGRESS

Emission Management



Scope 1:
0 tCO₂e

Emissions generated from LOJEL-owned vehicles and onsite combustion.



Scope 2:
78.9 tCO₂e

Emissions from electricity consumption from properties owned or leased by LOJEL.



Scope 3:
11,900 tCO₂e

Emissions from raw materials, manufacturing, shipping, air travel, and other supply chain activities.



LOJEL Headquarters, Hong Kong

From 2023 to 2024

Scope 1

0%

As we do not currently own any vehicles or have onsite combustion, our scope 1 emissions remain low.

Scope 2

↑ 29%

Increased as we opened new offices and stores in 2024, resulting in a higher demand for energy.

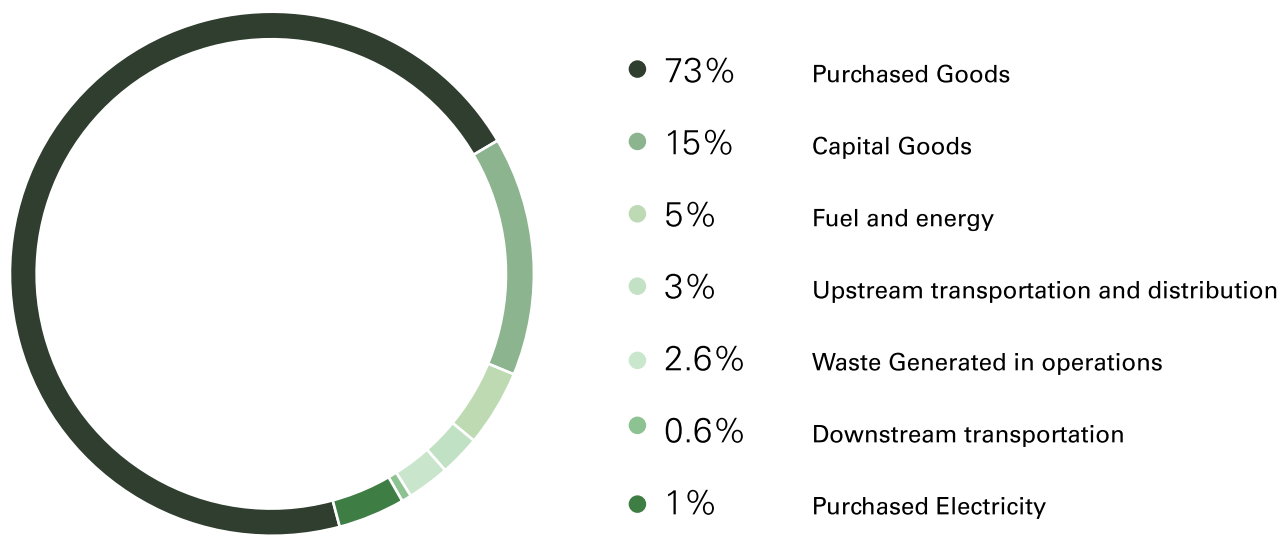
Scope 3

↓ 28%

Decreased due to more efficient natural resource allocation and use of recycled materials.

OUR PROGRESS

Emission Management



Top 3 Categories

CATEGORY	TCO ₂ E
Purchased Goods	8,727
→ Luggage Production Materials (Indonesia)	3,158
→ Luggage Production Electricity (Indonesia)	2,777
→ Luggage Production Materials (China)	624
Capital Goods	1,818
→ Headquarter Office Construction	830
→ Fashion Walk Store Construction	329
→ Hong Kong Office Construction	184
Capital Goods	588

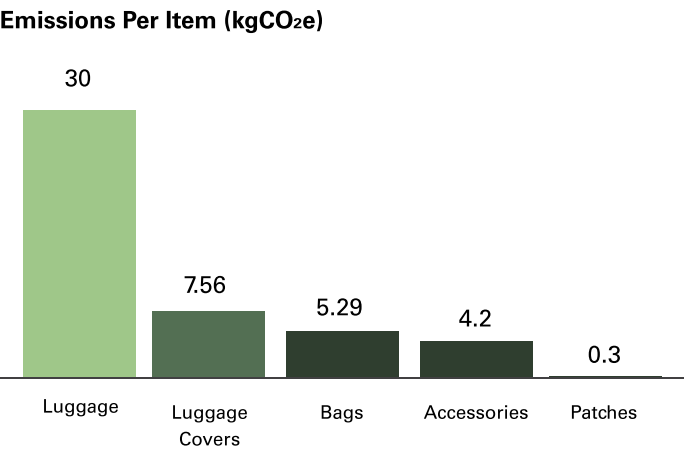


OUR PROGRESS

Emission Management



The following data shows emissions per product, demonstrating current context irrespective of production quantities. While further development is necessary, we are dedicated to achieving absolute emissions reductions regardless of our production quantities.



↓ 23%

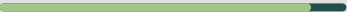
Emissions reduced per product, from 43.2 tCO₂e in 2023 to 33 tCO₂e in 2024.



OUR PROGRESS

Update on our emission reduction goals

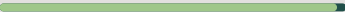
88%



100% of packaging made of recycled and or biodegradable materials across all finished goods

GOAL FOR 2026: 100%

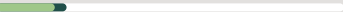
99.77%



Eliminate use of air freight across all upstream shipments to North America

GOAL FOR 2026: 100%

16.6%



Transition luggage materials to 20% recycled and or biodegradable by 2026.

GOAL FOR 2026: 20%

1.7%



Transition 12% of interior store materials to recycled and or sustainable alternatives by 2026

GOAL FOR 2026: 12%

1%



Transition 100% grid mix energy to renewable through our electric utility in LOJEL Headquarters by 2026.

GOAL FOR 2026: 100%

OUR PROGRESS

Waste Measurement

In 2024, we refined our top collection's (Cubo) waste chain mapping, demonstrating that post-use and packaging waste are two key areas in need of improvement.

CATEGORY	TYPE	WASTE PRODUCED IN 2024
1. Design	Samples	632 kg
2. Inbound Logistics	Raw material Packaging	67,700 kg Limited to Cubo Production
3. Production	Offcuts	
4. Outbound Logistics	Packaging	[Work In Progress]
5. Sales	Construction waste	[Work In Progress]
6. Use	Packaging	328,000 kg (all product materials produced in 2024)
7. Post-Use	Post-Use	719,000 kg all product materials produced in 2024 -105,000 kg design for repair data

OUR PROGRESS

Waste Reduction

We've begun testing programs to reduce our use and post use waste impact.



Recycling Luggage & Bags in Canada

Pilot programme in Vancouver to take old luggage and bags and connect them to our local partner who can dismantle and distribute materials for recycling and or use in concrete production.



Upcycling Luggage in Hong Kong

Repurposing luggage waste from our factories into recycled luggage tags available exclusively in our Hong Kong stores.

37.8 kg of waste up-cycled



.44%
of global packaging
waste created in 2024

Recycling Packaging in Hong Kong

Increasing the rate of cardboard recycling by connecting our retail operations in Hong Kong to local recycling programs.

1450 kg cardboard waste was recycled

EMPOWERING COMMUNITIES

Empower equity and support the communities in our value chains.

We’re working on engaging more with our local communities and supporting the local areas that are allowing our business to thrive. In 2024 we’ve worked on fostering partnerships and creating synergies between business activities and local needs. While there is always room for improvement, we are taking the steps to significantly progress in 2025.

These efforts contribute to the UN's Sustainable Development Goals:



EMPOWERING COMMUNITIES

Local Collaborations

Through building our brick and mortar presence, we found an opportunity to create shared value by supporting local businesses. Examples of these collaborations are below:

Vancouver

- Locally sourced wood (Barter Design)
- Locally sourced lighting fixtures (Bocci)
- Local waste turned into scent pouches that reflect the local ecology
- External facade mural commissioned from a local artist



EMPOWERING COMMUNITIES

Local Collaborations

Through building our brick and mortar presence, we found an opportunity to create shared value by supporting local businesses. Examples of these collaborations are below:

Hong Kong

- Utilizing our Fashion Walk Flagship Store to share diverse stories and bring awareness to local culture and traditions.
- In-store exhibition showcasing holiday traditions from around the world.
- Partnered with BeCandle to produce Hong Kong made refillable candles using natural based, clean beeswax, mineral wax, and coconut oil.



EMPOWERING COMMUNITIES

Community Engagement

In 2024, we wanted to engage with sustainability conversations relevant to our community and industry beyond merely collecting feedback. As part of this effort, LOJEL CEO An Chieh Chiang spoke at the annual Re-Think conference hosted in Hong Kong. This conference brought together cross-industrial conversation on advancing reusable and repairable designs in light of common challenges.

Engaging in these talks allowed us to gain insights from other established brands and programs on bettering our own sustainability practices as well as showing support to other industry leaders looking to improve their impact.





EMPOWERING COMMUNITIES

In-kind Contributions

In 2023 we began working with The International Rescue Committee in the US, Healthserve in Singapore, and Crossroads / UNHCR in Hong Kong to donate functional but defective stock that would otherwise be disposed of. This stock is donated to migrants or refugees living in those regions"

Migrants or refugees transferred from facility to facility move carrying their belongings frequently in garbage bags. In some cases, they would have no means to transport personal items. These donations provide them with functional luggage that helps to secure their belongings and move with dignity.

In 2024, we continued our shared value initiatives, working with UNHCR in Hong Kong and Health Serve in Singapore to donate 50 suitcases to refugee and migrant workers.



LEADING BY EXAMPLE

Leading by example

Behind our social and environmental initiatives are a talented team actively working to improve their community and environment. In 2024, we proactively engaged with staff, external stakeholders, customers, suppliers, and business partners to create a system that empowers progress over one-off initiatives.

These efforts contribute to the UN's Sustainable Development Goals:





LEADING BY EXAMPLE

In Office - Creating a space that inspires sustainability

We believe that presenting sustainability and value-driven initiatives in the workplace encourages our team to do the same in their day to day. We do this by:

1. Providing zero waste snacks: supported by Slowood
2. Partnering with V Cycle to support the elderly of Hong Kong through job creation with recycling for the 2nd year in a row.
3. Created guidelines for our HQ and regional offices on sustainable practices in the workplace which share how to move towards zero waste, how to manage waste and what vendors we recommend which are local and low impact

LEADING BY EXAMPLE

Building a culture of progression

We are working to build a culture that encourages sustainability through the following initiatives:

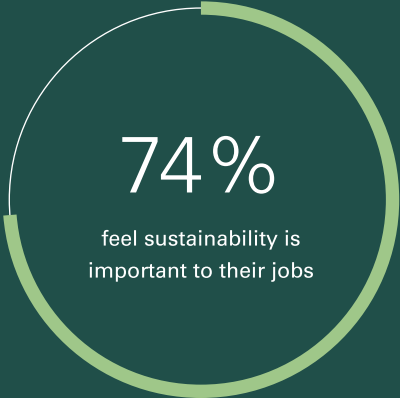
Sustainability is a key reason why **new hires** join LOJEL and feel their voices for action can be heard here.

- 1. In 2024 most of our new team members have felt sustainability is important to their job which has played a role in LOJEL being able to progress in our objectives
- 2. Hiring team members with an interest and passion in sustainability.

We actively conduct **workshops** that build knowledge, skills and engagement on sustainability topics. In 2024 we held workshops covering:

- a. Climate Impact on Society
- b. How to Calculate Emissions
- c. Waste Chains and Circularity
- d. Ethical Management

We’ve also implemented a **internal code of conduct** to create standards for ethical business, covering bribery, environmental responsibilities, labour standards, and more.



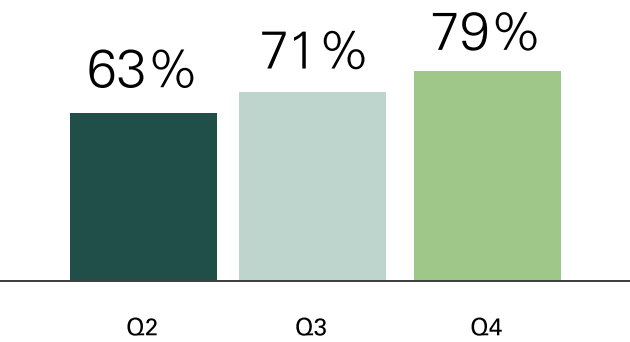


LEADING BY EXAMPLE

Building a culture of progression

In order to ensure our efforts are making an impression and bettering our team, we've provided surveys to measure our team's satisfaction and determine where we need to focus our attention. These surveys cover questions relating to key topics such as transparency, in-office amenities, management, sustainability and more.

By evolving our focal points and implementing our team's feedback, we've improved satisfaction significantly, aligning with our target of 80% Satisfaction.



LEADING BY EXAMPLE

Local Materials for Local Facilities

For systemic change to truly happen, clear internal guidelines and processes need to lay the foundation for all of our initiatives. One such policy is supporting local businesses by encouraging our offices to utilize local materials whenever possible.

Our LOJEL headquarters office used:

- 14 eco-friendly materials
- 13 materials sourced from local suppliers

Materials sourced from local suppliers (within a 100km radius of our office):

- Made from natural materials, low-energy production, and recyclable.
- Benefits: Improves indoor air quality, enhances acoustics, and provides excellent thermal insulation, reducing energy consumption.

MDF & Veneer-Finished Joinery (Locally Sourced Plywood)

- Sourced from responsibly managed forests.
- Features low-VOC adhesives, ensuring reduced harmful emissions.
- Benefits: Durability, recyclability, and promoting a circular economy.

Non-VOC Solvents and Lacquers

- Reduces harmful emissions and improves indoor air quality.
- Supports sustainable manufacturing practices.

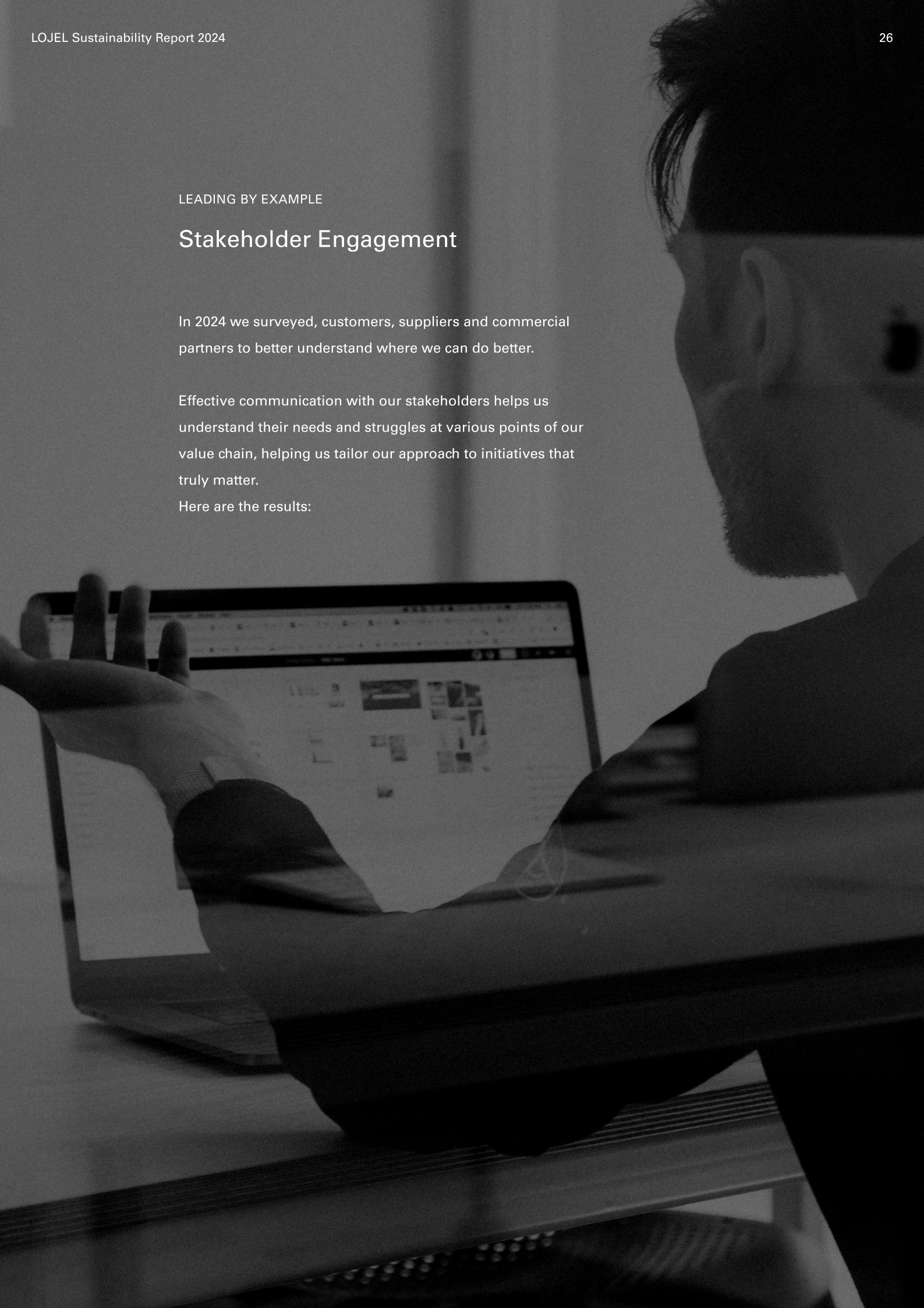
LEADING BY EXAMPLE

Stakeholder Engagement

In 2024 we surveyed, customers, suppliers and commercial partners to better understand where we can do better.

Effective communication with our stakeholders helps us understand their needs and struggles at various points of our value chain, helping us tailor our approach to initiatives that truly matter.

Here are the results:





LEADING BY EXAMPLE

Customer Engagement

Net Promoter Score: 63

* Scores of 50-70 demonstrate a larger than average group of promoters sharing their positive perception with their personal networks.

Diving deeper into our customers interest in sustainability, we found **41% of customers in Hong Kong consider sustainability as highly important** with an average rating of 3.99 out of 5.

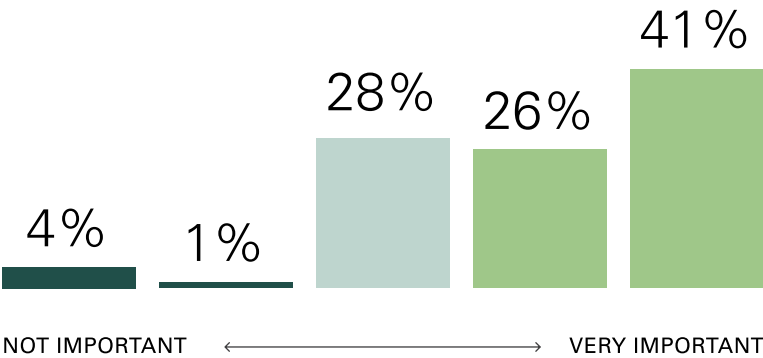
Knowing what our customers care about empowers us to continue our efforts in these areas and dive deeper into how we can involve them in our efforts

Topics of Importance

(ranked by users globally):

- 1. Climate Emissions
- 2. Waste Management
- 3. Worker Wellbeing
- 4. Product Innovation
- 5. Community Support
- 6. Water Stewardship

How important do our audience in Hong Kong find Sustainability?



LEADING BY EXAMPLE

Supplier Engagement

We feel that engaging with our suppliers improves our understanding of not only their needs but the needs of local communities. We encouraged our suppliers to participate in a annual feedback survey to share their insights and grievances for us to better improve our initiatives. The results of this survey highlighted communications and training as a key area of improvement.



We addressed this head on by hosting a Sustainability Summit for vendors. Suppliers were given the opportunity to directly engage with our teams to openly discuss present issues faced by their businesses, and how we can collaborate to create shared value.

LOJEL teams shared:

- Impact of climate on business and the importance of measurement
- Waste in the value chain and key area's of pressure
- Updates to operational workflows
- Review of LOJEL's Code of Conduct
- Quality expectations and how we can maintain a standard

Key members and points of contact were defined to avoid miscommunication.





LEADING BY EXAMPLE

Distributor Engagement

We also conducted a year-end review review with our commercial partners to to better understand their satisfaction with our workflow, support, and sustainability commitments.

Communication and delays were identified as key areas for improvement.

We've taken the steps to address these comments in two ways:

- 1. Enhancing warehouse efficiency to reduce delays
- 2. Creating a comprehensive handbook for distributors that outlines product details and their sustainability qualities.

On average our distributors were satisfied with our sustainability efforts and wanted to contribute more in their operations. To address this we:

- 3. Shared updates bi-annually on our sustainability progress to inspire and better communicate what can be done.
- 4. Supported our partners in creating sustainability initiatives which includes a partnership of our PH partner with For the Future a local charity

LEADING BY EXAMPLE

Responsibility

To maintain a sense of responsibility to our stakeholders we’ve amended our governing frameworks (Articles of Association) to include key terms holding LOJEL accountable for social and environmental stakeholders.

The key terms added to our Articles of Association are listed here:



Material Positive Impact

Object of the Company, through its business and operations to create a material positive impact on society and the environment



Directors Objectives

Directors should act in good faith for the above by considering the impacts of decisions in the long term, on the environment, on community, on stakeholders (suppliers / customers) and on company members.



Legal Repercussions

Shareholders can file against each other, and responsibility is formally held designated to directors as well as shareholders.

LEADING BY EXAMPLE

Building a culture of progression

When we began our sustainability journey, we recognized that we needed engagement from all of our teams, inputting their existing knowledge and skill sets for optimizing our sustainability targets.

In 2024, we launched our Champions Program, which called on one member from each department to be involved in creating key sustainability decisions based on cross-departmental needs and concerns.

The programme showed us that we still have a long journey ahead of us. The champions input was invaluable for us to better shape our future goals towards more sustainable practices. A big thanks to our 2024 Champions!



LOJEL

LEADING BY EXAMPLE

Building a culture of progression

At LOJEL, the basis of sustainability is creating clear, achievable goals that not only empowers our company culture towards sustainable initiatives, but presents a clear path for efficient action.

As of 2023, we have been tracking our progress with the "B Impact Assessment" to set measurable year-on-year goals. This was one of our three company-wide targets applied to all teams across all regions.

While we still have a long way to go, these goals have led to transparent accountability and the adoption of our sustainability processes.

A Note From Our Sustainability Manager

“ As we navigate the complexities of the global climate, we remain steadfast in our commitment to our core values.

We remain an organisation that believes that progress, not perfection, is the path to a more sustainable future. A future that is fuelled by an unwavering respect for the planet and the living beings on it.

The initiatives outlined in this report are a testament to the collective effort of those who strive to do better. Thank you to our team and stakeholders for holding us accountable and inspiring us to push forward.”

Dipti Paryani
Sustainability Manager at LOJEL





Thank you.