

ABOUT THE ESG REPORT

Since 2015, Baguio has been reporting its actions for and achievements in promoting sustainable development to its stakeholders. We are pleased to present our sixth Environmental, Social and Governance (“ESG”) report, which reaffirms our commitment to create a positive impact on the society and the environment.

This report is prepared in compliance with ESG Reporting Guidelines set out in Appendix 27 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Reporting Period and Scope

This report discloses the Group’s performance and initiatives on environmental and social aspects from 1 January to 31 December 2020 (“the reporting period”). The report covers performance and actions of the Group and all its subsidiaries unless otherwise mentioned.

The Board acknowledges its responsibility for ensuring the integrity of the report. To the best of its knowledge, this report addresses all material issues and fairly presents the ESG management approach and performance of the Group. This report has been reviewed and approved by the Board.

Reporting Principles

This ESG report adheres to the reporting principles of Materiality, Quantitative, Balance and Consistency which the Group has applied as below:

Materiality:	Stakeholder engagement is undertaken annually to identify the material sustainability topics. All material topics are addressed in this report.
Quantitative:	Data in this report are checked and analysed to account for year-on-year changes. Standards used for calculation of environmental KPIs are described in the Performance Data Summary.
Balance:	We prepare the report in a transparent manner in which both positive and negative performances are disclosed.
Consistency:	The data in this report are presented in a consistent manner, which allows for meaningful comparison over time.

Feedback

We value opinions of our stakeholders. Your comments and suggestions on the report and our sustainability performance are appreciated to help us improve continuously.

CORPORATE GOVERNANCE

To safeguard the interests of its stakeholders and enhance corporate value and accountability, the Group is committed to maintaining high standards of corporate governance. During the year, the Group complied with all applicable provisions of the Corporate Governance Code (the “CG Code”) stipulated in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange.

As at the date of this annual report, the Board comprises 8 members, including 5 executive directors and 3 independent non-executive directors. For further details of the Board committee, please refer pages 29 to 32 of this annual report.

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MESSAGE FROM CEO

Dear stakeholders,

I am pleased to present Baguio's Environmental, Social and Governance ("ESG") report for the financial year of 2020, which highlights the Group's ESG performance and demonstrates our commitment to providing a cleaner, greener and more sustainable environment.

The coronavirus ("COVID-19") pandemic has brought unprecedented economic and social challenges to both the Group and the community. Amid the inevitable impacts on the Group's business, we responded quickly to the pandemic by protecting the health and safety of our employees, maintaining service quality, and implementing and advocating recycling projects.

Integrating sustainability in our core business

Sustainability is an integral part of our business. In 2020, the Group continued to make progress towards integrating "local collection, local recycling, local uses" into its core business, boosting the recycling rate in Hong Kong.

In 2020, we renewed the Government contract for collecting recyclables from around 3,000 roadside government three-coloured recycling bins in Hong Kong. Consolidating our previous experience and feedback over the years, we are committed to optimising the collection process. By developing an application installed in collection vehicles and a mobile APP, we are able to measure the volume of each bin and inspect the condition of bins.

This year, we extended our recycling business to include waste paper. Baguio was appointed by the Hong Kong Government as one of the contractors to provide waste paper collection and recycling services. A Waste Paper Recycling Centre in Sheung Shui was established for processing, aiming to turn waste into resources.

Responding to COVID-19

The COVID-19 has brought profound impacts on the economy, the market environment and business operations. Owing to the nature of our business is closely linked to the everyday life of the communities, it is our responsibility to ensure that the business services we managed are not affected and continue to operate smoothly. Our staff is at the forefront of the fight against the pandemic, and therefore their health and safety are our utmost priority. The Group has committed to upholding employees' health and work safety by providing sufficient personal protection equipment (PPE) including disposable masks and gloves to frontline staff, adopting Work From Home arrangement for office staff, installing temperature detection devices and disinfecting offices more regularly.



We have proactively explored opportunities to leverage our strengths from our business to address the social needs arising from the pandemic, turning crises into opportunities and achieving win-win benefits. In September 2020, Baguio was commissioned to collect clinical waste from the Fire Eye COVID-19 Testing Laboratory at Sun Yat Sen Memorial Park. We mobilised our vehicle and manpower resources promptly from Monday to Sunday to collect contagious clinical waste and delivering it to the designated treatment centre.

We recognised the importance of delivering reliable and high-quality services to our customers during the times of COVID-19. To protect the health of our customers, we have established an effective mechanism for customer communication and disinfection of environment in case any of our staff are tested positive or require mandatory quarantine. Responding to the foreseeable rise in demand for cleaning or disinfection services, we continue to maintain our quality standards and source hygiene and disinfection products that have a low environmental impact.

Leveraging innovation and technology to promote recycling

In April 2020, we launched “iRecycle”, a recycling mobile APP platform, aiming to promote clean recycling and build recycling habits in the community. Our goal is to raise the recycling rate in Hong Kong by adopting innovation and technology. This programme allows users to earn iDollars and redeem rewards by recycling plastic bottles or glass bottles. We are proud to share that “iRecycle” has successfully collected 176,564 plastic bottles and 30,447 glass bottles since its launch. Going forward, we will continue to optimise iRecycle to further boost the recycling rate in Hong Kong. In order to make recycling easy and convenient, we have collaborated with our partners to launch a door-to-door (D2D) recycling service. Through the D2D, we are able to make recycling “into the households”.

In addition to “iRecycle”, we have made use of social media platforms to engage the community by promoting our recycling events and advocating best recycling practices such as clean recycling and proper usage of three-coloured recycling bins.

Planning for the future

Adhering to our mission to provide a cleaner, greener and more sustainable environment, mid-term targets are set to further improve our ESG performance. We are dedicated to reducing our emissions by constantly designing greener operating models and exploring energy-saving opportunities, and optimising supply chain management by identifying environmental and social impacts associated with our value chain. Climate resilience is also an essential part of our sustainability strategy. To better prepare for severe weather events, we will assess the physical climate risks faced by the Group, identify areas for improvement and enhance the existing facilities.

Looking forward

Going forward, Baguio will continue to play an active role in contributing to the development of a circular economy in Hong Kong. Going beyond recycling, we will step up our efforts in promoting “upcycling” in the future.

This year, we took a number of important steps to promote resource recycling and respond to the pandemic. On behalf of the Board, I would like to express our gratitude to all our stakeholders for their support during these unprecedented times. We look forward to continuing working with our stakeholders to contribute to sustainable development.

By Order of the Board

Phyllis Ng

Executive Director & Chief Executive Officer

Hong Kong, 30 March 2021

OUR SUSTAINABILITY PRIORITIES



As an integrated environmental services provider, Baguio is committed to providing a cleaner, greener and more sustainable environment, and proactively integrating sustainability into its business operations. Our sustainability strategy centres on 5 priorities, including Green, Innovation, Employee Well-being, Operational Excellence and Community Engagement. In support of the United Nations’ Sustainable Development Goals (SDGs), we have reviewed the 17 SDGs against our sustainability priorities and identified 6 priority SDGs which the Group could achieve a greater contribution. The adjoining table outlined Baguio’s 2020 progress in the 5 sustainability priorities.

GREEN



Moving us towards a greener future

- Collection volume of Baguio's recycling plants in 2020:
 - 9,879** tonnes of animal waste
 - 10,311** tonnes of glass bottles
 - 2,444** tonnes of paper
- Hosted a total of 26 hours of recycling plant tour and webinar for **5** organisations
- Adopted green office initiatives, such as **expanding the recycling scope** at office to include beverage cartons, isothermic bags and fruit nets etc.
- Performance improvement** comparing to 2019:

Energy Consumption
↓ 20%

Carbon Emissions
↓ 20%

INNOVATION



Using innovation to unlock potential

- Launched the **iRecycle** mobile APP in April 2020 to promote recycling
- Implemented the **Enterprise Resource Planning (ERP) system** to improve operational efficiency
- Transformed to **online attendance management system**

COMMUNITY ENGAGEMENT



Nurturing our community and culture

- Organised **40** public incentive scheme ("PIS") events
- Actively participated in community services, recorded a total of **309** volunteering hours

EMPLOYEE WELL-BEING



Promoting health in body and mind

- Established a series of anti-pandemic measures to ensure employee health and safety
- Organised the **Work Life Balance Month** to improve both physical and mental health of employees
- Launched an **incentive scheme** in 2020 to recognise the frontline staff's performance on safety, health, environment and quality
- Achieved the drop of the work-related accident rate per 100,000 man-hours to 1.15 (The work-related accident rate per 100,000 man-hours in FY2019: 1.33)

OPERATIONAL EXCELLENCE



Building trust with our stakeholders

- Founding member of the **Sustainable Procurement Charter**
- More than **94%** of respondents rated the overall quality of service as satisfactory or above in the customer service quality survey
- Invited the Independent Commission Against Corruption ("ICAC") to provide **training for all directors and Heads of Departments**

OUR SUSTAINABILITY APPROACH

Our ESG matters are managed by the ESG working group. Spearheaded by the CEO and CFO, the ESG working group reviews the Group’s sustainability strategy, addresses ESG-related issues and reports to the Board. The Sustainability Manager, who reports to the CEO, is responsible for managing and implementing environmental, community and corporate sustainability initiatives. Other departments are responsible for managing sustainability performance related to their respective duties. This ensures we are well positioned to continually enhance our environmental performance.

To manage quality, environmental and occupational safety and health (OSH) performance, the Group has an established Integrated Management System which is certified under ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018 standards. Striving for operational excellence, the Group formulates quality, environmental and OSH management targets and objectives approved by the CEO.

How We Listen to Stakeholders

Stakeholder engagement is crucial to identify risks and opportunities regarding the environment, the people and the community, enabling us to continually refine our sustainability strategy and identify room for improvement on ESG performance.

We regularly engage with our stakeholders via various communication channels. During the year, we invited 6 stakeholder groups to participate in the materiality assessment survey, for understanding their concerns and opinions on our sustainability performance. The table below summarises our stakeholder communication channels and the key concerns of our stakeholders.

Investor and shareholders	Employees	The Government	Customers	Suppliers and subcontractors	Community	Environmental NGOs
Engagement Channels						
<ul style="list-style-type: none"> Investor conference and roadshows Annual general meeting Financial reports and press releases ESG report 	<ul style="list-style-type: none"> Corporate activities and events Employee grievance mechanism Feedback from training workshops Education and support 	<ul style="list-style-type: none"> Compliance with laws and regulations Active response to government policy Ongoing communication with relevant government departments 	<ul style="list-style-type: none"> Monthly customer surveys Online questionnaire Face-to-face interviews Websites and social media platforms Feedback from front-line employees 	<ul style="list-style-type: none"> Site visits and assessments Annual Interviews and appraisals 	<ul style="list-style-type: none"> Recycling educational booths Support charity organisations Participate in voluntary work 	<ul style="list-style-type: none"> Lead public environmental education Provide site visits and seminars
Major Concerns						
<ul style="list-style-type: none"> Long-term shareholder value creation Corporate governance Risk management and internal control 	<ul style="list-style-type: none"> Training and development Remuneration Occupational health and safety 	<ul style="list-style-type: none"> Legal compliance and corporate governance Public’s environmental awareness Labour protection Business ethics 	<ul style="list-style-type: none"> Service quality control Occupational health and safety Customer satisfaction 	<ul style="list-style-type: none"> Occupational health and safety Responsible sourcing Green procurement Energy conservation and waste management 	<ul style="list-style-type: none"> Recycling services Investment in the community 	<ul style="list-style-type: none"> Recycling services Waste management Emission control

MATERIALITY ASSESSMENT

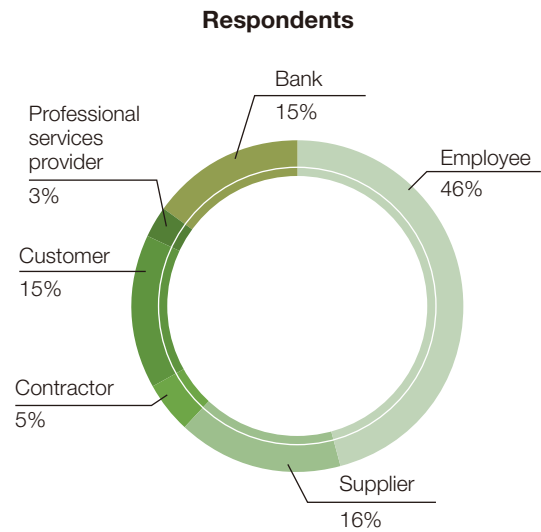
The Group commissioned an independent consultancy to conduct an annual materiality review on ESG-related topics following a process of identification, prioritisation, validation and review. This annual review enables us to identify material topics and prioritise actions to address stakeholders' concerns.

Identification

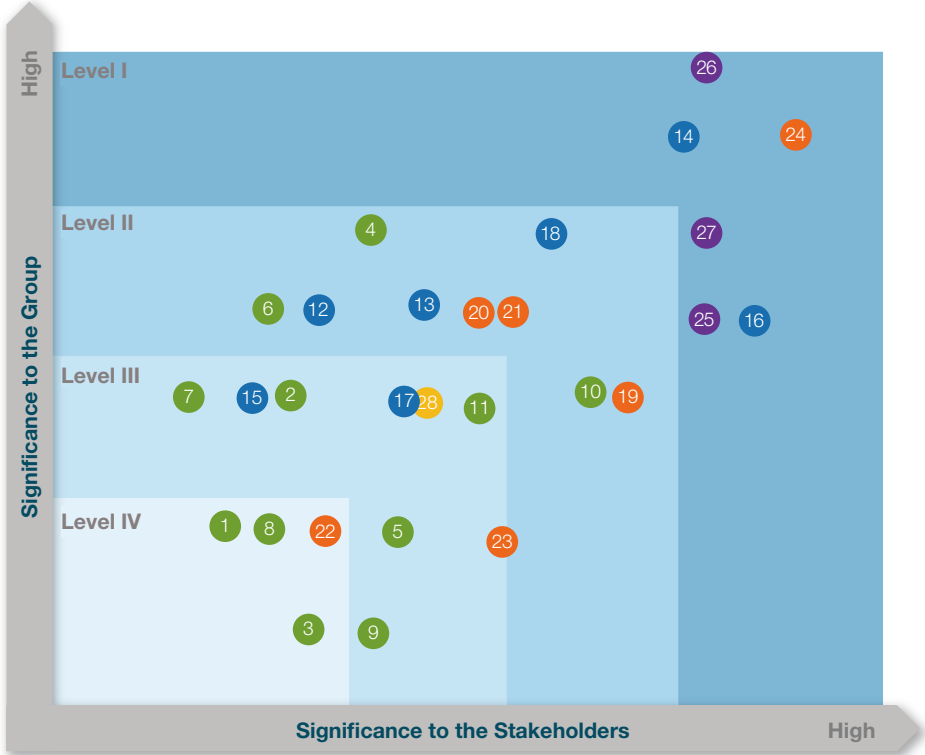
To keep abreast with the latest development of ESG, we annually review our pool of topics with reference to the HKEX ESG Reporting Guide, besides analysis of peer and industry trends. This year, a total of 28 sustainability topics were identified, of which 3 additional topics that are relevant to the Group were added, namely emergency preparedness and response, innovation and advanced technology, and collaboration and partnership.

Prioritisation

To determine the importance and significance of sustainability topics to the Group and stakeholders, we invited senior management of the Group, internal and external stakeholders to participate in an online survey. The survey results are used to prioritise the sustainability topics according to two dimensions: significance to the Group and significance to stakeholders.



Validation and Review



Level I	Level II	Level III	Level IV
<ul style="list-style-type: none"> 14 Occupational health and safety 16 Precautionary measures of child/forced labour 24 Anti-corruption 25 Service quality control and complaint handling 26 Customer satisfaction 27 Customer privacy protection 	<ul style="list-style-type: none"> 4 Hazardous waste management and reduction 6 Energy management and conservation 10 Green procurement 12 Employee retention benefits 13 Employee communication channels 18 Anti-discrimination 19 Supply chain management 20 Intellectual property rights protection 21 Emergency preparedness and response 	<ul style="list-style-type: none"> 2 Effluent discharges management and reduction 5 General waste management and reduction 7 Water management and conservation 9 Ecological conservation 11 Environmental benefits derived from corporate business 15 Employee training and promotion 17 Employee diversity 23 Collaboration and partnership 28 Community engagement and support 	<ul style="list-style-type: none"> 1 Air emissions management and reduction 3 GHG emission management and reduction 8 Packaging material consumption * 22 Innovation and advanced technology

* Newly identified sustainability topics in 2020

- Environment
- Employee Empowerment
- Operations
- Customer Services
- Community Engagement

The Group identified 6 material topics: Occupational health and safety, Precautionary measures of child/forced labour, Anti-corruption, Service quality control and complaint handling, Customer satisfaction and Customer privacy protection. The result of the materiality assessment has been validated and approved by the Group’s management.

The table on the next page shows Baguio’s material topics as well as efforts put in for responding to stakeholders’ concerns. For details, please refer to the corresponding sections in this report.

Material Topics	Baguio's Efforts in 2020	Corresponding Section
14 Occupational health and safety	<ul style="list-style-type: none"> Recorded a total of 11,203 hours of safety training Reduced work-related accident rate to 1.15 work injury per 100,000 man-hours 	EMPLOYEE WELL-BEING
16 Precautionary measures of child/forced labour	<ul style="list-style-type: none"> Full compliance with all applicable laws and regulations Performed age verification to avoid recruiting child labour 	EMPLOYEE WELL-BEING
24 Anti-corruption	<ul style="list-style-type: none"> Full compliance with all applicable laws and regulations Invited ICAC to provide training for directors and heads of departments 	OPERATIONAL EXCELLENCE
25 Service quality control and complaint handling	<ul style="list-style-type: none"> Customer complaints handling mechanism is in place to collect feedback and complaints 	OPERATIONAL EXCELLENCE
26 Customer satisfaction	<ul style="list-style-type: none"> Engaged with customers via monthly service quality surveys and face-to-face interviews with customers More than 94% of the answers in the survey were rated satisfactory or above 	OPERATIONAL EXCELLENCE
27 Customer privacy protection	<ul style="list-style-type: none"> Full compliance with all applicable laws and regulations Provided IT security training to newcomers 	OPERATIONAL EXCELLENCE

GREEN

We aim to develop projects for recycling of different types of resources and establish a traceable recycling system ingraining the goal of "local collection, local recycling, local use" into our core business.

Green Facilities at a Glance



Waste Sorting and Recycling Centre
 Since 2014

- Established a Waste Sorting and Recycling Centre in Fanling
- Obtained contracts from the Government to collect and process recyclable plastics, paper and metals from **18** districts
- Consists of approximately **3,000** roadside three-coloured recycling bins



Animal Waste Composting Plant
 Since 2017

- Operates Animal Waste Composting Plant in Ngau Tam Mei
- The treatment capacity is **40** tonnes per day
- Collected **9,878.7** tonnes of animal waste for recycling



Waste Glass Bottle Recycling Plant
 Since 2017

- Undertook waste glass container collection and treatment services in Hong Kong Island District (including Islands District) and the New Territories District with over **2,000** collection points
- Adopted advanced glass crushing technology to produce glass cullets as eco-friendly materials
- Collected **10,311** tonnes of glass bottles for recycling in 2020
- 40 public incentive scheme (PIS) carried out



Waste Plastic Bottle Treatment Plant
 Since 2019

- Commenced construction in 2019 and expect to commence operations in the third quarter of 2021
- Able to process and recycle **35,000** tonnes of PET and HDPE into food-grade ready packaging materials annually



Waste Paper Recycling Centre
 Since 2020

- The recycling centre was put into operation in October 2020 for waste paper processing, including screening, sorting and bailing locally
- Appointed by the Hong Kong government as one of the contractors in waste paper collection and recycling services programme in October 2020
- Collected **2,444** tonnes of waste paper in 2020

Resource Recycling — Where We Started and Going Beyond

Baguio Green Group is committed to focusing on the recycling business and moving forward from a recyclable waste collector to one of the key players in Hong Kong. In 2014, we set up a waste sorting and recycling centre in Fanling to commence our resource recycling core business. We have been working closely with the Government on collecting recyclables and advancing local sustainable development. Dedicated to creating a Clean and Green environment, we have developed a one-stop waste management and recycling platform, and our service scope now includes collection and processing of organic wastes such as animal waste and yard waste, waste glass bottles, waste plastic bottles and waste paper, leading the city towards a circular and zero waste economy.

We achieved an extraordinary milestone in 2017 when we were appointed by the Environmental Protection Department (“EPD”) as the qualified glass management contractor to undertake waste glass container collection and treatment service and operate the Waste Glass Bottle Recycling Plant in Tuen Mun. Currently, we have more than 2,000 waste glass bottle recycling points and collected around 35,000 tonnes of waste glass containers. Also, we have taken the lead in public education programme. We held educational tours in the Plant to deepen the knowledge and arouse public green awareness on waste glass bottle recycling.

To further complement our recycling business development, we partnered to operate the first food-grade ready plastic recycling facility in Hong Kong that is expected to commence operation by the third quarter of year 2021. Once completed, the facility will be able to recycle 35,000 tonnes of post-consumer PET and HDPE annually at a rate of 100 tonnes of plastics daily.

Going beyond advocating and education, we are committed to cultivating recycling habits of the public. In this regard, “iRecycle” mobile APP, a one-stop recycling platform with a built-in reward programme has been rolled out to facilitate behavioural change in recycling practices.

This year, we regained the government contract under EPD for collecting recyclables from 18 districts in Hong Kong, which comprises approximately 3,000 roadside three-coloured recycling bins. With the contract renewal, we are devoted to providing big data to EPD proactively, such as sorting and recycling data, condition and collection volume of the bins. To optimise recycling efficiency, we have developed apps installed in each collection vehicle for capturing the collection volume of each bin and a mobile APP for inspection and reporting of collection operations. We make the best use of social media platforms to advocate “good recycling practices”, essentially for clean recycling.

Going forward, we will continue the effort in expanding other recycling business towards our ultimate goal of “Zero Landfill” and strive for upcycling in Hong Kong. The key environmental benefits of plastic and glass recycling we created are noted below.

Waste Plastic Recycling Initiative for Rebuilding Trust

Resolving the waste plastic disposal problem is of high priority in Hong Kong. Yet, the insufficient confidence of Hong Kong people in the waste plastic recycling scheme is a hindrance to intensifying the local recycling effort due to previous malpractices in handling recyclables by some contractors. We are working to restore the confidence in “Waste Plastics Recycling” and promoting the local recycling services, through operating the first food-grade ready waste plastic processing plant in Hong Kong in terms of enhancing the technology and capacity.

This year, we continue to collaborate with ALBA Group Asia Limited (“ALBA”) and Swire Beverages Holdings Limited (“Swire”) on the joint venture project for plastic waste recycling. The construction of the waste plastics processing plant is expected to be in operation in the third quarter of 2021. Upon commencement of operations, we will recycle the local consumed PET and HDPE bottles, followed by processing the recycled commodities into food-grade ready rPET flakes and high-grade rHDPE pellets, which can be reused as raw materials for industrial products and turned into food-grade packaging materials such as beverage bottles.

Currently, we are actively liaising with different stakeholders to build the collection network. For instance, plastic bottle collection from the reverse vending machines of Swire and A.S. Watson, and encouraging public recycling by economic incentive provided in “iRecycle” APP. We expect to achieve the goal of recycling 35,000 tonnes of plastic per year.

Carrying on with Awareness Raising and Education

To boost the environmental consciousness within our society, we place an all-round education strategy both internally and externally.

Having the twin purposes — environmental protection and education — as the backbone of the green facilities, education tours are arranged in our recycling plants along with the regular recycling operations. Taking glass recycling as a case, we held three education tours in the Waste Glass Bottle Recycling Plant for institutions during the year. The guided tour covers a seminar on glass bottle collection and recycling process, and foster clean recycling practices. The waste glass bottles are converted into reusable materials, such as raw material for eco-paver and public works application. We prompt glass bottle recycling by means of visualising the end-of-life treatment of glass bottles to strengthen the environmental awareness of glass bottle recycling among the public. Furthermore, incentivising the general public is crucial in running an educational campaign. This is also the purpose of the public incentive scheme (“PIS”) which is set up as a channel for the public to barter the glass bottles for daily necessities. During the year, we partnered with various organisations and carried out 40 events.

The provision of Introductory OSH training for operation staff aims to pinpoint the proper way of handling sewage and environmental practices at the workplace. To raise awareness, the training highlights the consequences of not considering the ecosystem when using chemicals and pesticides massively and discharging the sewage to the roadside trenches. The operation staff is also encouraged to adopt recycling practices throughout operation and clean recycling instructions are stipulated in the training material.

Embracing iRecycle for Stimulating Behaviour Change

Going beyond advocating and education, Baguio is committed to cultivating recycling habits of the general public. In this regard, “iRecycle” mobile APP, a one-stop recycling platform with a built-in reward programme, has been rolled out to facilitate behavioural changes on recycling practices. Such investment is mainly for promoting domestic and commercial recycling of plastic bottles (PET and HDPE) and glass bottles at designated collection points. With the support of our partners, over 176,564 plastic bottles and 30,447 glass bottles have been collected since the launch of the APP.



Baguio has been scouting out means to prompt recycling habits in the society. Noticing COVID-19 is undoubtedly changing the way we live, stay-at-home activities and thereby the individual streams of single-use waste are being accelerated during the unprecedented times. In view of this, we encompassed door-to-door recycling service to provide a more convenient and efficient way for recycling when staying home is a new trend of living.

We plan to scale up the programme through scope expansion to collect such as waste paper and aluminium as well. By incorporating innovative technologies and strategies in our core business, we desire to achieve “Make Recycling Easy” and raise the recycling rate of Hong Kong eventually.

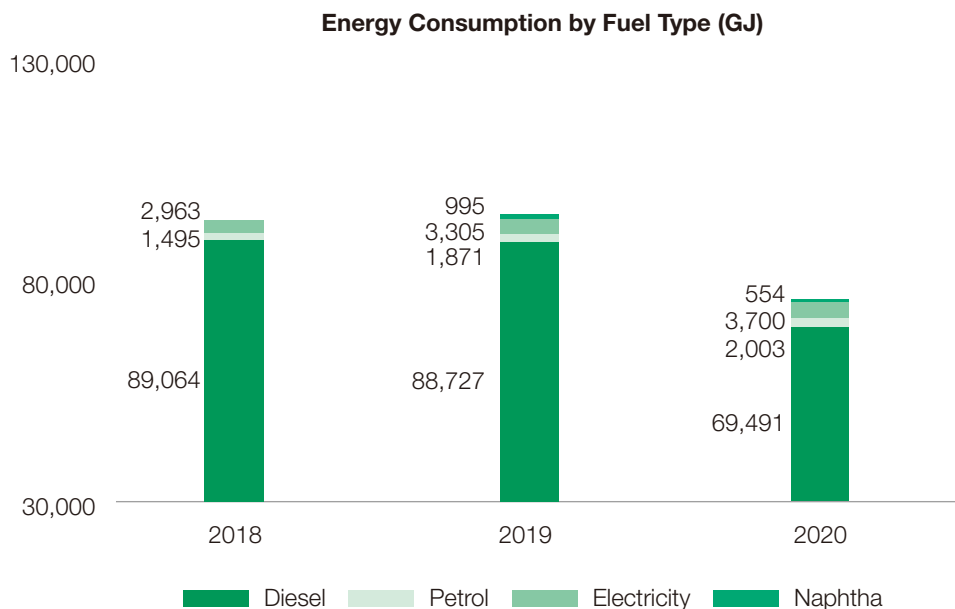
Environmental Management

Led by the Safety, Health, Environment and Quality (“SHEQ”) Department, a robust Environmental Management System certified with the ISO 14001:2015 standard is in place. We manage the environmental components of services we provide through an Integrated Management System (“IMS”) that covers the provision of cleaning services, hospital domestic and supporting services, landscaping works, horticultural maintenance, greening, tree management services, pest management services, waste management and recycling services. Within the framework of the IMS, we engage with all employees as well as sub-contractors to ensure compliance with all applicable statutory requirements. For continuous improvement, the IMS policy is reviewed and evaluated annually.

During the year, we were not aware of any non-compliance of relevant laws and regulations¹ that could have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Energy Consumption

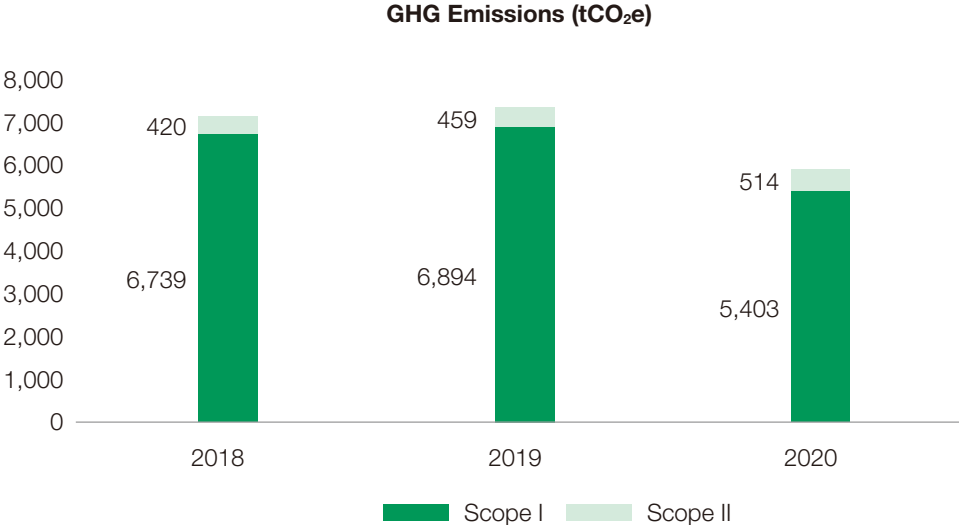
During the year, the majority of the Group’s energy consumption was attributed to fuel consumption by our fleet due to a route-based business. A total of approximately 75,748 GJ was recorded, with a decrease of 20% year on year.



¹ Please refer to the section headed **Applicable Laws and Regulations** for environment-related laws and regulations.

Carbon Emissions

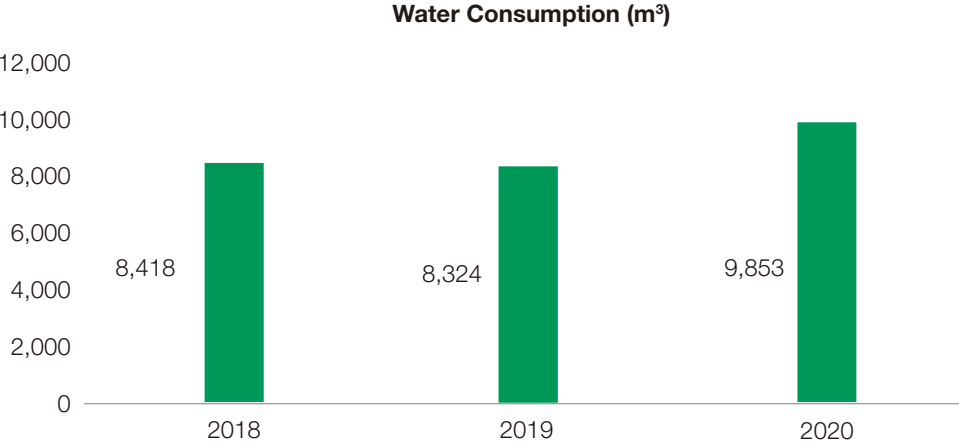
Our operations generate carbon emissions directly from fuel consumption by vehicles and machineries (Scope I) and indirectly from purchased electricity consumption (Scope II). Total amount of greenhouse gas (“GHG”) emissions during the year was approximately 5,917 tCO₂e, a decline of 20% compared to 2019. Scope I and Scope II GHG emissions were approximately 5,403 tCO₂e and 514 tCO₂e respectively.



Since a large portion of our carbon emissions is associated with the fleet operation, identifying ways to reduce fleet emissions is critical. We currently have a total of 342 vehicles of which 80% are Euro V or above. We are committed to upgrading our entire fleet to Euro 6, a more environment-friendly model, and started trying out electric vehicles to reduce roadside air emissions. To decarbonise our operations process, we are pursuing opportunities for use of renewable energy in our truck fleet and recycling plant in coming years.

Water Consumption²

The Group’s operations in office and facilities used approximately 9,853 cubic meter of water in 2020. The Group did not have any issue in sourcing water that is fit for the purpose.

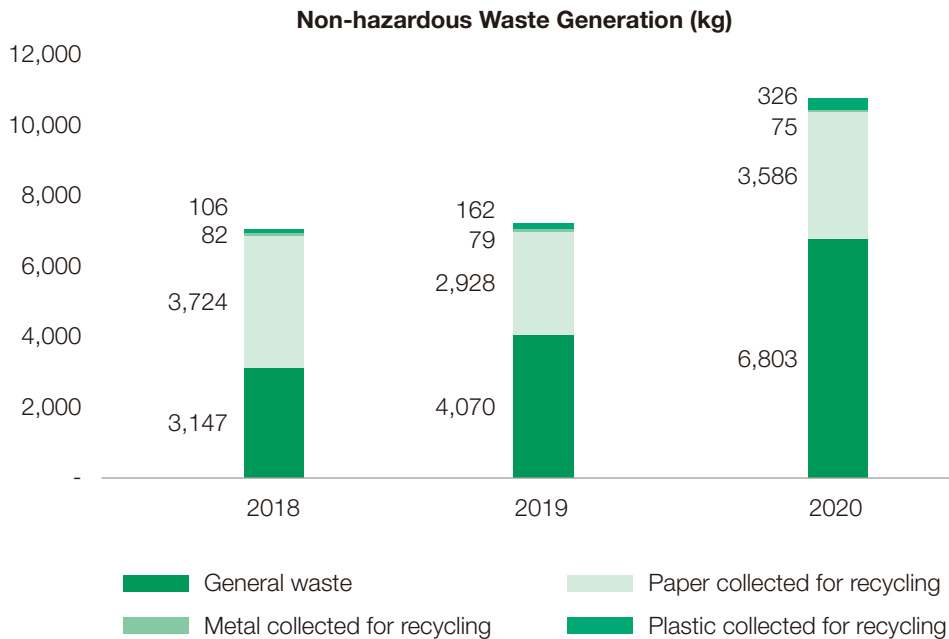


² Water consumption at waste glass bottle recycling plant was excluded in the data boundary as the consumption volume is considered as minimal.

Waste Management

The primary impact of our activities on the environment is generation of both hazardous and non-hazardous waste.

During the year, the Group's operations generated 3,600 litres of hazardous waste and approximately 10,790 kg of non-hazardous waste. To ensure our operations align with the sustainability ambition, we recycled 37% of non-hazardous waste, including paper, metals and plastics for optimising resources utilisation.



Environmental Emergency Management

Striving to reduce the unforeseen impacts of emergency situations on our operations, we have an Environmental and OSH emergency preparedness plan in place which outlines the recovery and mitigation measures. These plans address ways of handling situations arising from extreme weather conditions such as typhoons, accidental spills of chemicals and dangerous goods, and dead animal bodies handling. Specific ways of responding to emergency situations and potential environmental hazards are outlined.

INNOVATION

Baguio believes technological innovation is crucial to improve our operational efficiency. We continue to identify new technological solutions to optimise our productivity, while exploring opportunities for integrating technologies into public green awareness-raising campaigns.

Promoting Local Recycling via Mobile Recycling Platform

Baguio is committed to promoting sustainable development in Hong Kong. To motivate the public's recycling behaviour, the Group launched "iRecycle", our first mobile one-stop recycling platform to promote the recycling of plastic bottles (PET and HDPE) and glass bottles in April 2020. By recycling at designated iRecycle collection points, users can earn iDollars for redeeming various shopping, catering, entertainment and healthcare discount coupons in the mobile APP. It is hoped that the launch of iRecycle provides the public with a convenient recycling channel and creates economic incentives by the rewarding programme.

Leveraging Technology to Enhance Productivity

The Group invests in resources to improve the workflow by adopting digital transformation. During the year, the Group decided to implement a comprehensively new Enterprise Resource Planning ("ERP") system to improve the efficiency of its operations. System and program analysis are conducted during the year. The adoption of ERP system optimises the documentation of corporate data with cloud computing service, automise operational processes and enables more efficient data sharing among departments since it unifies the data and information of the Group.

Apart from the ERP system implementation, the Group went paperless by adopting an online attendance management system for front-line operation staff. Compared to the previous attendance management system under which paper forms were used for attendance tracking, the online system allows employees to record attendance using an APP. The record will be instantly uploaded to the system and this substantially reduces paper waste and manual processes.

Maintaining Quality Services

Fleet Management

An efficient fleet of vehicles is vital to meet a wide range of operational needs. Two essential tracking tools are continuously in operation to help us better manage our fleet and raise operational precision. To enhance the tracking of the fleet's operational efficiency, the Group has adopted an iButton electronic key system to identify authorised drivers. 99% of our vehicles have been installed with the iButton electronic key system, with a usage rate of around 90%. Geographical information system (GIS) platform is also adopted for optimising route arrangements of the fleet.

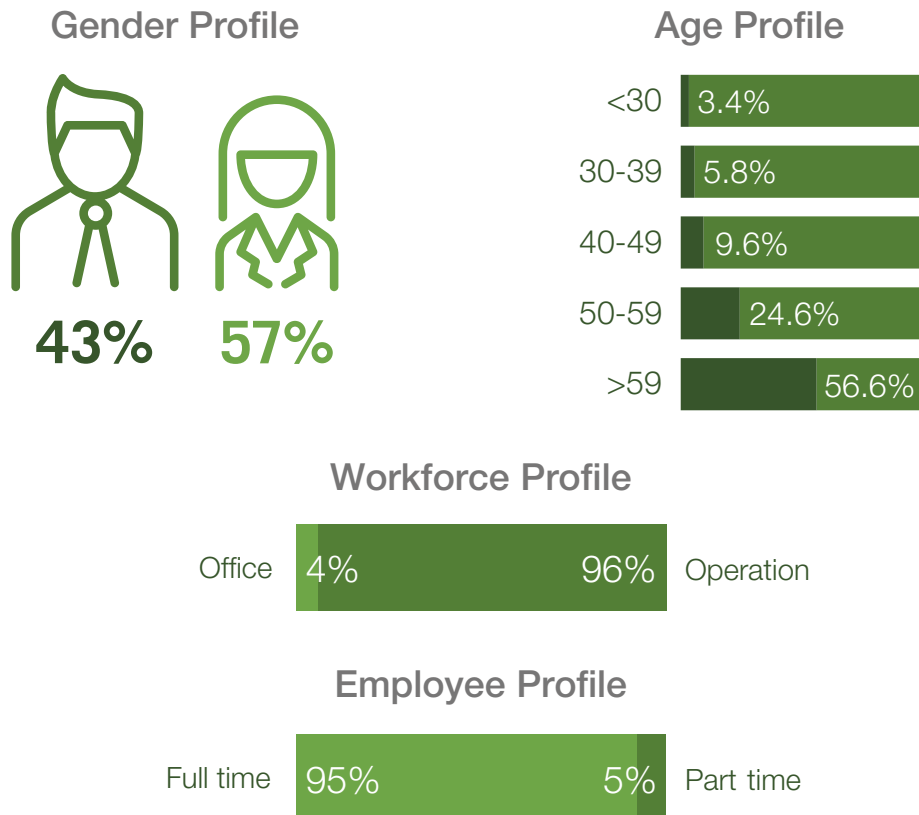
In addition to the adoption of technologies, proper conduct of our staff is equally important to achieving efficient fleet management. Adhering to our internal driving offence points system, we record points in each employee's driving record, should they commit and be convicted of any traffic offence or cause a traffic accident due to personal fault. When they accumulate a certain number of points, their driving duty will be suspended until they have passed the mandatory driving skill assessment. Serious offenders can be subject to cancellation of driving qualification or termination of employment.

EMPLOYEE WELL-BEING

Baguio regards its staff as the greatest asset of the Group. As an industry leader in environmental services, we are committed to enabling our employees to realise their full potential and grow with the Group's development.

Our Employees

As at the end of the year, the Group employed 5,255 office and operations staff in Hong Kong. We strive to provide resources and opportunities for engaged employees to work together. Our employee policies are articulated in the Employee Handbook which strictly adhere to Hong Kong labour legislations, including but not limited to the Employment Ordinance and Minimum Wage Ordinance.



Based on the principle of "Fairness, Openness and Impartiality", we adopt the equal opportunity policy in all recruitment and employment procedures. Candidates and staff of the Group are treated equally regardless of race, gender, skin colour, marital and family status, pregnancy, or disabilities. All employees are entitled to opportunities for promotion and transfer based on their work performance and abilities. Measures such as age verification using HKID card during the recruitment process are also adopted to prohibit child.

During the year, the Group was not aware of any non-compliance of relevant laws and regulations³ that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and preventing child or forced labour.

³ Please refer to the section headed **Applicable Laws and Regulations** for labour-related laws and regulations.

Employee Wellness and Well-being

Aiming to promote employee well-being and a healthy work-life balance, we have introduced a series of employee well-being initiatives at the workplace. With regard to the COVID-19 pandemic, we held the “Anti-pandemic Week” this year. Other recognisable events such as Work Life Balance Month, corporate and festival activities were organised for employee well-being. We also encourage staff to join community service activities initiated by our CSR Working Group.



Anti-pandemic Week



Dragon Boat Festival



Mid-Autumn Festival



Work Life Balance Month 2020

The Work Life Balance Month 2020 was initiated to promote a healthy working environment to our employees. We strive to promote physical health awareness of our employees through sharing healthy food recipes such as fruit juice and soup. In view of their psychological needs, we engaged our employees with team building games during the month. Educational talks on disease and mental health are also delivered on regular basis.

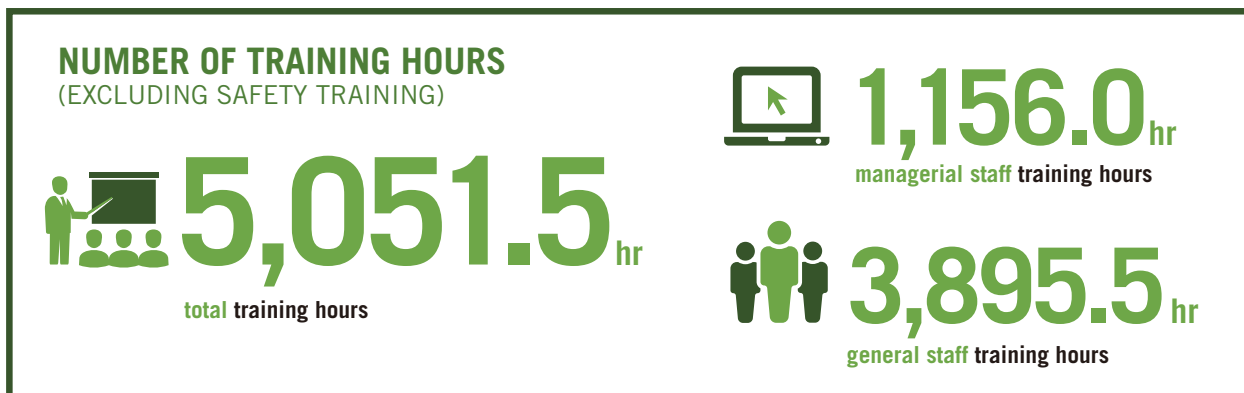


Talent Management

The Group encourages its staff to utilise their talents in the workplace. We recognise the importance of attracting talented employees and retaining them to support business growth and to maintain high level of quality service delivery.

We provide attractive remuneration packages and staff benefits, ensuring our offers remain competitive in the market. For long-term development of the staff, we strive to support the growth of employees' personal attributes and to look for opportunities to enhance career prospects. Office and operations staffs are encouraged to undergo substantial training. To equip employees with suitable operations and management attributes according to market needs and changes, a wide range of internal and external training opportunities are offered to the workforce. We expect our staff acquire professional knowledge and skill sets beneficial for their career development and take charge of their respective positions in the future.

The training focus of this year is to reinforce operating know-how and business ethics of the newly joined supervisors. The Group recorded a total of 5,051.5 training hours excluding safety training. The total number of training hours of managerial staff and general staff were 1,156 hours and 3,895.5 hours representatively.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The COVID-19 pandemic has brought changes to the entire society as demand for quality environmental services surged. In light of this situation, we organised a variety of internal training during the year to strengthen the competitive advantage of the workforce by enhancing its operational knowledge, so as to support the increasingly high needs and standards for public hygiene services, monthly training is offered to drivers and pest control staff, covering professional development topics such as driving, pest control and anti-corruption, etc.

Training Topics Covered	Total Hours of Training Provided
Professional development	3,899.5
Anti-corruption training	58.5
Anti-illegal and child labour training	63.0
Orientation training	114.0
Information Technology training	744.0
Other trainings	172.5
Total	5,051.5

In 2021, more training programmes are being planned, such as managerial programmes for project management and design. We look forward to seeing more and more employees attaining professional recognition for their efforts and performance. The Group would continue to provide guidance to its employees through the Recognition of Prior Learning (“RPL”) Mechanism under the Qualifications Framework (“QF”) launched by the Education Bureau. We are currently revamping our appraisal system which will be available with specific Key Performance Indicator (“KPI”) in the coming year. It is expected to further improve our employees’ performance and career development.

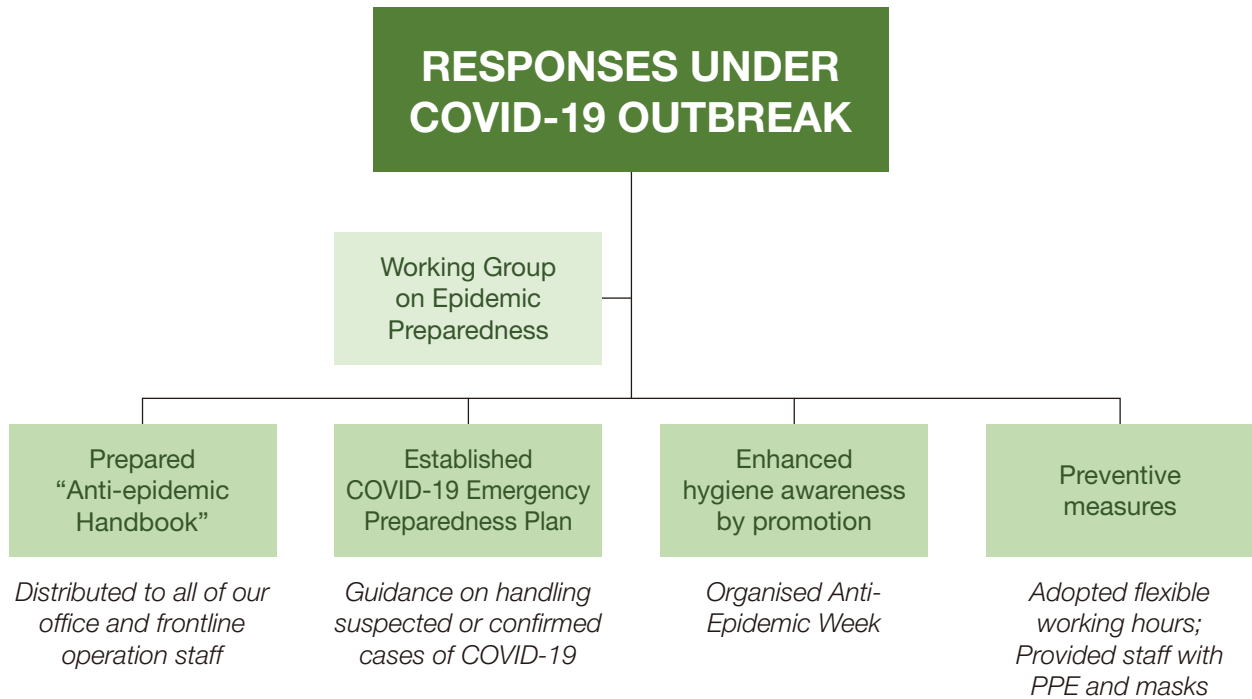
Occupational Health and Safety

Baguio’s topmost priority is to ensure the health and safety of its workforce. All safety matters of the Group are handled and implemented by the SHEQ Department, in accordance with the ISO 45001:2018 standard. Our safety management system is routinely reviewed to ensure compliance with all applicable labour and safety legislations in Hong Kong and the Mainland.

Responding to COVID-19

Since the beginning of the COVID-19 pandemic outbreak, the Group has responded with prompt actions by setting up the “COVID-19 Response Team” and implementing a series of preventive measures to safeguard the health and safety of our employees.

While contributing to efforts to combat the pandemic and maintaining uninterrupted operations, we have endeavoured to offer employees a sense of care and security, motivating them to respond proactively to the uncertainties brought by the pandemic.



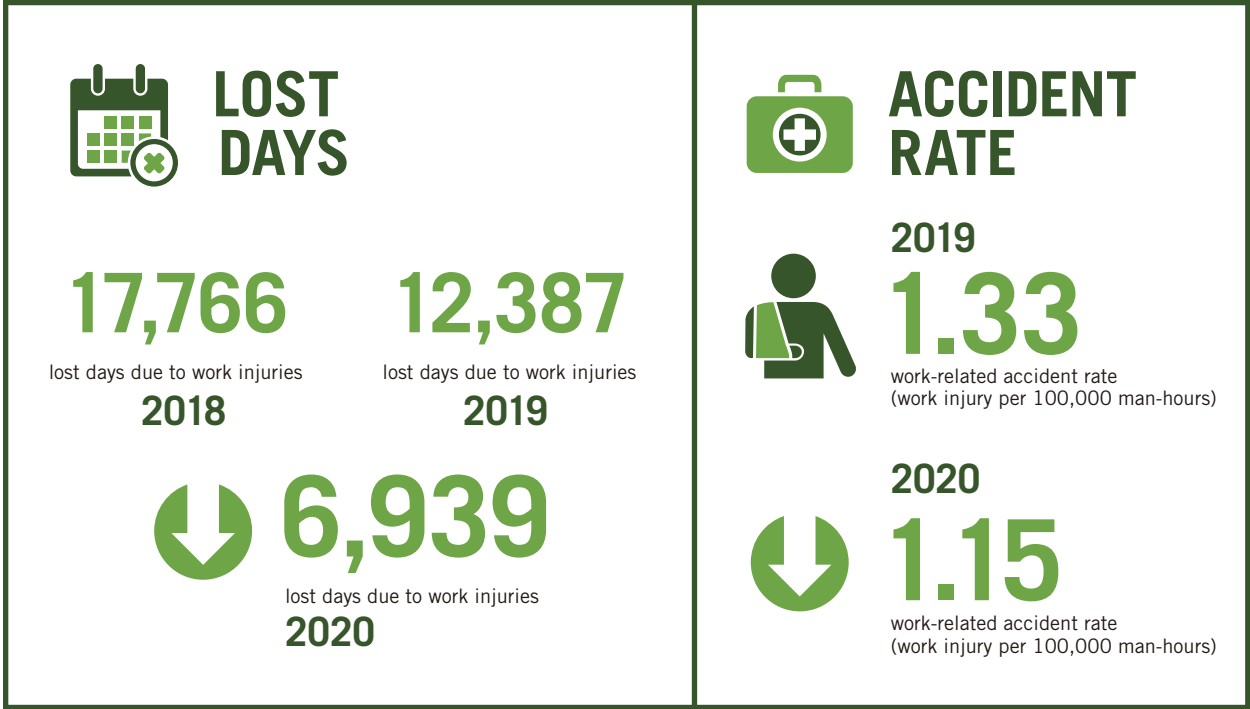
To enhance communication during the pandemic, the Group flagged up safety alerts for incident sharing across different operational teams by SMS, instant messages and QR codes. During the year, 10,449 safety alerts were sent via instant messaging application.

Workplace Safety and Occupational Health

To ensure occupational health and safety, training is offered to the workforce according to the Occupational Health & Safety and Environmental Guidelines. Quadrilingual management guidelines are prepared for the diversified workforce, mitigating risks inherent in daily operational duties which include machinery operation, chemicals handling, use of electrical appliances and working at height.



This year, a channel for reporting high-risk activities was established to minimise work-related accidents. Operational teams were required to report upcoming high-risk work to the SHEQ team, while safety inspection and random checks were conducted to ensure safety measures were well implemented in the workplace.



We continued to make Baguio a safe and healthy workplace. 6,939 lost days were documented during the year. We were grateful to report that in the year 2020, our work-related accident rate per 100,000 man-hours decreased from 1.33 in 2019 to 1.15 in 2020, with no work-related fatalities reported. Our ultimate goal is zero work injury. Under our rehabilitation management, the Group keeps close contact with injured staff and provides rehabilitation services to speed up their recovery. Steps are taken to ensure that similar incidents will not happen again in the future.

As a people-oriented company, Baguio is always committed to promoting safety awareness among frontline staff to minimise work-related injuries and fatalities. The Group has implemented a list of measures for operational safety and health. The SHEQ Competition which has been organised for 10 consecutive years recognises staff who put in efforts for improving SHEQ performance. This year, we established the “Best Safety Supervisor Award” for supervisors who actively promote operational safety and health, as well as environmental protection.



SHEQ Incentive Scheme

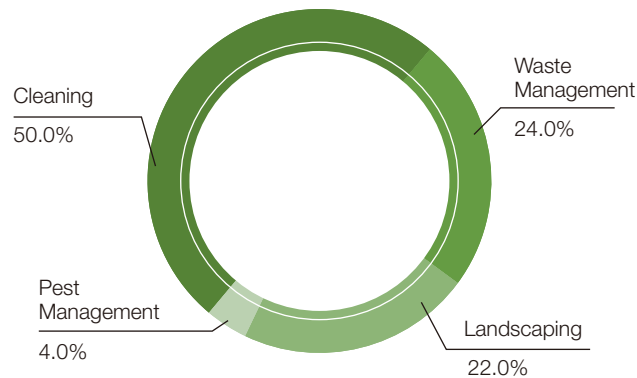
In 2020, we initiated the SHEQ Incentive Scheme. Recognising staff with outstanding SHEQ performance, the incentive scheme aims at enhancing frontline staff's performance on operational safety and health, environment, and quality. Cash rewards will be given to the operation staff if no work-related injuries happen during the entire contract period. If compliments are received from customers, the Group will also reward the employees with cash coupons to recognise their hard work. 10 cleaning contracts were selected to participate in the newly launched scheme.

Safety Training

In pursuit of occupational health and safety, we continued to conduct the "Train-the-Trainer" programme this year. A total of 11,203 hours of safety-related training was recorded by 100 qualified trainers by the end of the reporting period.

The SHEQ Department oversees and reviews periodically the Group's safety management system to ensure compliance with all applicable labour and safety regulations⁴.

Number of Qualified Trainers



⁴ Please refer to the section headed **Applicable Laws and Regulations** for labour and safety-related laws and regulations.

OPERATIONAL EXCELLENCE

Operational commitment is the key to Baguio's long-term success. The Group strives to deliver quality services and meet the ever-changing customer expectations through enhanced technologies and its ISO-certified Integrated Management System.

Our Quality Management System is certified for ISO 9001:2015 Standard. To safeguard the best interests of our customers and ensure compliance with relevant laws and regulations, we carry out regular audits to secure the quality of our services.

The Group was not aware of any non-compliance of laws and regulations⁵ that had a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redressal.

Supply Chain Management

The Group is dedicated to collaborating with a wide network of suppliers and sub-contractors who are competent to deliver quality goods and services in a responsible manner. To this end, we conduct annual reviews to assess their performance and regularly review the list of approved sub-contractors and suppliers. Moreover, tenders from reputable suppliers are invited and suppliers are encouraged to establish certified management systems including adherence to ISO standards to systematically manage safety and environmental issues.

Taking a proactive engagement approach, we conduct annual interviews with a selected panel of sub-contractors and suppliers to get a better understanding of the challenges they face. This two-way dialogue enables both parties to work together for continuous improvement in the sustainable journey.

Sustainable Procurement

Incorporating sustainable practices in our operations is a central part of our business operation. As a founding member of the Sustainable Procurement Charter, Baguio takes steps to implement sustainable procurement with reference to ISO 20400 Sustainable Procurement Standard. For instance, our staff have attended a forum on sustainable procurement provided by Green Council, as well as training courses on ISO 20400 and "How to prevent bribery and corruption" seminar. During procurement, the Group prioritises the purchase of eco-friendly products including degradable plastic bags, eco-friendly pesticides and chemicals, and paper with at least 50% recycled content. Currently, we are gradually increasing the procurement proportion of eco-friendly products by setting up annual targets. Going forward, we will continue to take on a leading role by establishing our sustainable procurement policy and code of conduct for supplier compliance.

94% of procured plastic bags are degradable

Enhancing Customer Satisfaction

Baguio spares no effort in building a strong relationship with customers and explores every option to accommodate their needs whenever possible. Customer feedback from all five business units is gathered through monthly service quality surveys and analysed on a half-yearly basis.

The survey encompasses a full spectrum evaluation of our service quality under three categories, including service performance, managerial staff performance and operation staff performance. During the year, more than 94% of the answers in the survey were rated satisfactory or above, in which the answers to each of the three categories questions rated satisfactory or above are 90%.

The Group values all feedback from its customers. To genuinely understand our customers' demands and preferences, we have carried out face-to-face interviews with them in addition to surveys. Besides, our customer complaints handling system is managed on intranet logs for swift handling and follow-up on all reported cases. This serves as another channel to collect feedback and helps maintain smooth communication.

⁵ Please refer to the section headed **Applicable Laws and Regulations** for product responsibility-related laws and regulations.

Upholding Anti-corruption Practices

Integrity is essential to maintain long-term relationships and trust with our stakeholders. Baguio is committed to the highest standards of ethics and honesty. We adopt a zero-tolerance approach to any and all corrupt behaviours including bribery, extortion, fraud and money laundering. Employees are required to strictly follow the anti-corruption guidelines stated in the Employee Handbook, which prohibit staff from accepting benefits from business partners and falsifying documents. Employees are not allowed to accept gratuities and gifts exceeding the price limit set by the Group. To avoid conflict of interest, staff is required to complete a “Conflict of Interest Declaration Form” and report to the Group if they encounter a potential conflict of interest. Legal action may be taken against related personnel if violation of law and regulations is discovered. A Business Code of Conduct will be in place for all employees which covers all anti-corruption information.

To raise employees’ awareness of anti-bribery and corruption issues, anti-corruption laws and standards are taught during orientation training. Current employees are required to attend anti-corruption and ethics training every two years, the purpose being to update and refresh memories on anti-corruption. During the year, we joined an anti-bribery and corruption webinar and invited Independent Commission Against Corruption (“ICAC”) to provide a training session for all our directors and Heads of Departments. In view of the COVID-19 situation, anti-corruption training to general employees was cancelled in 2020. However, we acknowledge the importance of ethical training. The Group shall try to resume the training next year.

The Group encourages employees to report any suspected cases of corrupt behaviours. The speak-up policy ensures employees are able to inform or submit a grievance in a confidential manner. The policy and complaint handling procedures are annually reviewed to ensure they are up to date.

During the year, the Group’s operations complied with all relevant laws and regulations⁶ relating to bribery, extortion, fraud and money laundering. The Group was not involved in any corruption cases during the year.

Safeguarding Confidential Matters

Baguio attaches great importance to data privacy. Personal information is collected and processed in compliance with the Personal Data (Privacy) Ordinance. Our Employee Handbook sets out the guidelines on confidential information handling. Without the Group’s written consent or authorisation, employees shall not disclose any confidential information to others. Relevant personnel who have regular access to sensitive information are required to sign a Declaration of Confidentiality.

To enhance employees’ understanding and awareness of the need for data privacy protection and cybersecurity, we provide IT security training to newcomers and communicate the data protection principles that apply to collection, use, disclosure and retention of personal data to office staff during orientation.

During the year, the Group did not encounter any cases of infringement of laws and regulations⁷ related to data privacy and security as well as intellectual property rights.

⁶ Please refer to the section headed **Applicable Laws and Regulations** for anti-corruption-related laws and regulations.

⁷ Please refer to the section headed **Applicable Laws and Regulations** for data-privacy-related laws and regulations.

COMMUNITY ENGAGEMENT

Baguio is a part of the community where we operate. Moving beyond day-to-day business, the Group has increasingly become involved in the neighbourhood by supporting various community wellness activities. As a specialist in environmental services, we are particularly motivated to promote awareness of recycling and green living to the public.

Baguio has been committed to fostering a better community through ongoing education, corporate volunteering, financial donation and in-kind contribution. We partner with charitable organisations and green organisations, offering our resources to empower underprivileged groups and develop a more inclusive society. In 2020, Baguio made around HK\$180,000 cash sponsorship and in-kind sponsorships including materials and recyclables collection services.

Fighting the Pandemic

We fulfilled our social responsibility during the hard time of the COVID-19 pandemic. Through participating in the “Dawn under the Epidemic • Donations of Epidemic Prevention Package” activity, our dedicated employees volunteered to distribute masks, antiseptic tissues and hand sanitisers to charity organisations including Hong Kong Blind Union and St. James’ Settlement, supporting around 300 individuals in need and alleviating the pressure of supply shortage of sanitisers and cleaning products.



Advocating Staff Volunteerism

To increase the bonding between our staff and encourage them to share our core values of giving back to the community, a range of volunteering activities with our partner organisations were launched this year. Through participating in these activities, our staff helped to reduce food waste, donate unused resources and recycle shoes to the needy. During the year, the Group organised 14 community activities, with total hours amounting to 309 hours of volunteering.



Preparation of Anti-Epidemic Kit



Mooncake Box Recycling



Preparation of Green Planting Kit

SUMMARY OF COMMUNITY ACTIVITIES IN 2020

Partner Organisation	Volunteering Activities	Volunteering Hours
Education and Development		
City One Shatin	Baguio Glass Bottle Recycling Plant Visit	6
City One Shatin	Baguio Green Recycling Services Webinar	2
Hong Kong Baptist University	Baguio Waste Sorting & Recycling Centre Visit	8
Hong Kong Jockey Club	Baguio Glass Bottle Recycling Plant Visit	4
Kwai Chung Hospital – Hospital Authority	Baguio Glass Bottle Recycling Plant Visit	4
The Open University of Hong Kong	Baguio Green Recycling Services & Innovation Webinar	2
Environmental Protection		
Hong Kong Playground Association and The Salvation Army	Shoes Recycling Campaign 2020	4
Mill Mill and Baguio Waste Sorting & Recycling Centre	Mooncake Container Recycling	2
Hong Kong Playground Association and Ngau Tau Kok Elderly Centre	Preparation of Green Planting Kit	73
Missing Link-Polyfoam Recycling Scheme	Saving Fruit Nets Action	4
The Green Earth	Night Walk for the Green Earth 2020	30
N/A (Internal Community Service)	Clean Up Hiking Trail Activity	33
Community Well-being		
Haven of Hope Christian Service	Flag day 2020	10
Food Angel	Mooncake Donation	1
Hong Kong Blind Union and St. James' Settlement	Dawn under the Epidemic • Donations of Epidemic Prevention Package	13
Hong Kong Playground Association	Donations of Epidemic Prevention Package	113
Total		309

APPLICABLE LAWS AND REGULATIONS

Aspect	Applicable Hong Kong 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 	GREEN
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; 	EMPLOYEE WELL-BEING
Labour standards	<ul style="list-style-type: none"> • Employment of Children Regulations • Employment of Young Persons (Industry) Regulations; 	EMPLOYEE WELL-BEING
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 	EMPLOYEE WELL-BEING
Product responsibility	<ul style="list-style-type: none"> • Personal Data (Privacy) Ordinance • The Trade Descriptions Ordinance 	OPERATIONAL EXCELLENCE
Anti-corruption	<ul style="list-style-type: none"> • Prevention of Bribery Ordinance • The Competition Ordinance 	OPERATIONAL EXCELLENCE

PERFORMANCE DATA SUMMARY

		2020	2019	2018
Employment	Group-wide (Person)	5,255	7,457	8,715
	By Employment type			
	Full-time (Person)	5,011	7,135	8,389
	Part-time (Person)	244	322	326
	By Workforce			
	Office Staff (Person)	225	218	208
	Operations Staff (Person)	5,030	7,239	8,507
	By Age group			
	Under 30 (Person)	179	238	247
	30-39 (Person)	306	341	380
	40-49 (Person)	503	676	845
	50-59 (Person)	1,292	1,687	2,043
	60 or above (Person)	2,975	4,515	5,200
	By Gender			
	Male (Person)	2,282	3,389	3,897
Female (Person)	2,973	4,068	4,818	
	Group-wide turnover rate (%)	2.71	3.72	3.53
Training and Development	Training hours (including safety training) (Hour)	16,255	20,168	13,191
	By Workforce Profile			
	Managerial staff (Hour)	1,156	2,181	2,147
General staff (Hour)	15,099	17,987	11,044	
Health & Safety	Days lost due to work injury (Day)	6,939	12,387	17,766
	Work-related accidents (Number) (cases of over 3 lost days)	135	237	317
	Work-related accident rate (Cases per 100,000 working hours)	1.15	1.33	1.59
	Confirmed work-related fatalities (Number)	-	-	1
	Safety Training hours (Hour)	11,203	10,629	8,101

ESG CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
A. Environmental		
Aspect A1	Emissions	
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	GREEN During the year, the Group was not aware of any non-compliance of applicable laws and regulations and was not subject to any significant fines or non-monetary sanctions due to non-compliance.
KPI A1.1	The types of emissions and respective emissions data.	GREEN – Environmental Management; Performance Data Summary
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GREEN – Carbon Emissions
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GREEN – Waste Management
KPI A1.4	Total non-hazardous waste generated (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GREEN – Waste Management; Performance Data Summary
KPI A1.5	Description of measures to mitigate emissions and results achieved.	GREEN – Environmental Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	GREEN – Waste Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
Aspect A2	Use of resources	
General disclosure	Policies on efficient use of resources including energy, water and other raw materials.	GREEN – Environmental Management
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)	GREEN – Energy Consumption; Performance Data Summary
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GREEN – Water Consumption; Performance Data Summary
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	GREEN – Energy Consumption; Carbon Emissions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	GREEN – Water Consumption The Group sources water solely from municipal water supplies, having no issue in sourcing water that is fit for purpose.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group’s operations do not involve the use of packaging materials.
Aspect A3	The environment and natural resources	
General disclosure	Policies on minimising the issuers’ significant impact on the environment and natural resources.	GREEN – Environmental Emergency Management
KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GREEN – Resource Recycling – Where We Started and Going Beyond; Environmental Emergency Management; INNOVATION – Promoting local recycling via mobile recycling platform

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
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.	EMPLOYEE WELL-BEING – Our Employees; Employee Wellness and Well-being Talent Management During the year, the Group was not aware of any non-compliance of applicable laws and was not subject to any significant fines or non-monetary sanctions due to non-compliance.
KPI B1.1	Total workforce by employment type, age group and geographical region.	EMPLOYEE WELL-BEING – Our Employees
KPI B1.2	Employee turnover rate by age group and geographical region.	EMPLOYEE WELL-BEING – Our Employees
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.	EMPLOYEE WELL-BEING – Occupational Health and Safety During the year, the Group was not aware of any non-compliance of applicable laws and was not subject to any significant fines or non-monetary sanctions due to non-compliance.
KPI B2.1	No. and rate of work-related fatalities	EMPLOYEE WELL-BEING – Occupational Health and Safety
KPI B2.2	Days lost due to work injury.	EMPLOYEE WELL-BEING – Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	EMPLOYEE WELL-BEING – Occupational Health and Safety
Aspect B3 Development and training		
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	EMPLOYEE WELL-BEING – Talent Management
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	EMPLOYEE WELL-BEING – Talent Management
KPI B3.2	The average training hours completed per employee by gender and employee category.	

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
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.	EMPLOYEE WELL-BEING – Our Employees During the year, the Group was not aware of any non-compliance of applicable laws and was not subject to any significant fines or non-monetary sanctions due to non-compliance.
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	EMPLOYEE WELL-BEING – Our Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	
Aspect B5	Supply chain management	
General disclosure	Policies on managing environmental and social risks of the supply chain	OPERATIONAL EXCELLENCE – Supply Chain Management; Sustainable Procurement
KPI B5.1	Number of suppliers by geographical region.	The Group’s major suppliers reside mostly in Hong Kong and China.
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	OPERATIONAL EXCELLENCE – Supply Chain Management; Sustainable Procurement



KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
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.	<p>INNOVATION – Maintaining Quality Services;</p> <p>OPERATIONAL EXCELLENCE – Enhancing Customer Satisfaction;</p> <p>Safeguarding Confidential Matters During the year, the Group was not aware of any non-compliance of applicable laws and was not subject to any significant fines or non-monetary sanctions due to non-compliance.</p>
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 reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with	OPERATIONAL EXCELLENCE – Enhancing Customer Satisfaction
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	OPERATIONAL EXCELLENCE – Safeguarding Confidential Matters
KPI B6.4	Description of quality assurance process and recall procedures	INNOVATION – Maintaining Quality Services
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	OPERATIONAL EXCELLENCE – Safeguarding Confidential Matters

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
Aspect B7	Anti-corruption	
General disclosure	Information on: (c) the policies; and (d) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	OPERATIONAL EXCELLENCE – Upholding Anti-corruption Practices During the year, the Group was not aware of any non-compliance of applicable laws and was not subject to any significant fines or non-monetary sanctions due to non-compliance.
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.	OPERATIONAL EXCELLENCE – Upholding Anti-corruption Practices
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	OPERATIONAL EXCELLENCE – Upholding Anti-corruption Practices
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.	COMMUNITY ENGAGEMENT
KPI B8.1	Focus areas of contribution to the community (e.g. education, environmental concerns, labour needs, health, culture, sport).	COMMUNITY ENGAGEMENT
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	COMMUNITY ENGAGEMENT