



For a Greener Tomorrow

碧瑤綠色集團有限公司
Baguio Green Group Limited
(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)
股份代號 Stock Code : 1397



Sustainability Report 2025

可持續發展報告

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MESSAGE FROM CEO



“As we advance our ESG journey, we enter a new phase of development – our commitment to leveraging technological innovation for environmental solutions and building a sustainable future remains the compass guiding our way forward.”

In 2025, Baguio Green Group continues to uphold our mission: Together, we deliver innovative environmental solutions with the latest technologies to create a more sustainable future. During the year, steady progress was made across a range of ESG initiatives, with continued efforts to refine the sustainability strategy, strengthen governance practices and enhance risk management in support of long-term development objectives.

STRENGTHENING CLIMATE GOVERNANCE AND RESILIENCE UNDER DIVERSE CLIMATE CHANGE SCENARIOS

In 2025, the Group further strengthened its climate-related governance by establishing a dedicated Climate Committee, chaired by the Chief Executive Officer and comprising, among others, independent Non-Executive Directors and the Chief Operating Officer, to enhance oversight of climate-related matters. During the year, we conducted a comprehensive climate-related assessment aligned with the requirements of International Financial Reporting Standards (“IFRS”) S2 Climate-related Disclosures, through which we identified key climate-related risks and opportunities and evaluated their potential financial impacts under different climate change scenarios. The findings were reviewed by the Climate Committee to support informed decision-making and the prioritisation of our climate-related strategies.

In response to climate-related challenges, measures were implemented to safeguard employee safety and to enhance and reinforce the resilience of the Group’s properties and operations, with a view to mitigating potential losses. In parallel, we continue to actively explore new technologies and solutions to capture opportunities arising from net-zero transition.

DRIVING EFFICIENT OPERATIONS THROUGH INNOVATION AND GREEN TECHNOLOGY DEVELOPMENT

Innovation and green technology remain central to our efforts to enhance operational efficiency and service quality. By leveraging digital and smart solutions, including the deployment of Internet of Things (“IoT”) sensors and other intelligent devices, we are improving effectiveness in areas such as hygiene management and pest control, while delivering more consistent and reliable outcomes for our clients. To advance our future innovation roadmap, we hosted two Management Breakout Sessions led by senior management to explore the application of smart and green technologies in our operations, focusing on how innovation can strengthen service quality, improve operational efficiency and create long-term value for our customers.

Alongside these initiatives, we are investing in green technology to develop products and solutions that respond to our clients’ evolving sustainability needs. During the year, we expanded our smart recycling solutions, including smart waste and food waste machines, across more public and private spaces in support of Hong Kong’s smart city development. Operating on a 24/7 basis, these solutions enhance recycling convenience and contribute to the city’s growing recycling rate. In addition, our Pilot Biochar Production Plant in EcoPark commenced operation, converting yard waste into high-quality biochar and reinforcing our commitment to turning waste into valuable resources.

EMBEDDING SUSTAINABILITY INTO CORE OPERATIONS

Sustainability is embedded into our core operations by setting up four sustainability themes: Green Fleet, Green Procurement, Sustainable Workforce and Sustainable Cultural Development. Together, these initiatives translate our sustainability objectives into practical actions across the business.

In advancing fleet decarbonisation, we are promoting fleet electrification and the use of biofuels, while closely monitoring the development of emerging energy solutions, including hydrogen. Across our supply chain, we strengthened collaboration with suppliers by enhancing the collection of Scope 3 emissions data through a digital carbon management platform expanding our green product list and engaging with suppliers through green procurement fairs and annual interviews to communicate our green procurement policy.

Protecting the health and safety of our workforce remains a priority as climate risks intensify. In response to increasingly extreme heat and adverse weather conditions, we provide heat-stroke prevention training and cooling equipment to outdoor workers, alongside automated SMS alerts to remind employees to take appropriate precautionary measures. To promote sustainable culture among our employees, we offer sustainability-related training and activities, and support services and products provided by non-governmental organisation (NGOs) and social enterprises. With ESG Working Group driving their implementation, these initiatives form the framework for integrating sustainability into our business.

BUILDING A LONG-TERM VALUE COMMUNITY

We are firm believers in the importance of collaboration to achieve sustainability. In our community efforts, we regularly promote environmental protection through Corporate Social Responsibility (CSR) activities, industry seminars, open visits to recycling facilities, recycle days, and thematic exhibitions, thereby strengthening our bond with the public. We are taking practical actions to encourage supply chain partners and the wider public to engage in sustainability efforts, creating a mutually beneficial and resilient long-term value creation framework.

Guided by our vision – “For a Greener Tomorrow” – we will continue to translate our ESG performance into long-term trust and value through transparent disclosures and multi-stakeholder engagement. With the continued support of our Board, colleagues and other stakeholders, we will navigate the evolving opportunities and challenges in Hong Kong’s environmental services sector, maintain our competitiveness and remain focused on building a sustainable future.

Phyllis Ng
Executive Director & Chief Executive Officer

ABOUT BAGUIO GREEN GROUP

Baguio Green Group (Stock Code: 01397.HK) was established in 1980. Today, it has developed into an Integrated Environmental Management Solutions Provider, offering a comprehensive range of environmental services, including Professional Cleaning, Recycling, Waste Management and Collection, Green Technology, Green Products, Horticulture and Landscaping, and Integrated Pest Management.

Our committed team actively develops innovative environmental solutions using the latest technologies to meet our clients' needs. Through our reliable performance, we have earned the trust of a broad client base, including the Hong Kong SAR Government, public utilities, private enterprises, and the general public.

As a socially responsible enterprise, we strive to be an industry role model by consistently upholding the principles of sustainability and integrating green practices into our operations. By staying up to date with the latest smart, digital, and information technologies, we aim to transform our services to enhance operational efficiency and service levels, ultimately creating higher value for our clients. For a greener tomorrow, Baguio will continue to develop and expand its business, looking forward to working with all stakeholders to create a more sustainable future.



ABOUT THE REPORT

The Sustainability Report 2025 marks the eleventh consecutive year Baguio Green Group has disclosed its environmental, social, and governance (“ESG”) performance and progress. Prepared in accordance with the ESG Reporting Code under Appendix C2 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, it adheres to the core principles of Materiality, Quantitative, Balance, and Consistency. Structured around Baguio’s sustainability pillars, represented by the acronym “BAGUIO,” this report highlights the Group’s commitment to embedding sustainability throughout its operations and core services.




REPORTING PERIOD

This Report provides a comprehensive overview of the Group’s sustainability initiatives, progress on targets, and performance evaluation during the reporting period from January 1 to December 31, 2025. The verification endorsement by TÜV Rheinland is available in the appendix of this report. To the best of our knowledge, this report reflects Baguio’s sustainability management approach and addresses all material topics identified through our annual stakeholder engagement survey.

REPORTING SCOPE

This report covers the Group’s core business operations in Hong Kong, including Professional Cleaning, Recycling, Waste Management and Collection, Green Technology, Green Products, Horticulture and Landscaping, and Integrated Pest Management, as operated by the Company’s subsidiaries listed in the Particulars of Subsidiaries section of the Group’s Annual Report 2025. Although the Group operates also in Chinese Mainland, its contribution represents a minor portion of the overall business and is therefore excluded from the scope of this report.

2025 SUSTAINABILITY HIGHLIGHTS



B

BEING A LEADER: OUR SUSTAINABILITY APPROACH

Sustainability Governance


- Adoption of **double materiality** approach
- Sustainability Steering Committee** and **ESG Working Group** oversee and execute the 4 aspects of sustainability initiatives

Climate Strategy

- Establishment of the **Climate Committee**
- Integrated climate-related risks into our enterprise risk management system
- Formulated targeted **mitigation measures** to each climate-related risks identified
- Conducted **climate scenario analysis** and expanded **Scope 3 emissions disclosures**

4 QUALITY EDUCATION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



A

ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT

GHG Emissions Reduction

- Reduced **43%**¹ of carbon intensity (base year 2016)
- Further expanded the adoption of **low-carbon mobility solutions**

Resources Management

- Energy consumption intensity reduced by **42%** (base year 2016)
- Green Office initiative** and organised **waste reduction activities**
- 21%** of non-hazardous waste was recycled

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION



G

GREENING OUR PLANET

Circular Economy

- Recovered 16,587.6 tons of recyclables** from the community and turn them into different green products
- Integrated **waste collection and recycling** practice for **large-scale events**
- Introduced Office Smart Bin and Premium Smart Bins. Expanded deployment of **12** Smart Bins, **69** Food Waste Smart Bins and **33** Smart Balances across residential estates and commercial buildings

Environmental Management

- Commenced **marine cleansing services** in the Eastern Waters of Hong Kong to protect **the marine ecosystems**
- Six of our subsidiaries are **ISO 14001** certified

Environmental Education

- Organised and participated over **300** green events and outreach initiatives

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION



U

UPHOLDING OUR EMPLOYEES

Health and Safety

- Recorded **zero** work-related fatalities and **1.14** accident rate per 100,000 working hours
- Strengthened extreme weather and heat stress management
- 100%** of our outdoor employees have received safety training
- Maintained **ISO 45001** certification for our six subsidiaries
- Developed **incident reporting training video** and quiz for frontline workers

Development and Welfare

- Updated **performance assessment** with core values, and advanced **succession planning**
- Enhanced **digital literacy** and practices in employee training
- Staff attended **37,275** hours of training, averaging **4.7** hours per employee
- Hosted **Work-life Balance Month** and other employee-focused activities

8 DECENT WORK AND ECONOMIC GROWTH





I

IMPLEMENTING OPERATIONAL EXCELLENCE

Supplier Management


- Developed **green partnerships** by participating and conducting sharing in industrial forums, green procurement fairs
- Established a green product list and identified **183 green products**
- Obtained **ISO 27001** Information Security Management Systems and **ISO 20000** Information Technology Service Management System in two of our subsidiaries

Digital Solutions

- Deployed more smart solutions in operations, including **smart toilet, Smart Rodent Control Solution**, and using **GPR** to support tree risk assessment
- Upgraded the **Fleet Management Application**

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



O

OUR COMMUNITY ENGAGEMENT

Community Investment

- Launched **new volunteering programmes**, including blood donation drive in office and haircut volunteer programme
- Supported NGOs **fundraising activities**
- Partnered with **NGOs and social enterprises** in company activities

10 REDUCED INEQUALITIES



¹ Referring to the intensity of Scope 1 and 2 emissions.

AWARDS AND APPRECIATIONS

Corporate Governance

The Hong Kong General Chamber of Small and Medium Business

- Partner Employer Award 2025 – 10-years Excellence Award

Hoy TV X The Hong Kong Institute of Financial Analysts and Professional Commentators Limited

- IFAPC Outstanding Listed Companies Award 2025

Social Performance

Hong Kong Green Building Council

- Biz-Green Outfits Social Media Challenge – Merit

Qualifications Framework Secretariat

- QF Star Supporter – Baguio Green Group
- QF Star Supporter – Baguio Cleaning Services Company Limited
- QF Star Supporter – Baguio Landscaping Services Company Limited
- QF Star Supporter – Tak Tai Enviroscap Limited

Employees Retaining Board

- Manpower Developer Award Scheme 2024-26 – Manpower Developer

Federation of Hong Kong Industries

- Industry Cares 2025 – 10+ Years Award (Enterprise Group)

Promoting Happiness Index Foundation

- Happiness at Work 2025 – Happy Company

Hong Kong Council of Social Service

- 10 Years Caring Company – Actively Participated – Baguio Green Group Limited
- 11 Years Caring Company – Actively Participated – Tak Tai Enviroscap Limited
- 12 Years Caring Company – Actively Participated – Baguio Waste Management & Recycling Limited
- 12 Years Caring Company – Actively Participated – Baguio Pest Management Limited
- 14 Years Caring Company – Actively Participated – Baguio Landscaping Services Limited
- 14 Years Caring Company – Actively Participated – Baguio Cleaning Services Company Limited
- 2 Years Caring Company – Actively Participated – Baguio Green Technology Limited

iRecycle Charity Foundation

- ESG Carbon Neutral Sevens Football Corporate Invitation Tournament – Silver Plate – Second runner-up

Green Performance

Hong Kong Green Organisation Certification

- Wastewi\$e Certificate – Excellent Level

Television Broadcasts Limited

- TVB ESG Awards 2025-ESG Special Recognition Award – with Merit

Bank of China & The Federation of Hong Kong Industries

- BOCHK Corporate Environmental Leadership Awards 2024 – EcoPartner

World Green Organisation

- Green Office & Eco-Healthy Workplace Awards Labelling Scheme 10+ Certificate of Recognition

Environmental Campaign Committee

- 2024 Hong Kong Awards for Environmental Excellence – Environmental Industry – Bronze Award



Green Service



World Institute of Sustainable Development Planners

- 2025 Hong Kong Sustainable Development Innovation and Technology Awards – Resource Recycling Innovation & Technology – Outstanding Award

iRecycle Charity Foundation

- SDG Certificate (No. 8 – Decent Work & Economic Growth) – Baguio Cleaning Services Company Limited
- SDG Certificate (No. 11 – Sustainable Cities & Communities) – Baguio Landscaping Services Limited
- SDG Certificate (No. 13 – Climate Action) – Baguio Waste Management & Recycling Limited
- SDG Certificate (No. 3 – Good Health & Well-being) – Baguio Pest Management Limited
- SDG Certificate (No. 11 – Sustainable Cities & Communities) – Baguio Green Technology Limited
- SDG Certificate (No. 15 – Life on Land) – Tak Tai Enviroscap Limited
- iRecycle Sustainability Award (Diamond Award)

Appreciations

Green Council

- Green Carnival 2025 – Certificate of Appreciation
- Green Run 2025 – Certificate of Appreciation
- Green Day 2025 – Green Sponsor – Certificate of Appreciation
- Green Day 2025 Indoor Smart Bike Relay Sprint – Certificate of Appreciation
- Reward Regift 2025 – Certificate of Appreciation

The Green Earth

- Night Walk 2025 – Certificate of Appreciation

Greeners Action

- Sponsorship of the Lai See Recycle Program 2025 – Certificate of Appreciation

iRecycle Charity Foundation

- iRecycle ESG Award Ceremony 2025 Season 1 Sponsorship – Certificate of Appreciation
- iRecycle ESG Award Ceremony 2025 Season 2 Sponsorship – Certificate of Appreciation
- ESG Carbon Neutral Sevens Football Corporate Invitation Tournament – Certificate of Appreciation
- ESG Carbon Neutral Sevens Football Corporate Invitation Tournament – Carbon Neutral Event Participation Certification

Lingnan University

- Career Expo 2025 – Certificate of Appreciation

Hong Kong Metropolitan University

- Career Fair 2025 – Certificate of Appreciation

Hong Kong Shue Yan University

- 2025 Internship Programme – Certificate of Appreciation

Hong Kong Sheng Kung Hui Welfare Council

- Caring Partner Appreciation – Certificate of Appreciation

God's Glory Ministry

- Truth Light Recycle – Certificate of Appreciation

Hong Kong Red Cross Blood Transfusion Service

- Blood Donation Activity – Certificate of Appreciation

ISA Hong Kong Chapter

- HK Tree Climbing Champion 2025 – Appreciation (Bronze Sponsor)

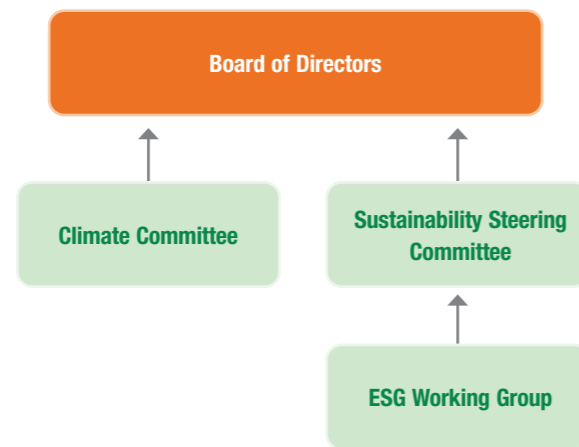


BEING A LEADER – OUR SUSTAINABILITY APPROACH

Sustainability Governance

Sustainability is integrated into Baguio’s operations through a robust Sustainability Policy, as set out in the “Sustainability” section of the official website. A Sustainability Steering Committee is in place to provide leadership on sustainability objectives and monitor implementation. The Sustainability Steering Committee is chaired by the Chief Executive Officer and comprises four Independent Non-Executive Directors (INEDs), Chief Financial Officer (CFO), Chief Operating Officer (COO), Chief Strategy Officer (CSO), Head of Human Resources, and the Assistant Sustainability Manager, and reports directly to the Board of Directors, enabling regular oversight of sustainability-related matters.

To further strengthen climate-related governance, a Climate Committee, chaired by the Chief Executive Officer and comprising four Independent Non-Executive Directors (INEDs) and the COO, is also in place to enhance our capacity in tackling climate change and managing its impacts that give rise to both risks and opportunities for our integrated environmental services.



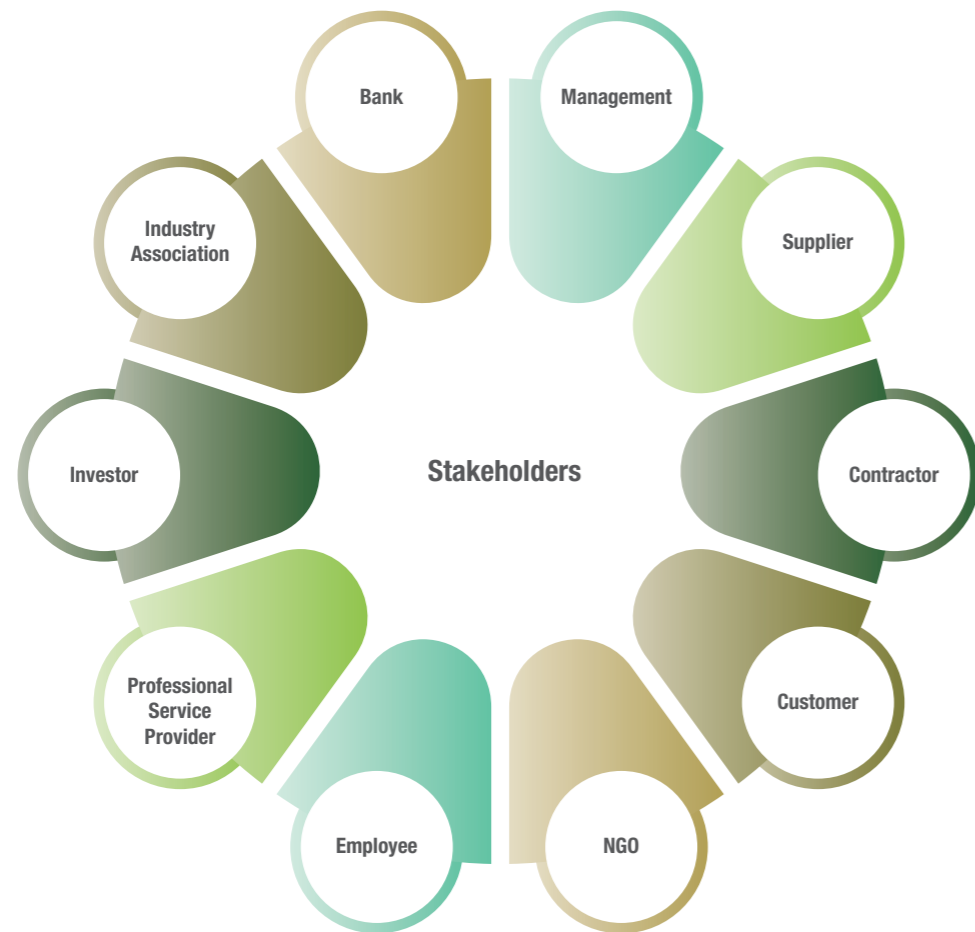
The ESG Working Group, comprising representatives from the Group’s five business units and departments, implemented 8 initiatives under four key themes since 2024, with progress outlined below, and continues to facilitate ESG data collection, support reporting, and coordinate sustainability-related communication across the Group.

In 2025, four Sustainability Steering Committee meetings, two Climate Committee meetings and four ESG Working Group meetings were held. The Climate Committee, Sustainability Steering Committee and the ESG Working Group work in close coordination to advance the Group’s sustainability vision.

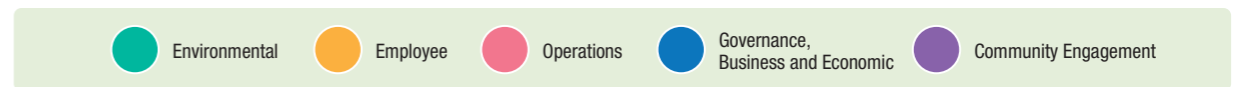
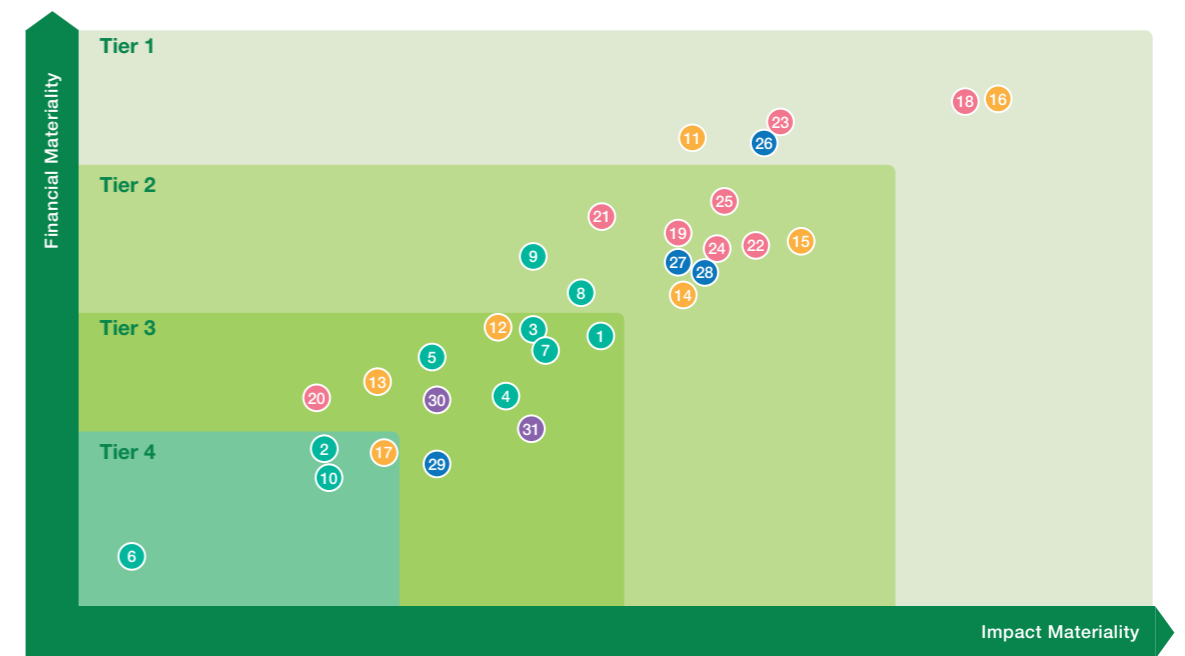
Themes	Progress in 2025	Respective Section
<p>Green Fleet</p>	<ul style="list-style-type: none"> Expanded the electric fleet to 17 EVs, comprising 14 saloon cars and 3 light goods vehicles Using biodiesel in selected vans as a transitional step toward adopting new energy solutions Implemented a Driving-offence Points Record module and developed digital tools to centralise vehicle inspection and fleet maintenance record 	<p>Acknowledging Our Environmental Footprint</p> <p>Implementing Operation Excellence</p>
<p>Green Procurement</p>	<ul style="list-style-type: none"> Updated Vendor Evaluation Form to include an expanded assessment covering carbon footprint transparency, as well as environmental and social compliance Recorded 183 Green Products in total, three times more than 2024 Arranged 52 face-to-face evaluation meetings with key suppliers Participate in external knowledge sharing sessions, industry expos or green procurement fairs to explore eco-innovations and sustainable solutions 	<p>Implementing Operation Excellence</p>
<p>Sustainable Human Resources</p>	<ul style="list-style-type: none"> 100% of outdoor workers were provided with heat stroke prevention training. Provide portal fans, cooling towels, arm sleeves, hats and water for outdoor workers Enhanced safety communication during adverse weather through automated SMS notifications and education Strengthened employee capability through structured training, online learning initiatives and robust labour compliance practices Implemented and progressed initiatives across culture, talent development, succession planning, and employee well-being 	<p>Upholding Our Employees</p>
<p>Sustainable Culture Development</p>	<ul style="list-style-type: none"> Organised SDGs Days and environmentally-focused activities to promote staff engagement in sustainability Procured services and festival gifts from social enterprises, accounting for over 40% of the Company’s employee engagement activities Advanced Green Office Initiatives in waste reduction and energy saving Enhanced the Personal ESG Scheme to incentivise employees in adopting sustainability lifestyle 	<p>Acknowledging Our Environmental Footprint</p> <p>Upholding Our Employees</p>

Stakeholders Engagement and Materiality Assessment

We engage with internal and external stakeholders each year to inform our sustainability approach. To maintain transparency in identifying material sustainability matters, we conducted a materiality assessment with the assistance of an independent consultant and continued to apply the double materiality approach in line with the recommendations of the Global Reporting Initiative (“GRI”) and the International Sustainability Standards Board (“ISSB”). Under this approach, we consider both our impacts on people and the environment (inside-out perspective) and the sustainability-related risks and opportunities arising from external developments and events (outside-in perspective). Taken together, these perspectives support a clearer understanding of our interaction with the environment and inform effective resource and risk management.



The assessment followed a structured process of Identification, Prioritisation, Validation, and Review. The results of this assessment are presented in the matrix below.



Tier 1	Tier 2	Tier 3	Tier 4
<ul style="list-style-type: none"> 11 Talent Management and Employee Benefits 16 Occupational Health and Safety 18 Compliance with Regulation 23 Innovation and Advanced Technology 26 Corporate Governance 	<ul style="list-style-type: none"> 8 Contribution to Zero Waste to Landfill Initiative 9 Green Procurement 14 Employee Communication Channels 15 Employee Training and Development 19 Supply Chain Management 21 Emergency Preparedness and Strategic Response 22 Service Quality Control and Compliant Handling 24 Customer Experience 25 Customer Privacy Protection 27 Anti-corruption 28 Business Ethics & Integrity 	<ul style="list-style-type: none"> 1 GHG Emissions Management and Reduction 3 Energy Management and Conservation 4 Air Pollutant Emissions 5 Climate Change and Adaptation 7 Leachate and Hazardous Waste Management 12 Employee Inclusion and Diversity 13 Anti-Discrimination 20 Intellectual Property Rights Protection 29 Collaboration and Partnership Actions 30 Community Engagement and Support 31 Education and Environmental Awareness Programs 	<ul style="list-style-type: none"> 2 Water Management and Conservation 6 Ecological Conservation 10 Environmental Benefits Derived from Corporate Business 17 Precautionary Measures of Child/Forced Labour

We view the results of this year’s double materiality assessment as a basis for prioritising sustainability considerations across different levels of importance. Tier 1 topics are incorporated into management focus, with related governance arrangements kept under regular review to support appropriate oversight and resource allocation. Topics in other tiers are considered within operational planning, risk management and longer-term development. Sustainability considerations arising from this assessment are integrated into relevant governance processes, strategic planning and day-to-day operations, as appropriate.

Material Topics	Our Management Approach
 <p>Talent Management and Employee Benefits</p>	<ul style="list-style-type: none"> Please refer to “Upholding our Employees” for details
 <p>Occupational Health and Safety</p>	<ul style="list-style-type: none"> Please refer to “Upholding our Employees” for details
 <p>Compliance with Regulation</p>	<ul style="list-style-type: none"> The Group holds ISO 9001, 14001, 45001 across six subsidiaries The Group was not aware of any significant non-compliance with laws and regulations during the reporting period
 <p>Innovation and Advanced Technology</p>	<ul style="list-style-type: none"> Please refer to “Implementing Operation Excellence” for details
 <p>Corporate Governance</p>	<ul style="list-style-type: none"> Please refer to “Implementing Operation Excellence” for details

Baguio Green Group Climate Disclosure

Foreword

The Group recognises that climate change gives rise to both risks and opportunities that may affect its operations, service delivery, cost structure and long-term development. As an Integrated Environmental Management Solutions Provider, the Group considers climate-related matters increasingly relevant to its business, particularly in view of the physical effects of climate change, evolving regulatory expectations and the transition towards a lower-carbon economy. This climate-related disclosure is prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) and the climate-related disclosure requirements under the ESG Reporting Code of The Stock Exchange of Hong Kong Limited (HKEX). The disclosure is structured around the four core pillars of governance, strategy, risk management, and metrics and targets.

Governance

The Board retains overall oversight of climate-related risks and opportunities as part of the Group’s broader governance and sustainability responsibilities. To further strengthen climate-related governance, the Group established a dedicated Climate Committee in 2025. The Climate Committee is chaired by the Chief Executive Officer and comprises all Independent Non-Executive Directors together with the Chief Operating Officer. Its primary purpose is to oversee and guide the Group’s strategies, policies and measures in climate risk management processes, while ensuring alignment with broader environmental, social and governance objectives. The Climate Committee may report directly to the Board and make recommendations where appropriate.

The Climate Committee assists the Board in overseeing the Group’s strategy, major decisions and risk management processes in relation to climate-related matters. Its responsibilities include the review of climate-related risks and opportunities, climate-related policies, strategies and goals, as well as the setting of and monitoring of progress towards targets related to climate-related risks and opportunities. The Climate Committee meets at least twice per year, with additional meetings convened as needed. Management supports the implementation of this governance framework through internal coordination, information collection, assessment work and follow-up actions relating to climate-related matters.

To ensure that the Board and relevant committees possess the skills and competencies required to oversee climate-related matters, the Group provides ongoing capacity-building to directors and senior management. During 2025, Independent Non-Executive Directors and management members participated in meetings, interviews and scenario-based discussions designed to enhance their understanding of physical and transition risks, climate-related financial implications and evolving disclosure requirements. The Board and Climate Committee periodically evaluate capability needs and may seek external expertise where required to ensure informed and effective oversight.

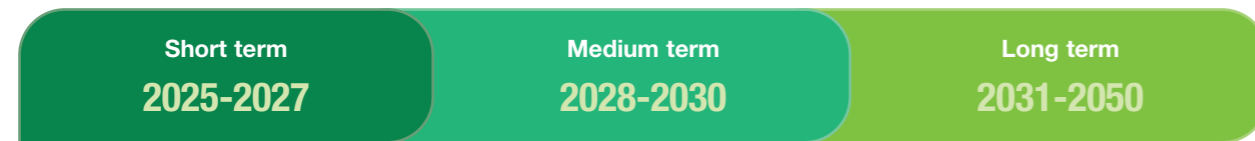
The Group’s broader sustainability governance structure also supports the implementation of climate-related initiatives across business units and functions. In 2025, the Sustainability Steering Committee and the ESG Working Group continued to facilitate internal communication, sustainability oversight, data collection and implementation progress across the Group. Climate-related matters, including the outcome of the Group’s climate-related assessment work undertaken during the year, were reviewed through the Group’s governance structure to support informed decision-making and the continued development of the Group’s climate-related approach.

Governance structure

Same as the org chart in “Being a leader – our sustainability approach”.

Strategy

In 2025, the Group further strengthened its understanding of climate-related matters through a structured review of climate-related risks and opportunities, supported by scenario analysis, financial impact assessment and internal stakeholder engagement. In line with the Group's climate-related assessment approach, short-term, medium-term and long-term horizons were considered to support the assessment of how climate-related developments may affect the Group's operations, strategic planning and resilience over time. For the purpose of the 2025 assessment, these horizons were defined as 2025-2027, 2028-2030 and 2031-2050, respectively, to align with the Group's strategic planning and decision-making cycles.



The short term reflects the timeframe for near-term operational planning, implementation of immediate risk mitigation measures and delivery of actions already under way. The medium term is aligned with the Group's planning horizon for capital allocation, technology adoption, fleet transition and the achievement of its 2030 environmental and climate-related targets. The long term reflects the timeframe over which the Group considers longer-dated climate-related developments, asset resilience, business model adaption and transition pathways associated with Hong Kong's broader climate ambitions and the low-carbon transition.

The Group identified a range of climate-related risks relevant to its business, these matters are relevant to the Group given its reliance on outdoor operations, vehicle fleets, environmental service contracts and ongoing investment in service innovation and operational efficiency.

At the same time, the Group recognises climate-related opportunities arising from the transition to a greener economy and from changing customer and stakeholder expectations. The Group believes that its business profile as an Integrated Environmental Management Solutions Provider places it in a position to respond to these trends through continuous service innovation, operational optimisation and the development of practical environmental solutions.

During the year, the Group conducted climate-related scenario analysis to support its understanding of climate resilience under different climate pathways. The information about scenarios and key inputs adopted in the scenario analysis is shown in the table below.

We understand that scenario analysis inherently involves significant estimation uncertainties stemming from assumptions about future policies, technological developments and market responses, as well as the long-term and non-linear nature of climate impacts.

Physical risk scenarios

- IPCC Shared Socio-economic Pathway ("SSP") 5-8.5 – A high-reference scenario with no additional climate policy. CO2 emissions roughly double from current level by 2050, resulting in global mean temperature rise over 4°C. The world will be severely affected by extreme weather events, including but not limited to sea-level rise, floods and tropical cyclones.
- IPCC SSP2-4.5 – This scenario assumes an intermediate emissions pathway with continued current policies and moderate growth, limited progress in socio-economic transformation, slow improvements in the energy structure, and insufficient reduction efforts, resulting in global warming 2.7-3.0°C by the end of this century.

Transition risk scenarios

- NGFS Current Policies Scenario – assumes that only currently implemented policies are maintained and no additional measures are taken. The change in emissions price is therefore assumed to be negligible. The climate goals set out in the Paris Agreement would not be met – median temperature rise of over 2°C would occur by 2050 and close to 4°C by the year 2100, resulting in severe risks.
- NGFS Net-Zero 2050 Scenario – assumes limiting global warming to 1.5°C through stringent climate policies and innovation, reaching global net-zero CO2 emissions around 2050.

Location

- Hong Kong

Base year

- 2024

In response to the climate-related matters identified, the Group continues to implement and enhance a range of response measures. These include strengthening extreme weather preparedness, reinforcing the protection of vehicles, equipment and facilities, enhancing heat stress management for outdoor workers, and reviewing operational arrangements to improve business continuity. In parallel, the Group continues to explore and deploy low-carbon and smart solutions, including fleet electrification, biodiesel trials, smart recycling solutions and other green technology applications, to support both resilience and the transition to a lower-carbon operating model.

The Group will continue to review how climate-related risks and opportunities may affect its business model, service offerings and resource allocation over time. At this stage, the Group considers qualitative disclosure to be the most appropriate approach for certain forward-looking financial implications and resilience considerations, as the level of measurement uncertainty involved in estimating those effects is relatively high that the resulting quantitative information would not be useful. The Group continuously strengthens internal data, methodologies and management processes to comprehensively understand the overall climate-related performance, in order to formulate proper climate transition plan, and support more detailed climate-related information disclosure in future reporting periods.

Risks/Opportunities	Impact	Our Response	Time Range
Physical Risks			
Extreme Precipitation (Acute)	<ul style="list-style-type: none"> Additional labour costs arising from work suspension, operational delays and contingency manpower during heavy rain/typhoon conditions Damage to vehicles, recycling equipment, facilities and waste operation points leading to repair, replacement or maintenance expenses Additional costs related to proactive structures (e.g., shelters, reinforcements) to safeguard vehicles, recycling devices and other equipment 	<ul style="list-style-type: none"> Issue real-time SMS/WhatsApp/ email alerts; activate emergency communication protocols Provide transportation support to essential staff during extreme weathers Strengthen advance securing and waterproofing of vehicles, smart recycling devices, machinery and facilities Conduct regular preventive inspections of tools, equipment and proactive structures 	Short, Medium, Long
Typhoon (Acute)	<ul style="list-style-type: none"> Decrease in recycling volume due to heavy rain or suspended collection activities, resulting in reduced recycling-related revenue 	<ul style="list-style-type: none"> Proactively install or reinforce protective brackets for vehicles and shelters for equipment Increase recycling points to reduce business disruption impact Review and optimise operational workflows after extreme weather events 	
Rise in Average Temperature (Chronic)	<ul style="list-style-type: none"> Reduced labour productivity, especially for outdoor workforce, resulting in additional labour cost to compensate for reduced efficiency Increased spending on cooling measures and hydration supplies 	<ul style="list-style-type: none"> Provide heat-stress prevention training for all outdoor workers Supply portable fans, cooling towels, arm sleeves, hats, water and other PPE 	Short, Medium, Long
Extreme Heat (Chronic)	<ul style="list-style-type: none"> Higher cost to ensure safe working conditions, including rest break arrangements, rescheduling work hours and temporary suspensions 	<ul style="list-style-type: none"> Send automated heat-warning SMS to outdoor workers Adjust duty rotation, rest periods, work schedules and reduce heavy-load tasks during high heat 	

Risks/Opportunities	Impact	Our Response	Time Range
Transition Risks			
Technological changes	<ul style="list-style-type: none"> Increased investment to adopt more advanced green/digital/ AI-enabled technologies Higher R&D or equipment upgrade costs, especially for cleaning, landscaping, and pest control services 	<ul style="list-style-type: none"> Collaborate with technology sector partners; introduce AI/ digital platforms Adopt smart waste systems, IoT devices and automation tools Strengthen employee training to support new technology use 	Short, Medium, Long
Low-carbon Transition of Transportation Fleet	<ul style="list-style-type: none"> High capital expenditure for replacing liquid-fuel vehicles with EVs/HV/Hydrogen depending on scenario 	<ul style="list-style-type: none"> Expand EV fleet gradually; monitor hydrogen/other future fuels Continue biodiesel trials (B5) for transitional decarbonisation 	Short, Medium, Long
Opportunities			
Rising Demand for Environmental Services	<ul style="list-style-type: none"> Higher recycling-service revenue potential due to rising recycling rates Increased opportunities for pest control services due to rising temperature 	<ul style="list-style-type: none"> Expand smart-recycling network Increase sorting capacity, optimise recycling operations Strengthen consumer awareness of recycling through publicity and educational activities Explore other green technology business opportunities 	Short, Medium, Long
Fuel Efficiency Improvements	<ul style="list-style-type: none"> Reduced fuel expenditure due to electrification trend or improved combustion efficiency in new-energy fleet 	<ul style="list-style-type: none"> Continue EV adoption; explore feasibility of other energy types Apply biodiesel progressively where feasible Implement smart fleet management to optimise routes and reduce idle time 	Short, Medium, Long

Risk Management

The Group follows a structured four-step process to identify, assess, manage and monitor climate-related risks and opportunities. This process covers main business activities of the Group, including cleaning services, waste management & collection, green technology, horticulture & landscaping, and pest control. The process supports the Group's climate-related governance and facilitates the integration of climate-related considerations into its broader risk management approach.

Step 1 Identification	Step 2 Assessment	Step 3 Management	Step 4 Monitoring and Reporting
<p>The Group identifies climate-related risks and opportunities through the collection and analysis of relevant sustainability frameworks, historical information, peer benchmarking, industry reports, policy developments and management interviews. These inputs support the identification of climate-related issues that may affect the Group's operations, business model and long-term development. Based on this process, the Group compiles a list of climate-related risks and opportunities for further review.</p>	<p>The Group selects appropriate climate scenarios and relevant time ranges, covering short, medium and long term, to support its assessment. Information relating to the Group's operations and business activities is gathered, and management interviews are conducted to understand the current operating context. Building on these inputs, the Group undertakes scenario analysis and assessment work to evaluate the potential implications, likelihood across different scenarios and time ranges. This stage also includes internal prioritisation to support management understanding of the relative relevance of different climate-related issues.</p>	<p>Based on the assessment results, the Group incorporates climate-related risks into company-level risk register, allowing them to be considered alongside other principal business risks within the broader risk management framework. The Group then formulates, reviews and implements specific climate-related response measures to address identified risks and opportunities.</p>	<p>The Group monitors and reviews progress in managing climate-related risks and opportunities through regular meetings, internal reporting and governance review processes. Relevant updates are considered by management and the Group's governance bodies as part of ongoing oversight. The Group also reports annually on its climate-related risks and opportunities, as well as the latest progress in managing them, through its ESG disclosure to keep stakeholders informed.</p>

Compared with the previous reporting period, the Group further enhanced its climate-related risk management process in 2025. Building on its existing annual review of climate-related risks and opportunities, the Group introduced a more structured assessment approach during the year, including climate-related scenario analysis, financial impact assessment and an internal questionnaire-based prioritisation. Governance oversight was also strengthened through the establishment of the Climate Committee. These enhancements support a more systematic understanding of climate-related risks and opportunities and their relevance to the Group's operations, strategy and risk management processes.

Metrics and Targets

The Group discloses detailed information on its greenhouse gas ("GHG") emissions and related environmental performance in the section headed "Acknowledging our Environmental Footprint" of this Sustainability Report. Readers are referred to that section for further details on the Group's Scope 1, Scope 2 and Scope 3 GHG emissions, the basis of preparation, methodology and assumptions adopted, and progress against relevant environmental targets. In 2025, the Group recorded Scope 1 emissions of 8,828.63 tCO₂e, Scope 2 emissions of 437.86 tCO₂e and Scope 3 emissions of 4,602.91 tCO₂e, and continued to refine its Scope 3 inventory with reference to the GHG Protocol.

The Group has established a 2030 target to reduce Scope 1 and Scope 2 carbon intensity by 30% from the 2016 baseline. In 2025, the Group achieved a 43% reduction in Scope 1 and Scope 2 carbon intensity compared with the baseline year. The Group has also established a 2030 target to reduce energy intensity by 30% from the 2016 baseline and achieved a 42% reduction in 2025. These targets and related progress are presented in the Environmental Footprint section of this Report.

In setting its climate target, the Group considers its business strategy, operational characteristics and decarbonisation potential, as well as the global climate ambition of the Paris Agreement, the target is subject to periodic management review. The climate target focuses on climate mitigation through the reduction of Scope 1 and Scope 2 greenhouse gas emissions, with a scope aligned with the reporting boundary of this report, and progress is monitored using carbon intensity. The greenhouse gas target covers carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O), applies to Scope 1 and Scope 2 emissions, and is a gross greenhouse gas emissions target. Interim targets have not been defined, and progress is monitored through annual performance. Changes in the Group's greenhouse gas emission intensity primarily reflect variations in operational scale and energy consumption, and its overall performance remains broadly in line with its reduction target trajectory.

Examples of Climate Mitigation & Resilience Actions



Provide heat-stroke prevention personal protective equipment (PPE) and hydration for outdoor workers, and adjust duty rotation



Strengthen advance securing and waterproofing of vehicles, smart recycling devices, machinery and facilities



Conduct regular site inspection and tree risk assessments to prevent tree failure, and carry out preventive work before extreme weather



Issue automated heat-warning and extreme weather alert to outdoor workers

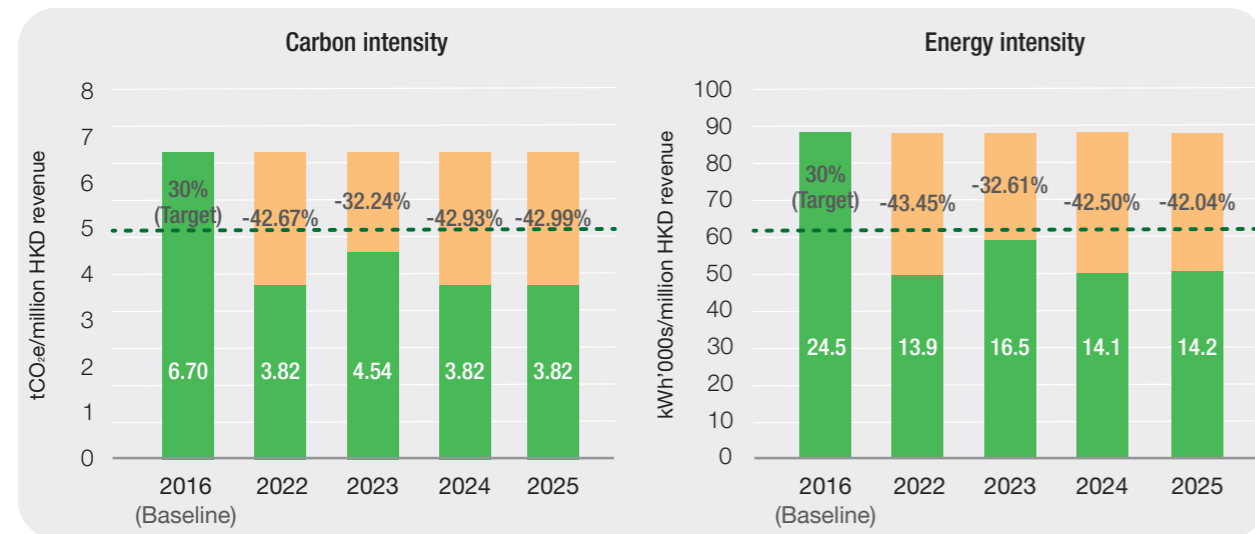


ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT

Environmental Targets

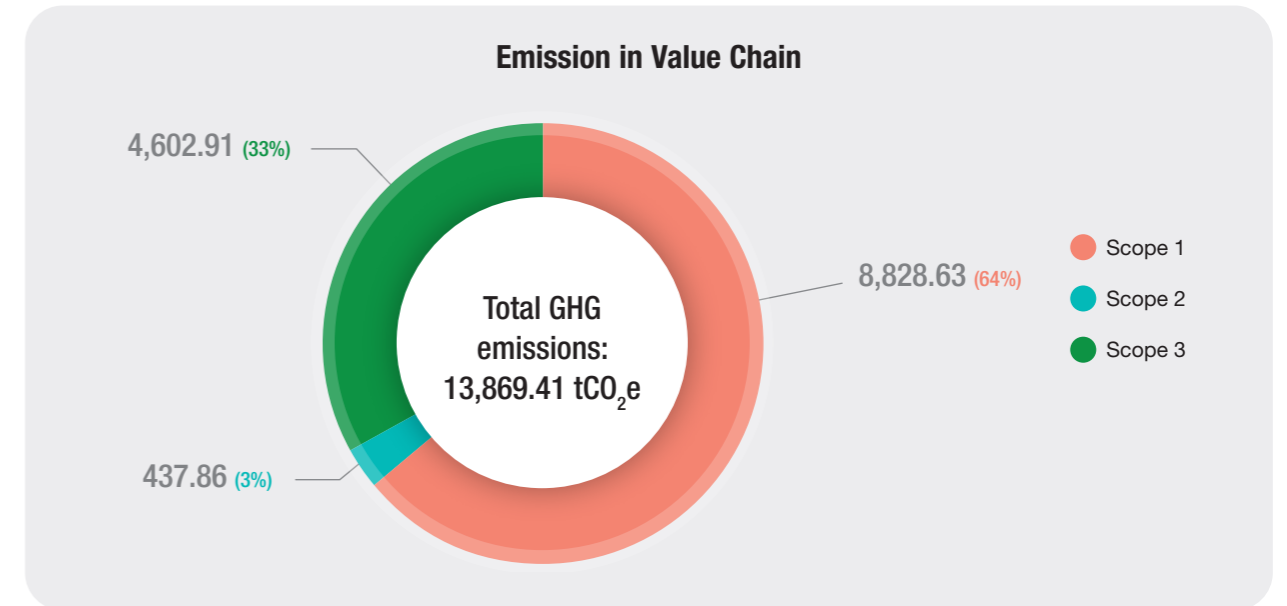
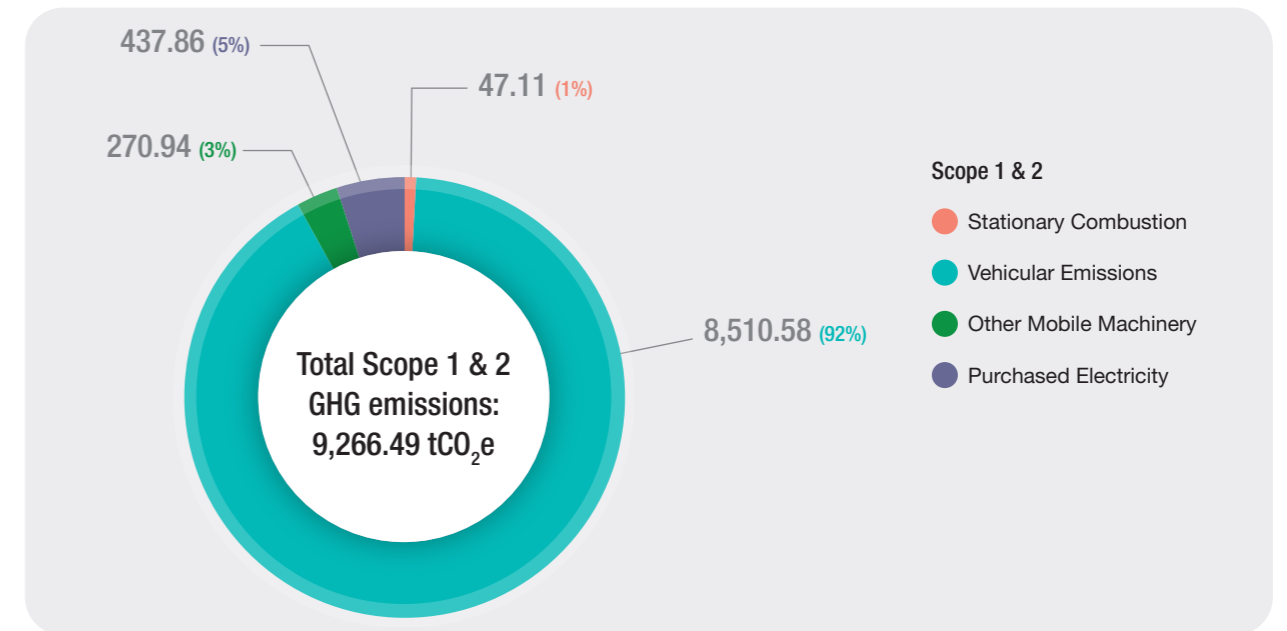
Aligned with China's Dual Carbon Goals and Hong Kong's Climate Action Plan 2050, the Group has identified a set of climate-related and related environmental targets covering carbon emissions, energy consumption and recyclable waste recovery. This year, progress was recorded across these areas. The following section summarises the Group's performance against these targets for the reporting period.

		2030 Targets			
Aspects	Unit	(against base year)	Base Year	Our progress	
Carbon Emissions Intensity – Scope 1&2	tCO ₂ e/million HKD revenue	Decrease of 30%	2016	Decreased by 43.0%	
Energy Consumption Intensity	kWh/million HKD revenue	Decrease of 30%	2016	Decreased by 42.0%	
Total Recyclable Waste ²	Percentage	Recycle rate at 60%	–	Recycle rate at 21.0%	



Our Carbon Footprint

In 2025, the Group's operations generated 13,869.41 tCO₂e of greenhouse gas emissions, comprising 8,828.63 tCO₂e from direct emissions (Scope 1), 437.86 tCO₂e from indirect emissions associated with electricity consumption (Scope 2), and 4,602.91 tCO₂e from emissions arising from the value chain (Scope 3³). Scope 1 emissions were primarily attributable to fuel consumption from the operation of the Group's fleet.



Since 2024, the Group has measured its Scope 3 greenhouse gas emissions. During the reporting period, Categories 1³, 3, 5 and 6 were included in the calculation, with total emissions amounting to 4,602.91 tCO₂e. The Group intends to continue refining its Scope 3 emissions inventory and to progressively expand the coverage of Scope 3 categories in accordance with the GHG Protocol.

³ For Category 1 of Scope 3 emissions, only purchased goods related to environmental services, including professional cleaning, recycling, waste management and collection, green technology, green products, horticulture and landscaping, and integrated pest management - major purchased goods and services for the Group, were included.

² Covers non-hazardous wastes such as plastic, metal, paper, food waste and others from Baguio office and facilities.

Greenhouse gas emissions are measured in accordance with the HKEX How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs and the GHG Protocol: Corporate Accounting and Reporting Standard, with reference to the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011) for identifying Scope 3 emissions. Emissions are calculated using “Activity Data × Emission Factor × Global Warming Potential”, with Scope 2 emissions measured using a location-based approach. The Group did not utilise contractual instruments such as renewable energy certificates during the reporting period. Emission factors are sourced from the Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong issued by the Electrical and Mechanical Services Department, sustainability disclosures of local electricity providers, and the UK Government GHG Conversion Factors for Company Reporting. There were no material changes in the methodologies, input data and assumptions during the reporting period. The Group adopts the operational control approach to define its organisational boundary, as relevant operational data is accessible for measurement purposes.

Green Fleet

To advance the Group’s 2030 carbon emissions reduction target, we continue to prioritise the decarbonisation of our vehicle fleet, which represents the largest source of our operational emissions.

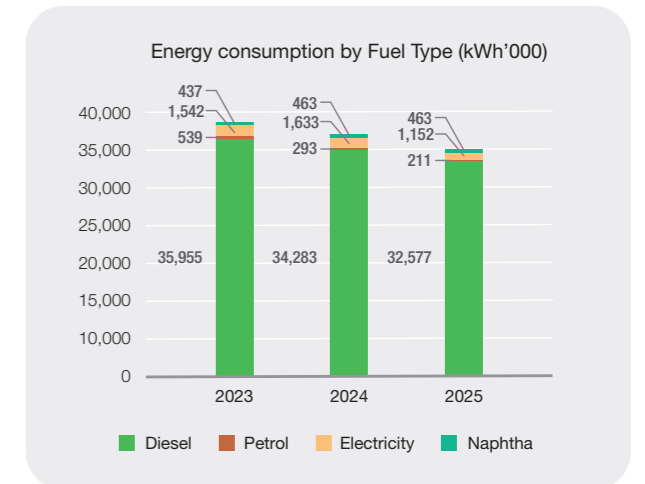
We aimed to reduce our carbon footprint by adopting biodiesel and transiting to electric vehicles (EVs). Since 2024, we have started using B5 biodiesel in some of our light goods vehicles. as part of the ongoing assessment of low-carbon fuel options. The Group also expanded our electric fleet to 17 EVs, comprising 14 saloon cars and 3 LGVs. While the Group has set a target to replace all company registered private cars with EVs by 2026, progress is subject to operational and contractual requirements, as certain contracts require the use of petrol-powered vehicles. The Group will prioritise EV adoption where feasible and gradually reduce reliance on petrol-powered vehicles. We are also investigating the possibility of introducing EV trucks.

Apart from decarbonising our fleet, we developed several smart fleet management platforms to streamline our fleet management and increase efficiency. Please refer to “Implementing Operation Excellence” for details.



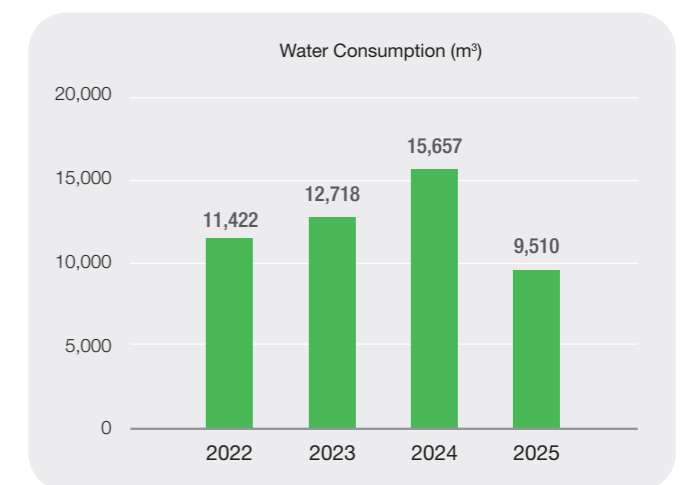
Energy Consumption

In 2025, our total energy consumption was 34,402,619 kWh, representing a 6% reduction compared to the previous year. We enhanced our energy management through equipment upgrades and behavioural measures aligned with our 2030 target of reducing energy intensity by 30% from the 2016 baseline.



Water Consumption

In 2025, the Group’s water consumption mainly arose from office and facility operations, totalling 9,510m³ for the year, with municipal water as the primary source. Given that Hong Kong maintains its status as a low water-stress region, water availability presented no constraint to our operational needs.



Water management measures are in place across operations to enhance water efficiency. At the Waste Glass Bottle Recycling Plant, water-saving practices are applied in bin cleaning, supported by a wastewater treatment unit that enables treated water to be reused for cleaning purposes. Water economisers were installed in selected toilet facilities. Regular facility maintenance is conducted to minimise water loss and prevent leakage, and all wastewater is handled by licensed treatment facilities in accordance with environmental regulations.

Water Management and Conservation is classified as a Tier 4 topic under the Group’s latest materiality assessment and is therefore not identified as a priority material issue. While no quantitative reduction targets have been set, water use is monitored on an ongoing basis, with identified irregularities addressed in a timely manner.

Internal Waste Management

The Group manages its waste in accordance with applicable environmental regulations. Hazardous waste, mainly comprising lubricating oil and electric vehicle batteries, was handled and disposed of by licensed chemical waste contractors. From its office and recycling facility operations, the Group sorted 5,145 kg of non-hazardous waste for recycling, while non-recyclable waste was disposed of at landfills in accordance with environmental regulations.

The Group has set a target to recycle 60% of its non-hazardous waste by 2030. In 2025, we recycled 21.01%.

Green Office

Energy-saving practices are implemented across office areas, including switching off lighting and air conditioning in common areas during lunch hours and after office hours. These practices are supported through regular staff reminders to encourage consistent energy-conscious behaviour in daily office operations.

Paper Towel Saving

To reduce resource consumption at source, we introduced tissue paper made with recycled content in selected pantries and restrooms. Each sheet is 50% smaller than the previously used type, helping lower overall usage. The “No Paper-Towel Day” initiative (止紙一天), starting in Nov 2024, continued in 2025. This initiative involves refraining from providing paper towels in the pantry and restrooms every Friday. Employees were encouraged to adopt greener habits such as using hand dryers, bringing personal reusable towels, and scanning paper documents to upload e-copies to facilitate office paperlessness.



Energy Saving

This year, we installed Qivation photocatalyst lighting tubes and equipped selected units in washrooms and pantry areas with motion-sensing functions to save energy while reducing indoor bacteria and VOCs.



Waste Reduction

Every year, we collect used calendars and coils from colleagues for recycling. Apart from our recycling effort, as the company switched to eco-friendly reusable wooden calendar stands and a design requiring only double-sided cards since 2024, we effectively minimize paper and plastic waste at the source.

Sustainable Culture Development

Personal ESG Scheme

In 2025, the Personal ESG Scheme was further enhanced by launching a mobile app to simplify record submission and improve user experience, leading to higher staff involvement. The Scheme also introduced a coupon-donation option, enabling colleagues to contribute their rewards to partner NGOs and extend the programme's social impact.

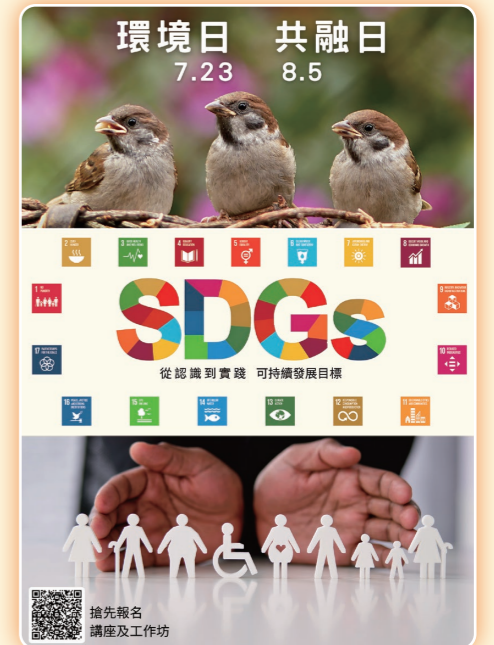
This year, employees were encouraged to participate in a wider range of ESG-focused activities, including visiting vegetarian restaurants, or sharing sustainability insights through the “ESG Exchange Corner”. Various themed “flash mob” events, such as toys and food donation, and Earth Day themed activities were also organised this year to encourage simple and practical ESG actions.



SDGs Environment Day

To promote staff engagement in sustainability, we organised two SDGs Days, partnering with six NGOs and social enterprises for seminars, workshops and market booths.

During SDGs Environment Day, we held a “Recycling Challenge” (碧人大作戰), encouraging colleagues to bring their recyclables. The activity collected 293 kg of recyclables, equivalent to around 1,200 plastic bottles or 3,000 aluminium cans. Employees also participated in workshops on food-waste reduction, eco-enzyme making and biodiversity seminars, strengthening awareness of responsible consumption and environmental protection.





GREENING OUR PLANET

For over 40 years, we have been providing cleaning, recycling, and waste management services to support a clean and well-functioning city in Hong Kong. By integrating appropriate technologies into our operations, we deliver practical and sustainable solutions for businesses and communities, while working with partners and stakeholders to promote responsible waste management and recycling practices.

Environmental Management

We manage resources responsibly to minimise environmental harm and build a sustainable future. Six of our subsidiaries, covering core business operations, have achieved ISO 14001 certification.

Our Group is committed to monitoring the quality of services, protecting the environment, and safeguarding occupational safety and health of all relevant stakeholders. Our Integrated Management Policy (Quality, Environment, Occupational Health & Safety) is available on our website under Sustainability.

Circular Economy

Through its circular economy approach, Baguio recovers materials from its collection activities and repurposes them into a range of practical outputs. With circular principles embedded across our operations, we continue to identify opportunities to make better use of resources and contribute to a more sustainable, circular economy.

Total Materials Recovered by Baguio's Recycling Facilities



In addition to the above waste categories, Baguio has collected 10,631.84 tons of food waste from the local community and transported to proper recycling facilities.

Closing the Loop on Event Waste at Kai Tak Sports Park

As the Environmental Management Partner of Kai Tak Sports Park, Baguio provided integrated waste management and recycling services to support large-scale events held at the venue.



During major events, trained workers and recycling ambassadors were deployed to assist with waste sorting and promote proper recycling practices. Collected recyclables were transported to the Group's sorting facility for segregation. The plastic bottles are then sent to our recycling facility, where high-speed automated equipment using near-infrared (NIR) technology classified them into different types of plastic bottles, before being converted into food-grade ready rPET materials with our external recycling partners. We operate the on-site microbial decomposition system to transform food waste, paper cups, and other paper containers generated within the venue into compost materials for plant fertilization. Other recyclables are delivered to other local recycling facilities.

Environmental Innovation and Stewardship

Driving Green Technology

Through ongoing digitalisation, we continue to strengthen service performance and implement smarter, more innovative operational solutions. The integration of intelligent technologies across our green technology product enhances operational efficiency and facilitates real-time monitoring and resource management.

Office Smart Bin and Premium Smart Bin

Baguio has introduced smart recycling bins tailored for office settings to promote recycling at source. The Office Smart Bin supports RFID authentication and features a compact design, encouraging employee participation in recycling while fitting into space-constrained environments.

The Premium Smart Bin incorporates enhanced safety, self-diagnostic functions, ozone-based deodorisation and accessibility features for visually impaired users.



These smart solutions improve safety and hygiene while encouraging responsible waste segregation, supporting behavioural change towards a more circular and zero-waste environment.

Biotechnology Solutions

Baguio has been serving as the operation contractor for the Pilot Biochar Production Plant in EcoPark under the Environmental Protection Department since 2023, supporting efforts to divert yard waste from landfills and relieve disposal pressure. The facility processes wood-based waste materials, including yard waste, bamboo and pallets in chipped form. Through a high-temperature pyrolysis process conducted under oxygen-limited conditions, these materials are converted into bio-products such as biochar for soil improvement and wood vinegar for antibacterial and pest-repellent applications.



Biochar can also be incorporated into construction blocks to support low-carbon initiatives. Acting as a verifiable carbon sink, it permanently sequesters carbon dioxide and lowers the carbon footprint of our materials, promoting the circular economy and enhancing resource efficiency.

This year, ECOCHAR and BG Soil produced respectively from the Pilot Biochar Production Plant and Ngau Tam Mei Animal Waste Composting Plant obtained Input Manufacturing Certification from the Hong Kong Organic Resource Centre Certification Ltd., further supporting the application in sustainable landscaping and soil improvement.

Maintaining a High-Quality Coastal Environment for Hong Kong

In October 2025, Baguio commenced a new marine cleansing initiative under the Marine Department contract for the “Collection and Disposal of Marine Refuse Services in the Eastern Waters of Hong Kong”, extending over 45 years of professional cleansing expertise from land to marine environments. The operations cover Victoria Harbour, nearby key waters and major typhoon shelters, contributing to sustained harbour cleanliness, protection of marine ecosystems and the long-term environmental quality of Hong Kong’s coastal waters.



Through a zone-based operating model and daily patrols, floating refuse is systematically intercepted before it accumulates, fragments or drifts ashore. Foreshore and nearshore cleansing, including shallow and hard-to-access coastal areas, further reduces the risk of waste entering sensitive marine habitats. Domestic refuse collection arrangements for vessels berthed in typhoon shelters and designated anchorages help mitigate at-source discharge risks. All recovered refuse is transported to Marine Refuse Collection Points and subsequently transferred to designated facilities for proper disposal and processing, preventing secondary contamination.

Safeguarding Human Health and Biodiversity

In line with international standards such as the Stockholm Convention and the Rotterdam Convention, we uphold strict governance in our pest control operations and use 100% AFCD-registered, eco-friendly products. In large-scale landscaping projects, we will work closely with the project landscape architect to strive to achieve and apply the “10-20-30” species diversity rule—limiting planting to no more than 10% of any one species, 20% of any one genus, and 30% of any one family—to enhance biodiversity.

Environmental Awareness and Education

Beyond the Group’s operations, we engage with the wider community by sharing environmental knowledge and industry insights. This includes participation in industry seminars and exhibitions, as well as support for green events and outreach initiatives that encourage dialogue, knowledge exchange and awareness of emerging trends and innovations.



Environmental Education at Kai Tak Sports Park National Day Carnival

During the National Day Carnival at Kai Tak Sports Park in October 2025, Baguio delivered an interactive environmental education initiative to promote circularity and waste sorting. The booth showcased recycled outputs including glass cullet, rPET flakes and Green Sand Bags and introduced biodegradable utensils used at the venue. The quiz games engaged hundreds of participants, reinforcing recycling and waste reduction messages and supporting the Kai Tak Sports Park’s plastic-free culture and green management objectives.



Nurturing Tomorrow’s Green Influencers: A Journey into Recycling

In April 2025, Baguio partnered with St. Paul’s Co-educational College and the Hong Kong Institute of Vocational Education (Sha Tin) to organise guided tours of its recycling facilities, giving students first-hand insight into comprehensive recycling operations. Participants visited plastic, glass and pre-treatment sorting facilities, learning how different materials are processed and how recycling contributes to Hong Kong’s broader recycling ecosystem. The experience reinforced awareness of daily waste generation and the potential for waste to be reborn through recycling, inspiring students to champion sustainable development and spread green messages within their schools and communities.





UPHOLDING OUR EMPLOYEES



Baguio upholds the principles of Fairness, Openness and Impartiality across all employment practices. We maintain clear and comprehensive policies governing recruitment, dismissal, compensation, working hours, holidays, and benefits to ensure full compliance with local legislation. We remain committed to cultivating a sustainable talent pool by providing professional growth pathways, fostering employee engagement, and nurturing an inclusive workplace culture.

Equal Opportunity, Diversity, Anti-Discrimination

Baguio is committed to maintaining a workplace founded on respect, fairness and equal opportunity. Employment decisions, including recruitment, promotion, training and dismissal, are based on merit and made without discrimination, supporting an inclusive environment where employees from diverse backgrounds can contribute effectively.

The Group's Anti-Discrimination Policy, updated in 2024, sets out clear standards prohibiting discrimination and harassment on grounds, in line with Hong Kong's anti-discrimination ordinances. The policy outlines employee responsibilities and provides a structured complaint mechanism guided by fairness, confidentiality and protection against retaliation. Complaints are handled in a timely and impartial manner, with disciplinary actions taken where appropriate. Relevant policies, including the Anti-discrimination and Whistleblowing Policies, are available on the Group's website under the "Sustainability" section. This year, we held an Anti-Discrimination Law Seminar for both office and operations supervisory-level employees to raise their awareness of the relevant laws and remain highly vigilant.

Since 2022, Baguio has been a signatory to The Racial Diversity and Inclusion Charter for Employers and continues to participate in its annual review process.



Mechanisms to uphold a zero-discrimination workplace environment

Talent Management

In 2025, we continued to enhance our talent management framework to better support employee growth, strengthen the Group's competitiveness, and ensure that our people strategy aligns with the Group's evolving business needs.

Aligning Performance Management with Core Values

To strengthen alignment between organisational values and day-to-day practices, the Group refreshed its 2025 performance review framework following updates to its core values, vision and mission. Core values were embedded into performance assessment, supported by clear "do" and "do not" behavioural examples and a revised competency framework covering both core and functional competencies.

To reinforce our core value of "Proactivity", a reward points mechanism was introduced across all job levels. In 2025, the Group incorporated participation in corporate social responsibility activities into its performance evaluation.

Strengthening Continuity of Critical Roles through Succession Planning

As part of its talent management efforts, we continued to advance its succession planning this year. Starting from the third quarter of 2025, clear criteria were established to identify key and critical roles across the Group, with input from Department Heads based on departmental structures, role requirements and individual performance and potential.

A formal succession list for key positions will be prepared in the next phase, supported by one-on-one discussions with selected high-potential employees to inform targeted development planning.

Remuneration and Benefits

The Group offers competitive salaries and benefits, with regular reviews based on employee performance, the Group's results, and prevailing market conditions. In addition to statutory entitlements such as statutory holidays, annual leave, maternity leave and paternity leave, office employees enjoy additional benefits including birthday leave and marriage leave, and medical allowance that covers outpatient services, hospitalisation, and dental care. We also offer a sports subsidy to encourage employees to stay active to support their well-being, alongside training subsidies that encourage continuous learning and development.

A recognition mechanism is in place to appreciate outstanding frontline employees, including the provision of supermarket cash vouchers in response to positive client feedback or commendations received through service quality surveys. We also celebrate employees' commitment by honouring them with Long Service Awards.



We hold an annual Long Service Awards Ceremony to acknowledge and celebrate employees for their dedicated service

Beyond our employment policies and talent management initiatives, the Group fosters a positive and supportive workplace culture through a range of employee-focused activities designed to strengthen well-being, engagement and connection among colleagues. These include annual dinner, handicraft workshop, work-life balance themed activities, and other health and wellness activities.



Baguio Anniversary Dinner



Secret Message Candle Workshop



Movie Night



Massage Time



Fitness Challenge



Christmas



Coffee Grounds Soap Making Workshop



Corporate Games



Running Club



Football Club



Health Talk & Health Check



Happy Friday

Occupational Health and Safety

The Group maintains a safe and healthy working environment through established management policies, hazard identification and risk management processes, with consistent occupational safety, environmental and quality requirements applied to subcontractors. Safety, health, environment and quality matters are overseen by the Safety, Health, Environment and Quality ("SHEQ") Department through regular internal inspections, periodic third-party audits and structured reporting. The Group's occupational health and safety management system is certified to ISO 45001, supporting effective implementation of the Integrated Management System.

Baguio's Integrated Management Policy (Quality, Environment and Occupational Health & Safety) applies to all companies within our Group and can be accessed in the "Sustainability" section of our website.

We closely monitor key safety performance indicators, including accident rate, lost days due to work injury and work-related fatalities. There were no work-related fatalities during the reporting period and the past three years. Our continued investment in safety systems, training, technology and preventive measures reflects our ongoing commitment to protecting the well-being of our employees and building a safer workplace.

The 2025 accident rate was 1.14, meeting the accident rate target set for 2025 (below 1.21). The accident rate target for 2026 is below 1.17.

13,769	1.14	0
Lost days due to work injury	Accident rate ⁴	Work-related fatalities

Safety Training

The Group provides occupational safety and health training to enhance safety awareness and operational readiness. Regular toolbox talks are conducted at work sites to raise frontline workers' safety awareness and refresh their safety knowledge. The training materials are available in multiple languages to meet the diverse needs of our employees.

In 2025, we expanded services into the marine sector by offering marine cleansing services. Crew members have completed the "Basic Safety Training for Cargo Handling on Vessels (Marine Blue Card)" and passed the relevant assessments, ensuring they possess the required safety knowledge for marine operations. New marine-related training materials are developed to comprehensively enhance crew members' occupational safety and environmental awareness.

In parallel, the Group organised a series of SHEQ promotional activities to promote safe work practices. These activities covered tail lift operation for goods vehicles, machinery operation safety, working in adverse weather conditions, heat stress prevention and precautions for working at height. A SHEQ Competition was also conducted as part of these initiatives to further strengthen safety awareness.

⁴ Work-related accident cases per 100,000 working hours

Health and Safety Measures Implemented in 2025

- Heat Stroke Prevention Work Plan
- Safety, Health, Environment and Quality Award Program
- Safety committee
- Third-party OSH risk assessment
- Supervisor monthly inspection
- Regular spot check
- Hazard control plan
- Monthly safety/new induction training
- Monthly high-risk job report
- Sampling inspections of high-risk work
- Industry accident sharing
- Accident/incident investigation
- Approved personal protective equipment list
- Environmental & OSH emergency preparedness plan

Safety Communication and Use of Technology

- Equipping employees working in remote areas with smart watches, enabling GPS positioning, real-time monitoring, automated safety alerts and SOS functions
- Sending automated SMS notifications to alert outdoor workers when Amber heat stress warnings or other adverse weather warnings issue
- Displaying safety policies and codes of conduct on notice boards at work sites and delivering targeted safety training

Extreme Weather and Preventive Heat Stress Management

Baguio has developed detailed adverse weather work guidelines that set out arrangements under various warnings, including rainstorms, typhoons and extreme conditions. Supervisors adjust work schedules, suspend high-risk activities such as working at height and outdoor lifting operations, and ensure employees are equipped with suitable personal protective equipment (PPE) such as safety helmets, reflective vests and waterproof footwear.

Given Hong Kong's increasingly hot and humid climate, Baguio pays particular attention to managing heat stress risks for both indoor and outdoor workers. Our Heat Stroke Prevention Plan has been updated in line with the latest Labour Department guidance and is implemented across different worksites. By 2025, 100% of outdoor frontline workers were provided with training under the updated heat stroke plan. Portable fans, cooling towels and arm sleeves, hats and water are provided for outdoor workers.

Incident Reporting and Safety Promotion

The Group has established clear procedures for incident reporting and emergency response to support the timely handling of work-related injuries. Incidents are required to be reported promptly to facilitate medical arrangements, internal notification and follow-up investigation. This year, we introduced an online training video, *Work Injury Reporting – You Can Do It!* with follow up online quiz. This approach ensures training content is effectively communicated, easily accessible, and promotes active participation.



Capability Training and Development

The Group is committed to supporting continuous learning and capability development to ensure employees are equipped with the skills required to support operational excellence and long-term business growth. Guided by our people development approach, we provide structured training programmes, mandatory internal training and supportive policies to encourage ongoing upskilling across different functions and staff levels.

To formalise this commitment, a Training Sponsorship Policy has been established and set out in the employee handbook, providing eligible employees with opportunities to pursue external training relevant to their roles and development needs. The Group regularly conducts mandatory internal training, including orientation programmes for newly onboarded office employees and supervisory training for frontline employees in leadership roles. Additionally, e-learning resources are provided to support continuous learning.

Frontline Training through Digital Learning

In 2025, apart from *Work Injury Reporting – You Can Do It!* training video that promotes timely reporting of work injury, the Group also introduced *Quality Service Training Video: Handling Demanding Customers*, providing techniques and insights for managing challenging situations to better support employees. Both videos are made available online, allowing frontline staff to access the content flexibly. Video links were shared with Operations Managers, who assisted in communicating the training information to frontline teams.



Department-Led Training Needs Assessment

An Internal Training Needs Assessment Questionnaire was distributed to Department Heads to support collaborative planning of training programmes. This approach allows training priorities to be identified based on departmental requirements and staff competencies, ensuring training resources are deployed effectively.

Building Digital Literacy and Resilience

As digitalisation continues to transform operations, the Group continues to invest in enhancing employees' digital capabilities. During the reporting period, a range of IT training initiatives were rolled out to strengthen internal expertise and equip employees with the skills needed in an increasingly digital working environment.

A series of interactive IT workshops were delivered using a train-the-trainer approach to facilitate effective knowledge transfer across teams. In 2025, internal IT trainings include Process Flowchart, Power BI and Generative AI.



To complement structured training, Monthly IT Tips were introduced as an ongoing learning initiative, covering updates on technology features, cybersecurity practices and productivity tools. The initiative raises awareness of digital risks, including phishing, data leaks and system misconfigurations.

Prevention of Child and Forced Labour

The Group upholds a strong commitment to preventing child and forced labour across its operations and contractor network. Relevant policies are in place and implemented by the Human Resources Department, supported by regular compliance reviews. Age verification is conducted as part of the recruitment process to support lawful employment practices. Where any cases of child or forced labour are identified, the Human Resources Department takes prompt action, including employment termination and appropriate follow-up measures. During the reporting period, the Group has not identified any significant non-compliance with laws regarding employment practices, including compensation, recruitment, working hours, and anti-discrimination.



IMPLEMENTING OPERATIONAL EXCELLENCE



Digitalisation and Innovation

Digitalisation and innovation support the Group's efforts to strengthen operational performance and advance sustainability initiatives. Innovative solutions are incorporated into service delivery to improve efficiency, streamline processes and align our operations with the Government's smart city objectives.

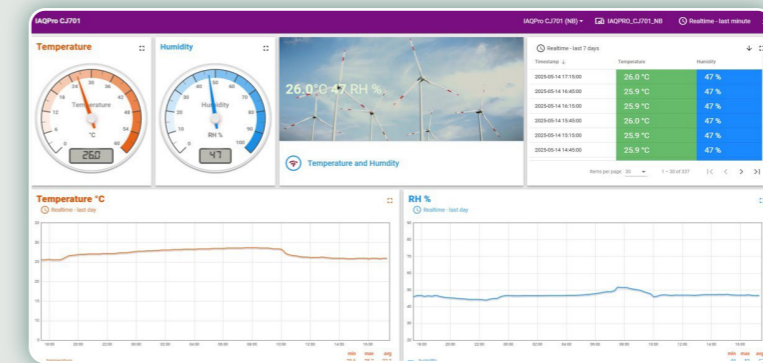
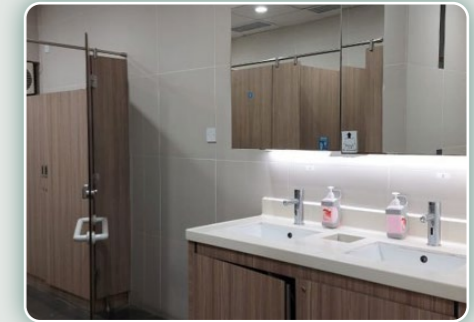
Management Breakout Sessions on Smart and Green Technologies

Senior management-led management breakout sessions were conducted to explore the application of smart and green technologies across the Group's operations. During the sessions, business units shared emerging technologies relevant to their functions, with a focus on improving operational efficiency and customer value. Participants also put forward digitalisation proposals, considering implementation feasibility, required resources and potential challenges, and outlined initial action plans to support the adoption of selected technologies.



Smart Toilet

Baguio has implemented an IoT-enabled washroom monitoring system to improve resource efficiency and service quality. Sensors are used to track the usage of key consumables and indoor air quality. Supervisors can monitor real-time status through a web-based platform and receive mobile alerts when intervention is required, reducing reliance on manual inspections. The system has been deployed at our clients' sites, supporting optimised consumable replenishment, improved hygiene standards and an enhanced user experience.



Intelligent Rodent Monitoring System and Smart Rodent Trap

We deploy an IoT-based automatic monitoring system (Smart Vermin System) in areas prone to rodent infestation. This system provides 24/7 surveillance and real-time data analysis, enabling proactive rodent management for our team and clients, reducing the need for constant manual supervision.

In addition, our Smart Rodent Trap provides a humane and efficient solution. It instantly notifies our team and clients via email upon capture, significantly reducing routine manual checks and ensuring timely response.



3D Root Scanning by Ground Penetrating Radar

We enhance urban tree risk management by leveraging the latest technology to provide reliable data for assessing tree stability and structural integrity. This includes the use of advanced 3D Root Scanning via Ground Penetrating Radar (GPR) to non-invasively map and assess root systems, enabling precise evaluation of tree stability and resilience to adverse weather.



Support Decision Making using Data Dashboard

To further strengthen data-driven management, we have organised training for office employees and expanded usage of Power BI Data Dashboards to transform complex operational and survey data into actionable insights through dynamic visualization, such as employee feedback, monitor growth via Opportunities Summary statistics. These dashboards enhance our ability to interpret performance trends and support informed, timely decision-making across all service environments.

Smart Fleet Management Platform

Building on the digital foundation established last year, the Group has fully implemented a Driving-Offence Points Record module within its fleet management application to enable structured recording of drivers' traffic offences and accident history, supporting follow-up actions to uphold road safety and operational accountability. In parallel, two additional digital tools are under development: an Inspection App to facilitate paperless, real-time vehicle inspections by supervisors, and a Fleet Maintenance App to centralise the recording and management of external vehicle maintenance activities. Together, these applications support improved data management, proactive maintenance planning, and safer and more efficient fleet operations.

Supply Chain Management

The Procurement Department is responsible for managing supplier relationships and ensuring that materials and services are sourced from approved suppliers. Approved suppliers are subject to annual evaluations and are required to comply with applicable regulatory requirements and our Supplier Code of Conduct. The Supplier Code of Conduct is available on our website under Sustainability.

Location	Number of Suppliers
Hong Kong	268
Chinese Mainland	29
Other Locations	7
Total	304

Integrating Sustainable Procurement Initiative into Supplier Engagement

To strengthen supplier oversight and encourage continuous improvement, the Group maintains regular engagement with suppliers through interviews, questionnaires, procurement events and day-to-day communication. We have set up Sustainable Procurement Policy since 2024 and introduce it to our suppliers. The Sustainable Procurement Policy is accessible through our website under Sustainability.

Environmental and social risks across the supply chain are identified and managed through supplier screening, evaluation and ongoing engagement. An enhanced Vendor Evaluation Form was introduced this year, with expanded assessment criteria covering sustainability-related metrics such as the adoption of green products or services, transparency of carbon footprint information, compliance with local and international environmental standards, and commitment to social responsibility. During the reporting period, 52 key suppliers participated in face-to-face evaluation. A structured marking scheme was implemented to benchmark and track supplier performance, align procurement decisions with sustainability goals, and identify suppliers demonstrating sound sustainability practices. In addition, following the adoption of the digital carbon management platform, suppliers were encouraged to use the system for streamlined data collection and provide their emission data.

Green Product List

To align with our sustainable procurement initiative, we have formulated "Green Product List" since 2024. Our 2025 target is to introduce 180 green products into the list, and in the longer term, we will ensure that 100% of procurement decisions will be based on the Green Product List. We ensure the product on the list can demonstrate compliance through recognized third-party certifications, supporting documents or independent laboratory test results. This enhances transparency and credibility while reducing reliance on self-declarations. As of 2025, the Group collected 183 Green Products, covering the Cleaning, Pest Control, Landscaping, office and computer equipment categories. We further set our 2026 target to 240 products.

Green Partnerships

This year, the Group actively participated in Green Procurement Fairs, industry expos and knowledge-sharing events to explore eco-innovations and sustainable solutions. These included participation as a guest speaker at sustainability-focused seminars, and attendance at industry events such as ReThink HK and InnoEX, as well as smart office visits focused on paperless and energy-efficient operations. We also actively shared our sustainable procurement practices and supply chain risk management experience with industry stakeholders at the Hong Kong Green Awards 2025 Information Dissemination and Experience Sharing Seminar. In recognition of these efforts, the Group was awarded the “iRecycle Sustainability Award” (Diamond level), nominated by an SDG-certified vendor, reflecting strong collaboration with green partners.



Green Procurement Fair



iRecycle Sustainability Award



Hong Kong Green Awards 2025 Information Dissemination and Experience Sharing Seminar

Looking ahead, the Group plans to deepen collaboration with suppliers through initiatives such as Scope 3 carbon data collection, expanded green product list, improved supplier interviews and more active participation in Green Procurement Fair to jointly address environmental and social challenges.

Responsible Service Provider

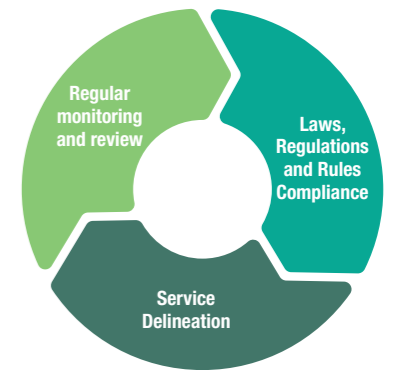
The Group operates an ISO 9001:2015 certified Quality Management System and an Integrated Management System, supported by a formally established Integrated Management Policy to promote consistent service quality. Guided by our core value “Customer Focus” principle, we ensure transparency and accuracy across promotional materials, labels and advertisements, and do not permit misleading, false or exaggerated claims in relation to our products and services.

To safeguard customer interests, we focus on maintaining service quality and continuously strengthening our quality management practices. In line with our policy, kick-off meetings and action plans are used to align service expectations, while internal monitoring, departmental reviews and independent audits are carried out on a regular basis to maintain standards and support ongoing improvement.

During the reporting period, the Group provided integrated environmental services with no product recalls arising from health and safety concerns. To the Group’s knowledge, no breaches of applicable laws, regulations or contractual requirements relating to advertising, labelling or service quality were identified.

Striving for Service Excellence

Baguio delivers reliable sanitation services that support environmental cleanliness and customer satisfaction. To strengthen service oversight, the Group operates a feedback system and an inspection application. In addition, for our green technology products, technicians conduct regular reviews of the product quality verification process, with their feedback used to enhance system performance. The Group has also enhanced its routine maintenance reporting using electronic forms, enabling more efficient data consolidation and analysis.



Our Products and Services Quality Mechanism

Enhancing Service Quality with Technology

We continue to adopt digital solutions to enhance service quality and customer satisfaction. Our feedback system enables visitors to provide real-time input on facility cleanliness and service performance, while the inspection application supports supervisors in monitoring frontline operations through photo-based inspections and recorded observations. Managers can review inspection results, download reports, and track follow-up actions via a web-based platform, strengthening real-time oversight across diverse service environments.

Customer First

Every year, we conduct Baguio Service Quality Evaluation Survey to gather customers' feedback on our overall service delivery, management effectiveness and the performance of frontline operational staff. In 2025, a total of 235 responses was received, with more than 96.5% of respondents rating the overall service performance as "satisfactory or above".

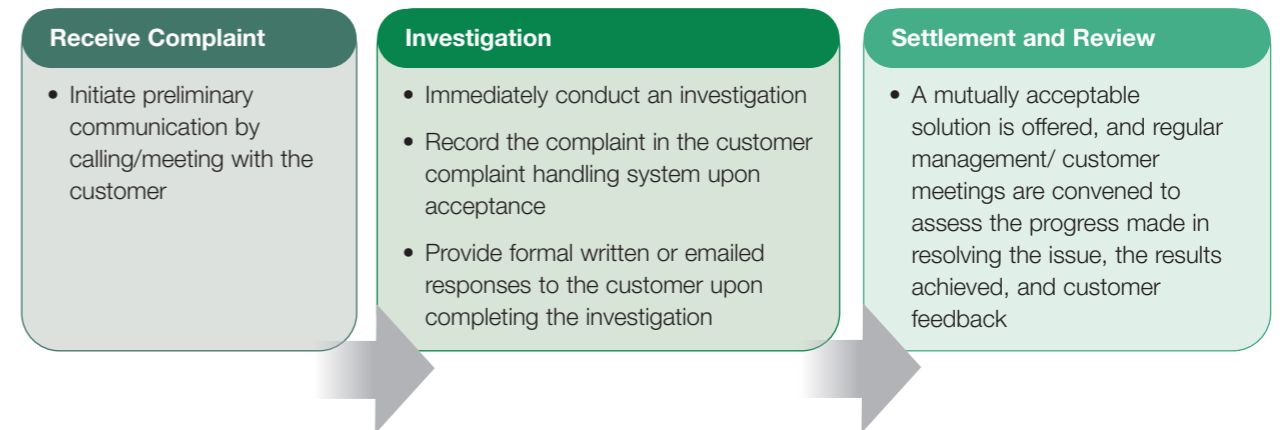


To further support service quality, the Group introduced targeted training tools, including a Quality Service Training Video on handling demanding customer situations, to strengthen frontline service capabilities. For more details, please refer to "Upholding Our Employees".

Complaints Management

In support of operational effectiveness, customer feedback remains an important input for service improvement. Survey findings collected by the Marketing Department are shared with the Operations Team for review and follow-up, as appropriate. The Operations Team then reports on the outcomes of the actions taken, helping to ensure that feedback is translated into practical service improvements.

During the reporting period, we received 30 customer complaints, all of which were successfully resolved. Upon receiving customer complaints, we promptly initiate several actions, as outlined below:



Intellectual Property and Information Asset Stewardship

Intellectual Property Protection

Protecting intellectual property forms an important part of the Group's approach to innovation and long-term development. Materials prepared by the Group are subject to review prior to publication to ensure compliance with applicable laws and regulatory requirements. In addition, the Supplier Code of Conduct sets out expectations for contractors, subcontractors and suppliers to respect and protect relevant intellectual property rights. Any conduct that may undermine the Group's intellectual property or reputation is not permitted.

During the reporting period, the Group has not been informed of any intellectual property infringements. In the event of such a case arising, we will comply with our internal protocols and, if necessary, pursue legal remedies.

Recognition of Our Service and Employees

This year, properties managed on behalf of our clients received external recognition for excellence in tree management and landscape practices. This included the "Tree Management Award 2024 (Residential Property) – Gold Award" presented by the ISA Hong Kong Chapter, and Best Landscape Award 2024 (Large-scale Non-domestic Property) - Gold Award" (Properties of 21 years of age or above) by the Leisure and Cultural Services Department of the HKSAR.



In addition, our Group's employees were recognised in the "3rd Outstanding Practitioners Selection 2025" organised by the Hong Kong Property Services Alliance. Two employees received Outstanding Employee Awards, and one employee was awarded Second Runner-up.

Information Security and Data Privacy

Information security and data privacy are managed in accordance with relevant laws and regulations. The Risk Management Team is responsible for overseeing the protection of information and data, preventing unauthorised access or disclosure of confidential information, and carrying out ongoing monitoring. Relevant internal policies apply to employees, suppliers and third parties. A range of measures has been implemented to support information security and data privacy, including:

Training and Awareness

All Baguio computer users receive regular IT training on cybersecurity and data privacy protection, including orientation training for new employees. Monthly IT tips and posters regarding personal data handling are also provided to enhance overall awareness among employees.

Email Security

External email warning messages are attached to emails to help prevent cybercrimes, such as phishing.

Risk Management Oversight

The Group's Risk Management Team manages and monitors the protection and prevention of confidential information leakage, ensuring compliance with destruction procedures for confidential documents.

Confidentiality Agreements

Employees are required to sign a Declaration of Confidentiality to reinforce their commitment to safeguarding sensitive information.

Minimise Personal Data Collection

We protect user privacy by minimising personal data collection.

Access Security

With increased remote access, multi-factor authentication is applied to all employee accounts to further protect against information leaks.

Effective from 2024, Baguio Waste Management & Recycling Limited and Baguio Green Technology Limited have been certified under both the ISO/IEC 20000 standard for IT service management and the ISO/IEC 27001 standard for information security management. Internal and external audit are conducted annually to ensure our compliance with the latest standard and procedures. These certifications ensure the security and confidentiality of all internal company information and commercial information exchanged with clients, while enhancing data integrity and availability. During the reporting period, the Group has not encountered any instances of non-compliance with laws and regulations concerning information security and data privacy.

Anti-Corruption

Baguio adopts a zero-tolerance approach to corruption, bribery and related malpractices. This approach is supported by the Group's governance framework, including the Business Code of Conduct, the Whistleblowing Policy and the Supplier Code of Conduct, which are designed to align with applicable legal and regulatory requirements.

To promote a culture of integrity, all new office employees are required to complete anti-corruption training as part of onboarding. Ethical awareness is further reinforced through regular training initiatives, including a biennial anti-corruption seminar for employees. In 2025, an online integrity seminar was held on 14 October for all office-based staff, covering key topics such as corruption risk areas, legal and administrative controls, conflict of interest management, practical integrity guidance and relevant ICAC resources.

All employees are required to complete an annual Conflict of Interest Declaration. Our Supplier Code of Conduct is actively communicated to business partners to ensure ethical compliance throughout our value chain. The Whistleblowing Policy, publicly accessible on the corporate website, establishes clear and confidential reporting mechanisms, with the Company Secretary designated as the responsible officer for oversight.

During the reporting period, the Group was not aware of any significant non-compliance with laws and regulations related to bribery, extortion, fraud, or money laundering.



OUR COMMUNITY ENGAGEMENT

In 2025, Baguio implemented a range of community initiatives aligned with the United Nations Sustainable Development Goals (SDGs), focusing on promoting social inclusion, empowerment, responsible consumption and circular economy practices, while providing practical support to communities in need. Apart from sharing our environmental experience in exhibitions, forums and booths, our Corporate Social Responsibility (CSR) team organised or participated in volunteer activities, and we introduce NGOs and social enterprises to our office colleagues through inviting them to host workshops with us and procurement of their festive gifts, contributing to greater environmental awareness, enhanced community participation, and a more inclusive and resilient society.

Volunteering and Fundraising Initiatives and Programmes

Community Health & Well-being

Blood Donation

In support of World Blood Donor Day, the HR and CSR teams organised the Company's first on-site blood donation drive with Hong Kong Red Cross Blood Transfusion Service on 11 June, encouraging colleagues to take action in saving lives and contributing to the community. A total of 42 colleagues registered, with 28 successfully completing blood donation on the day.

To recognise participants' support, HR arranged a range of appreciation treats, including a dedicated breakfast delivery service, to thank colleagues for their generous support.



Big Bangs! Haircut Volunteer Programme

We launched new regular haircut volunteer services since July 2025. To prepare, 15 colleagues first completed a series of four haircut training lessons, where they acquired fundamental haircutting skills and explored volunteer best practices. Under the guidance of experienced instructors, our volunteers have been providing simple haircuts for the elderly residents at elderly care homes operated by the Hong Kong Sheng Kung Hui. In total, we have successfully organised nine volunteering sessions dedicated to serving the elderly.



Festival Care and Food Donation Initiatives

Mid-autumn Care & Recycling Campaign

Our colleagues were encouraged to donate their surplus mooncakes to the CSR team, of which the mooncakes collected were distributed to the homeless during the Mid-autumn Festival and were donated to the Sham Shui Po Community Living Room for distribution to low-income families.



Food Donation in Annual Dinner

We converted surplus food from our Annual Dinner into 80 warm meal boxes for the homeless via our partner Loving Home Charitable Foundation.



Recycling for Rice Donations to Underprivileged Communities

By participating in The Green Council's "Reward Regift" programme, we transformed our staff's recycling effort into essential aids. 28,607 Green\$ rewards accumulated in June and July 2025 were converted into rice donations for 600 households through a community event with other participating companies.

Environmental Education & Circular Economy

Red Packet Reuse and Recycling

Continuing our tradition, our company participated in Greeners Action's Lai See Reuse and Recycle Program to encourage colleagues to celebrate a greener Lunar New Year by choosing recycled red packets.



Item Sharing Initiative

The initiative aimed to promote environmental sustainability and team cohesion by encouraging colleagues to share idle items, fostering a circular economy and a culture of active dialogue. Part of the spared items will be donated to NGOs to distribute to those people in need.

ESG 3-on-3 Corporate Basketball Tournament and ESG Carbon Neutral Sevens Football Corporate Invitation Tournament

The Group supported the iRecycle Charity Foundation as sponsors and participants in the ESG 3-on-3 Corporate Basketball Tournament and ESG Carbon Neutral Sevens Football Corporate Invitation Tournament. These two events leveraged the power of sports to drive ESG awareness, engaged corporate action in environmental protection, social responsibility, and good corporate governance, while fostering teamwork, employee health and work-life balance.



In ESG Carbon Neutral Sevens Football Corporate Invitation Tournament, The team secured third place in the Silver Plate division and earned the Carbon Neutral Event Participation Certification.

Fundraising for NGOs

Green Run 2025

Our team supported the annual Green Run on February 15, 9 colleagues participated as runners to raise fund for Green Council, while other became volunteers responsible for handling water station and finisher medal distribution to help Green Council promote environmental protection.



Green Earth Night Walk

Our colleagues participated in Green Earth's annual fundraising night walk, exploring nature, practicing low-carbon and "Leave No Trace" principles, and enjoying stargazing while promoting environmental awareness.

Green Sports Day

In its first year of participation, the Company formed a team to take part in the Green Sports Day 2025 Smart Indoor Cycling Relay Sprint, organised by the Green Council. The event promotes corporate health and wellness through an innovative format, aligning with the United Nations Sustainable Development Goal (SDG) 3: Good Health and Well-being.



"Fresh and Zesty" Hunger Run organised by Foodsport

Through employee participation, the Group supported the "Fresh and Zesty" Hunger Run, a charity running event organised by Foodsport that integrates physical activity with charitable giving. Under the event mechanism, calories burned by participants were converted into food donations supporting the Foodlink Foundation, while net proceeds were donated to the Foodsport to support its Food Assistance and Community Sports Development programmes.

Lockton Fearless Dragon Trail Run

In December 2025, eight colleagues participated in a 5K run at Aberdeen Reservoir in support of the Hong Kong Network for the Promotion of Inclusive Society. Funds raised were used to support sports rehabilitation programmes, helping more persons with disabilities benefit from regular exercise.



Standard Chartered Hong Kong Marathon Charity Programme

Our colleagues participated in the Standard Chartered Hong Kong Marathon 2025 in support of its associated charity programme. The funds are applied to a range of social service areas, including children and youth services, rehabilitation and care services, as well as initiatives promoting diversity and inclusion.



Oxfam Trailwalker

Baguio took part in the Oxfam Trailwalker, the largest fundraising sports events in Hong Kong, supporting its poverty alleviation and emergency relief projects.



Partnering NGOs and Social Enterprise in Company Activities

Sourcing NGOs and Social Enterprise Products and Services for Employees

Social responsibility considerations are also incorporated into the procurement of employee gifts and employee activities through the prioritisation of purchases from social enterprises and NGOs. Over 40% of employee-related activities involve such kind of procurement, including festive gifts for occasions such as the Tuen Ng Festival and Christmas, or services such as conducting workshops. By sourcing gifts or services from local NGOs or social enterprises, we support their initiatives and support the employment of underprivileged, contributing to inclusive procurement and responsible consumption within our internal operations, as well as introducing different community groups and their advocacies to our office employees.



SDGs Inclusion Day

To promote the Sustainable Development Goals (SDGs), the SDGs Inclusion Day comprised a set of experiential and educational activities focusing on social awareness. Activities included an experiential workshop on the lived experiences of persons with hearing impairments, a talk on ethical consumption, a sharing session on menstrual equity, together with discussions on workplace challenges and inclusion practices for persons with disabilities. An SDGs-themed social enterprise market was integrated into the programme, allowing participants to learn about social enterprises and their products through direct interaction.



Other Direct Donation and Gifts in Kind

In addition, the Group delivered tangible assistance through resource donations and matching schemes. A total of 23 desktop PCs and 12 LCD monitors were donated to a charity for refurbishment and redistribution to NGOs and families in need, while 2 desktop computers were provided to the Sham Shui Po Community Living Room, which supports households in subdivided units, especially those with children. Under the Personal ESG Scheme 2025, employees were encouraged to donate part of their vouchers to community organisations, with the Group matching the same amount to double the impact of each contribution.

Following the major residential fire incident in Tai Po, the Group and our employees jointly donated approximately HK\$230,000 to support relief efforts for affected residents. The donations were directed to recognised charitable and public relief channels to provide emergency relief, psychological support, temporary shelter services and longer-term rehousing arrangements. Part of the donation went directly to employees residing in the affected estate to solve their urgent needs.



APPENDIX

PERFORMANCE DATA SUMMARY

	2025	2024	2023	2022
Employment				
Group-wide (Person)¹	7,980	10,329	10,229	8,894
By Business Segment				
Cleaning (Persons)	5,723	8,511	8,554	7,383
Landscaping (Persons)	953	694	456	485
Pest Management (Persons)	739	668	768	599
Waste Management & Recycling (Persons)	565	456	451	427
By Region				
Hong Kong (Persons)	7,980	10,329	10,229	8,867
Chinese Mainland (Persons)	-	-	-	27
By Employment Type				
Full-time (Persons)	7,596	9,927	9,763	8,522
Part-time (Persons)	384	402	466	372
By Workforce				
Office Staff (Persons)	277	277	274	273
Operations Staff (Persons)	7,703	10,052	9,955	8,621
By Age Group				
Under 30 years (Persons)	177	191	201	194
30-39 years (Persons)	316	397	403	405
40-49 years (Persons)	665	832	840	853
50-59 years (Persons)	1,530	1,977	2,090	1,962
60 years or above (Persons)	5,292	6,932	6,695	5,480
By Gender				
Male (Persons)	3,464	4,329	4,329	3,757
Female (Persons)	4,516	6,000	5,900	5,137
Group-wide Turnover Rate (%)²	11.76%	13.63%	13.21%	13.65%
Turnover Rate by Age Group				
Under 30 (%)	27.43%	36.76%	38.69%	39.51%
30-39 (%)	15.50%	18.04%	19.78%	26.95%
40-49 (%)	12.18%	14.65%	18.65%	20.43%
50-59 (%)	9.86%	13.43%	14.73%	16.02%
60 or above (%)	11.58%	12.64%	10.60%	9.51%
Turnover Rate by Gender				
Male (%)	13.43%	14.76%	14.50%	15.28%
Female (%)	10.53%	12.80%	12.27%	12.39%
Turnover Rate by Region				
Hong Kong (%)	11.76%	13.63%	13.21%	13.65%
Chinese Mainland (%)	-	-	-	-

¹ Employee headcount as of 31 December of each respective year.

² This year, the calculation of employee turnover rate has been changed from the previous method of 'turnover rate = cumulative number of employees who left ÷ cumulative number of employees in the reporting year*100%' to 'turnover rate = number of voluntary departures among full-time employees ÷ average number of full-time employees in the reporting year*100%', to better reflect employee mobility. Historical data have also been recalculated using the new method.

	2025	2024	2023	2022
Turnover Rate by Workforce				
Office (%)	19.41%	26.14%	41.95%	38.47%
Operations (%)	11.52%	13.28%	12.34%	12.71%
Training and Development				
Total Training (Hours)³	37,275	25,524	22,756	28,427
By Workforce Profile				
Senior (Hours)	2,451	1,854	769	1,116
Middle (Hours)	3,665	2,794	2,534	3,568
General (Hours)	31,159	20,876	19,454	23,744
By Gender				
Male (Hours)	16,450	12,026	11,324	14,442
Female (Hours)	20,824	13,498	11,432	13,985
Average Training Hours (Hours)	4.7	2.5	2.2	3.2
Average Training Hours by Workforce Profile				
Senior (Hours)	12.9	10.3	4.6	6.6
Middle (Hours)	6.9	3.9	3.3	5.1
General (Hours)	4.3	2.2	2.1	3.0
Average Training Hours by Gender				
Male (Hours)	4.7	2.8	2.6	3.8
Female (Hours)	4.6	2.2	1.9	2.7
Percentage of Employees Receiving Training (%)⁴	46.5	60.6	44.7	45.5
Percentage of Employees Receiving Training by Workforce Profile⁵				
Senior (%)	3.9	3.0	2.9	2.5
Middle (%)	9.6	12.7	13.2	13.3
General (%)	86.5	84.3	83.9	84.2
Percentage of Employees Receiving Training by Gender⁵				
Male (%)	46.6	38.7	47.6	46.6
Female (%)	53.4	61.3	52.4	53.4

³ The reporting basis for training hours was revised to include only employees in service as at 31 December 2025. To enhance consistency, data for 2022 to 2024 were restated for comparability.

⁴ The reporting basis for training participants was revised to include only employees in service as at 31 December 2025. To enhance consistency, data for 2022 to 2024 were restated for comparability.

⁵ Calculation of employee trained in relevant categories: Employees in the specified category who took part in training ÷ Total Number of Employees who took part in training

	2025	2024	2023	2022
Health & Safety				
Days lost due to work injury (Days)	13,769	14,142	17,018	10,049
Work-related accidents (Number) (cases of over 3 lost days)	233	291	270	165
Work-related accident rate (Cases per 100,000 working hours)	1.14	1.25	1.29	1.00
Confirmed work-related fatalities (Number)	0	0	0	0
Safety Training (Hours)	30,625	20,472	18,962	22,348
Environment				
Total Resource Consumption				
Electricity (kWh) ⁶	1,152,267	1,632,513	1,541,907	1,157,571
Diesel (Litres)	3,266,586	3,437,934	3,612,763	2,298,477
Biodiesel (Litres)	6,756	6,837		
Petrol (Litres)	23,636	32,837	60,487	65,135
Naphtha (Litres)	42,282	48,186	46,062	26,064
Water (m ³)	9,510	15,657	12,718	11,422
Water intensity (m ³ /million HK\$ revenue)	3.92	6.01	5.46	6.37
Paper (Total) (Ream)	8,110	5,713	6,382	5,759
Paper with recycled content (Ream)	8,146	5,685	6,350	5,695
Non-degradable plastic bags (Bag)	131,000	317,140	211,000	388,716
Degradable plastic bags (Bag)	6,269,556	13,904,264	12,991,502	9,745,332
Energy intensity (GJ/million HKD revenue)	51.1	50.7	59.5	49.9
Energy intensity (kWh in '000s/million HKD revenue)	14.19	14.09	16.53	13.86
Greenhouse Gas Emission⁷				
Scope 1 ⁸ (tCO ₂ e)	8,828.63	9,321.31	9,965.81	6,404.88
Scope 2(tCO ₂ e)	437.86	632.41	601.34	449.11
Scope 3 ⁹ (tCO ₂ e)	4,602.91	5,333.93	–	–
Total Emissions (tCO ₂ e)	13,869.41	15,267.69	10,567.15	6,856.19
Carbon intensity (Scope 1 and scope 2) (tCO ₂ e/million HK\$ revenue)	3.82	3.82	4.54	3.82
Air Emissions				
Sulphur oxides (tons)	0.05	0.06	0.06	0.04
Nitrogen oxides (tons)	34.29	33.78	35.83	24.3
Particulate matter (tons)	2.94	2.89	3.08	2.15

⁶ Included purchased electricity for our EVs.

⁷ The Group adopted S-Carbon for GHG emissions data collection and calculation since 2024, resulting in an updated methodology. Accordingly, direct comparisons with the emissions data for 2022 and 2023 are not applicable.

⁸ From 2024 onwards, Scope 1 emissions exclude certain vehicles that are not integral to Baguio's core operations or are not owned by the Group. Emissions associated with these vehicles were included in the Group's Scope 1 emissions in prior years.

⁹ Scope 3 emissions include category 1, 3, 5, and 6. For Category 1, only purchased goods related to environmental services, including professional cleaning, recycling, waste management and collection, green technology, green products, horticulture and landscaping, and integrated pest management - major purchased goods and services for the Group, were included. Following the inclusion of Category 3, the 2024 figure has been updated to ensure comparability.

	2025	2024	2023	2022
Hazardous Waste				
Engine oil disposed (spent lube oil) (ton) ^{10 11}	6.74	1.76	3.01	3.01
Battery Disposed (ton)	0	0.85	0.30	–
Fluorescent Lamp and electronic device (ton)	0.001	0.02	–	–
Chemical disposed (ton)	0	0	0	0
Pesticide disposed (ton)	0	0	0	0
Hazardous waste intensity (ton/million HK\$ revenue)	0.003	0.001	0.001	0.002
Non-hazardous Waste				
Office and Recycling facilities – general (ton)	19.34	23.19	31.72	19.92
Office – paper collected for recycling (ton)	2.37	2.55	2.62	6.15
Office – metal collected for recycling (ton)	0.28	0.11	0.19	0.11
Office – plastic collected for recycling (ton)	0.39	0.53	0.52	0.78
Office – other recyclables collected for recycling (ton) ¹²	1.40	1.23	0.86	1.18
Recycling facilities – paper, metal, and plastics (ton)	0.71	22.82	2.05	0.02
Non-hazardous waste intensity (ton/million HK\$ revenue)	0.01	0.02	0.02	0.02
Community				
Donations (HKD) ¹³	347,819	214,548	270,500	138,000
Volunteer hours (Hours)	1,134.5	785.5	909.0	397.5

Calculation:

This document follows the best practice prevalent in corporate reporting in compliance with guidelines of HKEX. Computation of the GHG footprint is based on the Corporate Accounting and Reporting Standard (revised edition) for Scope 1 and 2. The sources of published emission factors for reporting of carbon emissions are extracted from Sustainability reports of China Light and Power (CLP).

¹⁰ The weight of the engine oil is calculated based on a density of 884 kg/m³ (source: The Engineering ToolBox (2023). Engine Oil-Density and Specific Heat vs. Temperatures).

¹¹ All lube oil used was properly treated and recycled by a licensed service provider.

¹² Other recyclables collected include glasses, styrofoam, woods, food wastes, milk cartons, red packets, beverage boxes (Aluminium), used coffee capsules, and calendar (plastic and paper).

¹³ Including direct donations, sponsorship, or participation in fundraising activities organised by charities or social enterprises.

APPENDIX

APPLICABLE LAWS AND REGULATIONS

Aspect	Applicable Laws and Regulations	Section
Environment	<ul style="list-style-type: none"> Air Pollution Control Ordinance Dangerous Goods Regulations Environmental Impact Assessment Ordinance Factories and Industrial Undertakings Ordinance Hazardous Chemicals Control Ordinance Motor Vehicle Idling (Fixed Penalty) Ordinance Noise Control Ordinance Ozone Layer Protection Ordinance Pesticides Ordinance Product Eco-responsibility Ordinance Road Traffic Ordinance Waste Disposal Ordinance Water Pollution Control Ordinance 	Greening Our Planet
Employment	<ul style="list-style-type: none"> Disability Discrimination Ordinance Employment Ordinance Family Status Discrimination Ordinance Minimum Wage Ordinance Race Discrimination Ordinance Sex Discrimination Ordinance 	Upholding Our Employee
Labour Standards	<ul style="list-style-type: none"> Employment of Children Regulations Employment of Young Persons (Industry) Regulations 	Upholding Our Employee
Occupational Health and Safety	<ul style="list-style-type: none"> Dangerous Goods Regulations Employees' Compensation Ordinance Factories and Industrial Undertakings Ordinance Fire Safety (Buildings) Ordinance Occupational Health and Safety Ordinance Road Traffic Ordinance Smoking (Public Health) Ordinance 	Upholding Our Employee
Product Responsibility	<ul style="list-style-type: none"> Personal Data (Privacy) Ordinance The Trade Descriptions Ordinance 	Implementing Operational Excellence
Anti-corruption	<ul style="list-style-type: none"> Prevention of Bribery Ordinance The Competition Ordinance 	Implementing Operational Excellence

APPENDIX

MEMBERSHIPS AND CHARTERSHIPS

Memberships

Issuing Party

Hong Kong Environmental Industry Association
 Federation of Hong Kong Industries
 Business Environment Council
 Environmental Contractors Management Association
 Hong Kong Waste Disposal Industry Association (Hong Kong Waste Association)
 Hong Kong Pest Management Association
 Pest Control Personnel Association of Hong Kong
 National Pest Management Association
 The Chamber of Hong Kong Listed Companies
 Hong Kong Waste Management Association
 Hong Kong Greening Contractors Association
 Occupational Safety & Health Council
 Hong Kong General Chamber of Commerce
 Hong Kong Cleaning Association
 Y-PARK
 Hong Kong Federation of Restaurants & Related Trades Limited
 Hong Kong Brand Development Council
 The Chinese General Chamber of Commerce, Hong Kong
 ISA Hong Kong Chapter
 Hong Kong Property and Facilities Management Association of the Greater Bay Area
 Hong Kong Green Building Council Limited
 Federation of Hong Kong Property Management Industry
 The Chinese Manufacturers' Association of Hong Kong
 The Chinese Manufacturers' Association of Hong Kong Youth Committee

Charterships

Issuing Party	Title
Green Council	Sustainable Procurement Charter
Proper Operation of Refuse Collection Vehicles Steering Committee	The Charter on Proper Operation of Refuse Collection Vehicles
The Labour and Welfare Bureau (LWB), The Rehabilitation Advisory Committee, The Hong Kong Joint Council for People with Disability	Talent-Wise Employment Charter
World Green Organisation	Paper Towel Saving Campaign
Occupational Safety & Health Council, Department of Health	Joyful Healthy Workplace
Labour Department	Good Employer Charter
Environmental Protection Department	Green Event Pledge
Equal Opportunities Commission	The Racial Diversity & Inclusion Charter for Employers
The Chinese Manufacturers' Association of Hong Kong	ESG Pledge 2025

APPENDIX

REPORTING PRINCIPLES AND RELEVANT POLICIES

Reporting Principles	
Materiality	To keep up with the fast pace of global and local sustainability developments, Baguio conducts a stakeholder engagement survey that assesses the concerns of internal and external stakeholders. From the surveys, we have developed a deep understanding of the topics material to Baguio, and ensured that these topics have been addressed in this report.
Quantitative	Whenever applicable, this report discloses historical and current key performance indicators (“KPIs”) during the reporting period. Through a direct comparison of year-on-year data, the effectiveness of the Group’s ESG management approach may be gauged. An overview of Baguio’s 2025 ESG data may be found in the Performance Data Summary of the Appendix.
Balance	All relevant data and material topics, regardless of whether it has a positive or negative connotation, has been disclosed in a transparent manner.
Consistency	Unless explicitly mentioned, the data calculation methodologies for all derived figures are consistent with our 2024 ESG Report, thus allowing for direct comparisons to be made.
Relevant Policies	
	<ul style="list-style-type: none"> • Anti-Discrimination Policy • Climate Change Policy • Crisis Management Policy • Integrated Management Policy • IT Information Security Policy • Prevention of Child Labour • Prevention of Forced Labour • Procurement Policy • Protection of Personal Data Privacy • Quality, Environment, Occupational and Health, Environmental Protection and Quality Management for Subcontractors • Supplier Code of Conduct • Sustainability Policy • Sustainable Procurement Policy • Training Sponsorship Policy • Whistleblowing Policy

APPENDIX

HKEX ESG Reporting Code Content Index

KPIs	HKEX ESG Reporting Code Requirements	Section/Remarks
Governance Structure		
General Disclosure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Being a Leader – Our Sustainability Approach -Sustainability Governance p.10
Reporting Principles		
General Disclosure	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <ul style="list-style-type: none"> a) Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. b) Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. c) Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. 	Appendix – Reporting Principles and Relevant Policies p.62
Reporting Boundary		
General Disclosure	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report p.5
A. Environmental		
Aspect A1	Emissions	
General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 	<p>Appendix – Applicable Laws and Regulations p.60</p> <p>Appendix – Reporting Principles and Relevant Policies p.62</p>

KPIs	HKEX ESG Reporting Code Requirements	Section/Remarks
KPI A1.1	The types of emissions and respective emissions data.	Appendix – Performance Data Summary p.58
KPI A1.2	[Repealed 1 January 2025]	-
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix – Performance Data Summary p.59
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Appendix – Performance Data Summary p.59
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Acknowledging Our Environmental Footprint p.22-24
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them.	Acknowledging Our Environmental Footprint p.22, 26
Aspect A2 Use of resources		
General Disclosure	Policies on efficient use of resources including energy, water and other raw materials.	Appendix – Reporting Principles and Relevant Policies p.62
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	Acknowledging Our Environmental Footprint – Energy Consumption p.25 Appendix – Performance Data Summary p.58
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Acknowledging Our Environmental Footprint – Water Consumption p.21 Appendix – Performance Data Summary p.58
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Acknowledging Our Environmental Footprint p.22-26
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Acknowledging Our Environmental Footprint – Water Consumption p.25
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group considers packaging not a material issue and thus not reported on in the ESG report.

KPIs	HKEX ESG Reporting Code Requirements	Section/Remarks
Aspect A3 The environment and natural resources		
General Disclosure	Policies on minimising the issuers' significant impact on the environment and natural resources.	Appendix – Reporting Principles and Relevant Policies p.62
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Greening our Planet p.28-31
Aspect A4 Climate Change		
General Disclosure	[Repealed 1 January 2025]	-
KPI A4.1	[Repealed 1 January 2025]	-
B. Social		
Aspect B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Appendix – Applicable Laws and Regulations p.60 Appendix – Reporting Principles and Relevant Policies p.62
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Appendix – Performance Data Summary p.56
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix – Performance Data Summary p.56
Aspect B2 Health and safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Appendix – Applicable Laws and Regulations p.60 Appendix – Reporting Principles and Relevant Policies p.62
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Appendix – Performance Data Summary p.58
KPI B2.2	Lost days due to work injury.	Appendix – Performance Data Summary p.58
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Upholding Our Employees – Occupational Health and Safety p.35-38

KPIs	HKEX ESG Reporting Code Requirements	Section/Remarks
Aspect B3		
Development and training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Appendix – Reporting Principles and Relevant Policies p.59
KPI B3.1	The percentage of employees trained by gender and employee category (e.g., senior management, middle management).	Upholding Our Employees – Training and Development p.43 Appendix – Performance Data Summary p.55
KPI B3.2	The average training hours completed per employee by gender and employee category.	Upholding Our Employees – Training and Development p.43 Appendix – Performance Data Summary p.55
Aspect B4		
Labour standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Appendix – Applicable Laws and Regulations p.57 Appendix – Reporting Principles and Relevant Policies p.62
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Upholding Our Employees – Prevention of Child and Forced Labour p.39
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Upholding Our Employees – Prevention of Child and Forced Labour p.39
Aspect B5		
Supply chain management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Appendix – Reporting Principles and Relevant Policies p.62
KPI B5.1	Number of suppliers by geographical region.	Implementing Operational Excellence – Supply Chain Management p.42
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Implementing Operational Excellence – Supply Chain Management p.42-43
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Implementing Operational Excellence – Supply Chain Management p.42-43

KPIs	HKEX ESG Reporting Code Requirements	Section/Remarks
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Implementing Operational Excellence – Supply Chain Management p.42-43
Aspect B6		
Product responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Appendix – Applicable Laws and Regulations p.57 Appendix – Reporting Principles and Relevant Policies p.62
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group renders integrated environmental services and does not encounter product recall due to health and safety reason.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Implementing Operational Excellence – Customer First p.45 Implementing Operational Excellence – Complaints Management p.47
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Implementing Operational Excellence – Intellectual Property Protection p.47
KPI B6.4	Description of quality assurance process and recall procedures.	Implementing Operational Excellence – Striving for Service Excellence p.45 The Group renders integrated environmental services and does not encounter product recall.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Implementing Operational Excellence – Information Security and Data Privacy p.48

APPENDIX

CLIMATE-RELATED DISCLOSURES CONTENT INDEX

KPIs	HKEX ESG Reporting Code Requirements	Section/Remarks
Aspect B7		
Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Appendix – Applicable Laws and Regulations p.57 Appendix – Reporting Principles and Relevant Policies p.62
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Implementing Operation Excellence – Anti-corruption p.49
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Implementing Operation Excellence – Anti-corruption p.49
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Implementing Operation Excellence – Anti-corruption p.49
Aspect B8		
Community investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Appendix – Reporting Principles and Relevant Policies p.62
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Our Community Engagement p.50-55
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Our Community Engagement p.50-55

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
(I) Governance		
19	An issuer shall disclose information about:	
19(a)	the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
19(a)(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	
19(a)(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	
19(a)(iii)	how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	Being a Leader – Our Sustainability Approach – Climate Disclosure - Governance p.15
19(a)(iv)	how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	
19(b)	management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
19(b)(i)	whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	
19(b)(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
(II) Strategy		
Climate-related risks and opportunities		
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
20(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	
20(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Being a Leader – Our Sustainability Approach – Climate Disclosure - Strategy p.16-19
20(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
20(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	
Business model and value chain		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
21(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and	Being a Leader – Our Sustainability Approach – Climate Disclosure - Strategy p.16-19
21(b)	a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
22(a)	information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Being a Leader – Our Sustainability Approach – Climate Disclosure - Strategy p.16-19

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
22(a)(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Acknowledging our Environmental Footprint p.22-25
22(a)(ii)	current and anticipated adaptation and mitigation efforts (whether direct or indirect);	
22(a)(iii)	any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	Being a Leader – Our Sustainability Approach – Climate Disclosure – Strategy p.16-19
22(a)(iv)	how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	Acknowledging our Environmental Footprint p.22-25
22(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Being a Leader – Our Sustainability Approach – Climate Disclosure – Strategy p.16-19
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Acknowledging Our Environmental Footprint p.22-25
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about:	
24(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Being a Leader – Our Sustainability Approach – Climate Disclosure – Strategy p.16-19
24(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Based on our assessment, we have not identified any significant risks that would require material adjustments for the next reporting period.
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
25(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	After careful assessment, the measurement method used to assess the financial impacts are deemed too uncertain, making it difficult to reliably quantify the financial impacts. The Group plans to continuously improve the relevant assessment work and disclose the findings in due course.
25(a)(i)	its investment and disposal plans; and	
25(a)(ii)	its planned sources of funding to implement its strategy; and	
25(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
26(a)	the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
26(a)(i)	the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
26(a)(ii)	the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and	
26(a)(iii)	the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	
26(b)	how and when the climate-related scenario analysis was carried out, including:	
26(b)(i)	information about the inputs used, including:	
26(b)(i)(1)	which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;	Being a Leader – Our Sustainability Approach – Climate Disclosure – Strategy p.16-19
26(b)(i)(2)	whether the analysis included a diverse range of climate-related scenarios;	
26(b)(i)(3)	whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	
26(b)(i)(4)	whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	
26(b)(i)(5)	why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	
26(b)(i)(6)	time horizons the issuer used in the analysis; and	
26(b)(i)(7)	what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	
26(b)(ii)	the key assumptions the issuer made in the analysis; and	
26(b)(iii)	the reporting period in which the climate-related scenario analysis was carried out.	

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
(III) Risk Management		
27	An issuer shall disclose information about:	
27(a)	the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
27(a)(i)	the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
27(a)(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
27(a)(iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	
27(a)(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	Being a Leader – Our Sustainability Approach – Climate Disclosure – Risk Management p.20
27(a)(v)	how the issuer monitors climate-related risks; and	
27(a)(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	
27(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
27(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer’s overall risk management process.	
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as:	
28(a)	Scope 1 greenhouse gas emissions;	Acknowledging Our Environmental Footprint p.22-25 Being a Leader – Our Sustainability Approach – Climate Disclosure – Metrics and Targets p.20
28(b)	Scope 2 greenhouse gas emissions;	
28(c)	Scope 3 greenhouse gas emissions;	

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
29	An issuer shall:	
29(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
29(b)	disclose the approach it uses to measure its greenhouse gas emissions including:	
29(b)(i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	
29(b)(ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Acknowledging Our Environmental Footprint p.22-25
29(b)(iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Being a Leader – Our Sustainability Approach – Climate Disclosure – Metrics and Targets p.20
29(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and	
29(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group is currently enhancing the underlying data and assessment approach required to support this disclosure. As at the reporting date, the relevant information was not yet fully available without undue cost or effort.

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group is currently enhancing the underlying data and assessment approach required to support this disclosure. As at the reporting date, the relevant information was not yet fully available without undue cost or effort.
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group is currently enhancing the underlying data and assessment approach required to support this disclosure. As at the reporting date, the relevant information was not yet fully available without undue cost or effort.
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group is currently enhancing the underlying data and assessment approach required to support this disclosure. As at the reporting date, the relevant information was not yet fully available without undue cost or effort.
Internal carbon prices		
34	An issuer shall disclose:	
34(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Internal carbon pricing mechanism is currently not been adopted; it will be evaluated in due course.
34(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	The Group currently does not include climate-related factors in the remuneration policy; it will be considered in due course.

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Not applicable, as industry-based metrics are not referenced.
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
37(a)	the metric used to set the target;	
37(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
37(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
37(d)	the period over which the target applies;	Acknowledging our Environmental Footprint p.22-25
37(e)	the base period from which progress is measured;	
37(f)	milestones or interim targets (if any);	
37(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
37(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
38(a)	whether the target and the methodology for setting the target has been validated by a third party;	The target and the methodology for setting the target has not been validated by a third party.
38(b)	the issuer's processes for reviewing the target;	The Group reviews the progress of the target annually and revise them as needed.
38(c)	the metrics used to monitor progress towards reaching the target; and	Acknowledging our Environmental Footprint p.22-25
38(d)	any revisions to the target and an explanation for those revisions.	No revisions.

Paragraph	HKEX ESG Reporting Code Requirements	Section / Remarks
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Acknowledging our Environmental Footprint p.22-25
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
40(a)	which greenhouse gases are covered by the target;	
40(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	Acknowledging our Environmental Footprint p.22-25
40(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
40(d)	whether the target was derived using a sectoral decarbonisation approach; and	The target was not derived using a sectoral decarbonisation approach.
40(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
40(e)(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
40(e)(ii)	which third-party scheme(s) will verify or certify the carbon credits;	Not applicable.
40(e)(iii)	the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
40(e)(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
Applicability of cross-industry metrics and industry-based metrics		
41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Not applicable, as cross-industry metrics are not referenced.

INDEPENDENT ASSURANCE OPINION STATEMENT



Independent Assurance Statement

Issued by: TÜV Rheinland Hong Kong Limited

Date of Issue: April 2026

TÜV Rheinland Hong Kong Limited was commissioned by Baguio Green Group Limited (“Baguio”) to provide independent third-party assurance on the company’s Sustainability Report for the year ended 31 December 2025 (the “Report”).

Objective and Scope

The objective of this assurance was to assess the extent to which Baguio’s sustainability disclosures align with the relevant reporting and assurance standards, and to provide stakeholders with an independent opinion on the quality and credibility of the disclosures. The scope of this assurance covered all material sustainability topics and performance indicators for the reporting period 1 January 2025 to 31 December 2025, as disclosed in the Report.

The scope of the assurance covers sustainability governance, management approaches, stakeholder engagement, climate-related disclosures, and selected key performance indicators, including environmental (e.g. GHG emissions across Scope 1, 2 and selected Scope 3 categories), social (e.g. occupational health and safety, training), and governance disclosures.

Particular Attention Was Given To:

- Climate-related disclosures under HKEX ESG Code (Appendix C2, Part D)
- Governance enhancements, including the establishment of a Climate Committee
- Application of double materiality in materiality assessment
- Expansion and refinement of Scope 3 emissions inventory
- Integration of climate-related risks into enterprise risk management

Baguio’s operations in Hong Kong were covered by the assurance scope. The assurance excluded operations and entities outside this geographical boundary, forward-looking statements, financial figures not directly related to sustainability indicators, and any third-party data referenced but not directly controlled or managed by Baguio.

Reporting and Assurance Standards

- **Reporting Standard:** ESG Reporting Code (Appendix C2 to the Listing Rules) issued by the Hong Kong Exchanges and Clearing Limited (HKEX), including its mandatory and “comply or explain” provisions, and enhanced climate-related disclosures (Part D)
- **Assurance Standard:** AA1000 Assurance Standard v3 (AA1000AS v3), a principles-based standard focusing on Inclusivity, Materiality, Responsiveness, and Impact.
- **Assurance Level:** Moderate level (Type 1), assessing the design and implementation of sustainability management processes.

Methodology

The assurance was performed through document review, management interviews, data sampling, and evaluation of internal control processes. Baguio’s stakeholder engagement and double materiality assessment processes were reviewed, including the identification, prioritisation and validation of material sustainability topics.

Sampling checks were conducted on selected performance indicators, focusing on the reliability, traceability and consistency of underlying data and control procedures. This included key environmental metrics such as greenhouse gas emissions (Scope 1, Scope 2 and selected Scope 3), energy and waste data.

The Sustainability Report and supporting documentation were assessed against AA1000AS v3 principles, including how stakeholder inputs are integrated into sustainability strategy and disclosures.

In view of the enhanced requirements under the HKEX ESG Reporting Code (Appendix C2, including climate-related disclosures), additional procedures were performed on climate-related disclosures, including governance (e.g. Climate Committee), and the identification and management of climate-related risks and opportunities.

Internal policies relating to data management, validation and performance monitoring were reviewed. Interviews were conducted with relevant personnel across Sustainability, Environmental Operations, Occupational Health & Safety, Human Resources, Procurement and Community Engagement functions.

Responsibilities

The assurance covered sustainability disclosures prepared in accordance with the HKEX ESG Reporting Code (Appendix C2), including Part B (General Disclosures – mandatory requirements), Part C (Key Performance Indicators subject to “comply or explain”), and Part D (Climate-related disclosures).

The engagement was conducted at a Type 1 Moderate (Limited) level of assurance, in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3), focusing on the design and implementation of sustainability management systems and processes.

Limitations

The assurance did not include a detailed audit of financial performance indicators, forward-looking statements, or any information derived from third-party sources unless directly managed by Baguio. The assurance also did not extend to operations or subsidiaries outside of Hong Kong. Due to the moderate level of assurance provided under AA1000AS v3, testing of performance data was limited to selected indicators and did not involve exhaustive sampling or recalculation.

The responsibility for preparing the Sustainability Report and all disclosed content lies with Baguio. TÜV Rheinland’s responsibility is to provide an independent assurance conclusion based on the procedures performed and evidence obtained. This statement is intended for the benefit of Baguio and its stakeholders, and may be included in the published Sustainability Report for stakeholder communication.

Conclusion

Baguio has adopted a number of practices that align with the AA1000AS v3 principles:

- **Inclusivity:** Baguio maintains structured stakeholder engagement processes, including surveys, meetings and ongoing communication with employees, clients, suppliers and community stakeholders. Stakeholder inputs are considered in sustainability management, materiality assessment and reporting.
- **Materiality:** The Group conducted a structured materiality assessment and applied a double materiality approach to identify and prioritise key sustainability topics. The outcomes are integrated into governance, risk management and operational decision-making.

- **Responsiveness:** Baguio has implemented actions to address material sustainability issues, including strengthening climate-related governance through the establishment of a Climate Committee, enhancing sustainable procurement and supplier engagement, and continuing improvements in workforce safety and operational practices.
- **Impact:** The Sustainability Report presents relevant quantitative performance indicators, including greenhouse gas emissions (Scope 1, Scope 2 and selected Scope 3), energy use, waste management and employee-related metrics, demonstrating progress against defined targets. Climate-related risks and opportunities are identified and disclosed in line with regulatory expectations.

Based on the assurance procedures conducted and the evidence obtained, we are not aware of any material aspects that would lead us to believe that the Sustainability Report of Baguio Green Group Limited for the year ended 31 December 2025 does not:

- Adhere to the principles of Inclusivity, Materiality, Responsiveness, and Impact as outlined in the AA1000AS v3 standard;
- Comply, in all material respects, with the requirements of the HKEX ESG Reporting Code;
- Provide a fair and balanced representation of Baguio's sustainability strategy, performance, and stakeholder engagement for the reporting year.

Signed on behalf of TÜV Rheinland Hong Kong Limited



Mr. Ryan Foo
Lead Verifier
Corporate Sustainability Services

Mr. Wai Kwok Wong
Technical Reviewer
Global Technical Manager – ESG and Sustainability Assurance
ACSAP

Mr. Winlon Tsui
Vice General Manager
Corporate Sustainability Services

碧瑤綠色集團有限公司
Baguio Green Group Limited