



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

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## MESSAGE FROM CEO



Over the past decade, our vision – from “To Create a Cleaner, Greener and More Sustainable Environment” to “For a Greener Tomorrow” – has been the foundation of our mission to build a sustainable city.

As we commemorate the 10th anniversary of Baguio Green Group’s sustainability report, we take pride in reflecting on the remarkable journey that has shaped who we are today. Over the past decade, our vision – from “To Create a Cleaner, Greener and More Sustainable Environment” to “For a Greener Tomorrow” – has been the foundation of our mission to build a sustainable city. This anniversary presents a valuable opportunity to highlight our achievements in the past year, and reaffirm our commitment to environmental stewardship, innovation, and sustainable development.

### STRENGTHENING IMPACT THROUGH DOUBLE MATERIALITY

Recognising the interconnectedness of our operations with the environment, economy and people, we have advanced this year by adopting the concept of double materiality in our materiality assessment. For the first time, we embraced a holistic “inside-out” and “outside-in” approach, evaluating the impacts of our business on the world and the external factors influencing our business. Guided by international sustainability reporting standards, this dual perspective allowed us to recalibrate our sustainability focus and efforts, identify key sustainability risks and discover opportunities to drive long-term value creation.

### ENHANCING CARBON MANAGEMENT

In 2024, we reached a pivotal milestone in our carbon management journey by disclosing our Scope 3 greenhouse gas (GHG) emissions for the first time. Scope 3 emissions, which stem from our value chain, have long posed a challenge due to the complexity of data collection. To overcome this, we introduced an advanced Digital Carbon Management Platform designed to streamline collection, calculation, and management of GHG emissions. This platform has not only enhanced the credibility of our emissions data but also empowered us to engage and educate our suppliers through dedicated seminars on Scope 3 emissions and the effective use of the platform. As we continue to refine our Scope 3 inventory, we demonstrate our dedication to transparency and accountability.

## MESSAGE FROM CEO

### FOCUSED SUSTAINABILITY STRATEGIES FOR TANGIBLE PROGRESS

We launched focused sustainability strategies centred around four key themes at the end of 2023: Green Fleet, Green Procurement, Sustainable Human Resources, and Sustainable Cultural Development. To address emissions from our primary source – our fleet – we aimed to transition to green vehicles powered by biofuel and electricity. Notably, our trials with B5 biodiesel-powered vans yielded positive results and we increased the ratio of electric private vehicles in our operation. By sharing our vision with key suppliers and developing a green product list, we are driving meaningful change across our supply chain. Our commitment to green procurement practices was recognised with the Hong Kong Green Awards – Sustainable Procurement Award from the Green Council. To safeguard our employees against escalating climate risks, we launched comprehensive heat stroke prevention training and awareness campaigns. Automated SMS alerts are in place to notify all frontline employees of No.8 or above typhoon signals, black rain and heat stress warnings, ensuring they can take necessary precautions.

Beyond operational measures, we are fostering a culture of sustainability among our people. In addition to the Personal ESG Scheme, which empowers employees to engage actively in sustainability actions, we host different sustainability cultural activities such as upcycling workshops and purchase festival gifts from social enterprises to educate employees about sustainability in daily lives. We organised a full-day Sustainability Leadership workshop for Independent Non-Executive Directors (INED) and management, encouraging them to integrate sustainability into business operations. These targeted strategies exemplify our commitment to creating a more sustainable future while aligning our operations with the principles of environmental and social responsibility.

### LEVERAGING INNOVATION AND DIGITAL TECHNOLOGIES

Guided by our mission “Together, we deliver innovative environmental solutions with latest technologies to create a more sustainable future”, we are transforming operations through cutting-edge digital tools and systems. Our Smart Recycling Management System – featuring the Smart Recycling Bin, Food Waste Smart Bin and Smart Balance – revolutionises waste management by enabling real-time monitoring and data-driven insights. Our achievement was recognised with Hong Kong Awards for Industries: Innovation and Creativity from Hong Kong General Chamber of Commerce. We are dedicated to continuously enhancing our service standards and ensuring employee safety by adopting latest technologies. To elevate customer satisfaction, we developed proprietary apps that streamline service monitoring, improve customer feedback handling and enhancing reporting capabilities. We also introduced smart watch to track activity of staff working in rural areas, safeguarding their health and well-being while ensuring seamless operations.

### FOR A GREENER TOMORROW

As we navigate the challenges and opportunities of the evolving sustainability landscape, our commitment to environmental stewardship and innovation remains steadfast. I extend my sincere gratitude to our Board, employees, and stakeholders for their unwavering dedication and support, which have been crucial to our accomplishments. Together, we can build a sustainable future for generations to come.

**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, thereby 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 2024 marks the tenth consecutive year Baguio Green Group has disclosed its environmental, social, and governance (“ESG”) performance and progress. Prepared in accordance with the ESG Reporting Guide 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, 2024. 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 2024. Although the Group operates in Mainland China, its contribution represents a minor portion of the overall business and is therefore excluded from the scope of this report.



2024 SUSTAINABILITY HIGHLIGHTS

**B**

BEING A LEADER:  
OUR SUSTAINABILITY  
APPROACH

### Sustainability Governance

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

- 26 members of INEDs and management team attended a whole-day **Sustainability Leadership Workshop**

### Climate Strategy

- Integrated climate-related risks into our enterprise risk management system
- Formulated targeted mitigation measures to climate-related risks identified

4 QUALITY EDUCATION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

**A**

ACKNOWLEDGING  
OUR ENVIRONMENTAL  
FOOTPRINT

### GHG emissions Reduction

- Reduced **43%** of carbon intensity (base year 2016)
- Conducted trial of **B5 biodiesel** on our vans

### Resources Management

- Reduced **43%** of energy consumption intensity (base year 2016)
- Launched **Waste Reduction Campaign** in office
- 54%** of our general waste is **recycled**

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

**G**

GREENING OUR PLANET

### Circular Economy

- Recovered 21,041 tons of recyclables** out of 23,886 tons received in our plants

- Expanded **deployment of smart bins and smart balances** across residential estates and commercial buildings, collecting up to **1,203 tons** of recyclables
- Turned **yard waste into biochar** and other related products

### Environmental Management

- Five of our subsidiaries are **ISO 14001** certified
- Conducted **334** environmental-related events and visit tours

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

2024 SUSTAINABILITY HIGHLIGHTS

**U**

UPHOLDING OUR  
EMPLOYEES

### Health and Safety

- Work-related accident cases per 100,000 working hours is **1.25**, and **0** work-related fatalities

- Enhanced the heat stress plan** to protect employees and launched SMS automation to all employees during adverse weather

- 100%** of our outdoor employees have received safety-related trainings

### Development and Welfare

- Employees attended 25,056 hours of training, averaging 1.9 hours per employee
- Organised various **wellness activities** and provided sports subsidies for employees

8 DECENT WORK AND ECONOMIC GROWTH

**I**

IMPLEMENTING  
OPERATIONAL  
EXCELLENCE

### Sustainable Procurement

- Established a green product list and identified **61 green products**
- Established **supplier sustainability program**

### Information Technology Service and Security

- Obtained **ISO 27001** Information Security Management Systems and **ISO 20000** Information Technology Service Management System in two of our subsidiaries

### Digital Solutions

- Launched a feedback system and inspection application
- used **drone technology** to enhance pre-site inspection process in tree survey

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

**O**

OUR COMMUNITY  
ENGAGEMENT

### Community Investment

- Volunteer service hours: **780+**
- Activities include social inclusion and empowerment, environmental education and fundraising for NGOs

10 REDUCED INEQUALITIES



## AWARDS AND RECOGNITIONS

### Awards and Appreciations

#### Corporate Governance

##### Hong Kong Investor Relations Association

- HKIRA 10th Investor Relations Awards 2024 – Best IR Company (Small Cap)
- HKIRA 10th Investor Relations Awards 2024 – Best IR Team (Small Cap)



##### Standard Chartered Bank

- 2024 Standard Chartered Corporate Achievement Awards: Sustainable Corporate (Environmental) – Outstanding Award

##### The Hong Kong Management Association

- The Hong Kong Sustainability Award 2024 – Certificate of Excellence

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

- IFAPC Outstanding Listed Companies Award 2024



##### CTgoodjobs

- CTgoodjobs Best HR Award – Best ESG Award – Gold

#### Human Resources

##### Employees Retaining Board

- Manpower Developer Award Scheme – Manpower Developer

##### Hong Kong Council of Social Service

- 5 years+ Caring Company 2023/24 – Baguio Green Group Limited
- Caring Company 2023/24 – Baguio Green Technology Ltd
- Caring Company 2023/24 – Baguio iRecycle Limited
- 10 years+ Caring Company 2023/24 – Baguio Landscaping Services Limited
- 10 years+ Caring Company 2023/24 – Baguio Pest Management Limited
- 10 years+ Caring Company 2023/24 – Baguio Waste Management & Recycling Limited
- 10 years+ Caring Company 2023/24 – Tak Tai Enviroscap Ltd
- 10 years+ Caring Company 2023/24 – Baguio Cleaning Services Company Limited

##### Promoting Happiness Index Foundation

- Happiness at work 2024 – Happy Company

##### The Hong Kong General Chamber of Small and Medium Business

- Partner Employer Award 2024 (5 years+)

##### The Federation of Hong Kong Industries

- Industry Cares 2024 – The Most Improved Award (Enterprise Group) – Baguio Green Group
- Industry Cares 2024-3+ Years Award (SME Group) – Baguio iRecycle Limited

##### SideBySide

- The 9th SideBySide Benovolent Employers Awards – Outstanding Employer

##### CTgoodjobs

- CTgoodjobs Best HR Award – Top Happiest Culture Award – Grand



#### Green Performance

##### The Environmental Campaign Committee

- Hong Kong Green Organisation Certification – Wastewi\$e Certificate – Excellent Level

##### World Green Organisation

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

##### Green Council

- UNSDG Achievements Awards Hong Kong 2024 – Organization Award (Merit)
- Hong Kong Green Awards 2024 – Sustainable Procurement Award (Large Corporation)



##### Bank of China & The Federation of Hong Kong Industries

- Corporate Environmental Leadership Awards 2023 – EcoPartner & EcoPioneer (8 Years +) – Baguio Green Group Limited
- Corporate Environmental Leadership Awards 2023 – EcoChallenger – Baguio iRecycle Limited
- Corporate Environmental Leadership Awards 2023 – Certificate of Low-Carbon Commitment – Baguio iRecycle Limited

## AWARDS AND RECOGNITIONS

#### Green Service

##### Hong Kong Quality Assurance Agency (HKQAA)

- Outstanding Green Event Facilitator Award

##### iRecycle Charity Foundation

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



##### Hong Kong General Chamber of Commerce

- 2023-24 Hong Kong Awards for Industries: Innovation and Creativity Certificate of Merit

#### Appreciations

##### Green Council

- Green Carnival 2024 – Appreciation of Supporting
- Green Run 2024 – Certificate of Appreciation

##### Lingnan University Hong Kong

- Resurgence Career Expo @LingnanU 2024 – Certificate of Appreciation

##### iRecycle Charity Foundation

- Certificate of Appreciation for sponsoring the “iRecycle ESG Award Ceremony

##### Saint Francis University and Caritas Bianchi College of Careers

- SFU x CBCC Career Fair 2024 – Certificate of Participation

##### Technological and Higher Education Institute of Hong Kong (THEi)

- Outstanding WIL(Work-Integrated Learning) Industry Partner

##### Employees Retaining Board (ERB)

- Manpower Developer Award Scheme – Certificate of Appreciation 2022-2024

##### Tai Po Baptist Church Social Service

- “Home Sweet Home”: Household Development Project for Deprived Families – Appreciation

##### Outlying Islands Women’s Association (OIWA)

- Certificate of Appreciation for Volunteer service

##### Qualifications Framework Secretariat

- Appreciation for Recognition of Prior Learning – Arboriculture & Horticulture Industry – Baguio Landscaping Services Ltd.
- Appreciation for Recognition of Prior Learning – Arboriculture & Horticulture Industry – Tak Tai Enviroscap Ltd.

##### Construction Industry Council

- Construction Workers Carnival 2024 Certificate of Appreciation – Baguio Landscaping Services Ltd.
- Construction Workers Carnival 2024 Certificate of Appreciation – Tak Tai Enviroscap Ltd.

##### ISA Hong Kong Chapter

- HK Tree Climbing champion 2024 – Appreciation (Bronze Sponsor)







Sustainability Governance

Baguio places sustainability at the core of its operations, we have implemented a robust Sustainability Policy, accessible on our website under the “Sustainability” section. Additionally, a Sustainability Steering Committee (the “Committee”) is in place to ensure focused leadership in meeting environmental targets, closely monitoring progress, and innovating to minimise our climate footprint. The Committee, led by the CEO and comprising three Independent Non-Executive Directors (INEDs), Chief Operating Officer (COO), Chief Finance Officer (CFO), Chief Strategy Officer (CSO), Head of Human Resources, and Assistant Sustainability Manager, reports directly to the Board of Directors. This ensures the Board is consistently updated on the Group’s sustainability initiatives and achievements. The Committee also works closely with the ESG Working Group to align efforts and drive sustainability across the Group.



To further integrate sustainability across the Group, the ESG Working Group, consisting of representatives from all business units and departments, implemented eight new initiatives under four key themes last year. The progress of these initiatives is outlined below. The Working Group also plays a key role in facilitating ESG data collection, supporting reporting, and ensuring that sustainability updates are communicated across the organisation. In 2024, four Sustainability Steering Committee meetings and five ESG Working Group meetings were held. Together, the Committee and the Working Group collaborate closely to advance Baguio’s sustainability vision.

BEING A LEADER – OUR SUSTAINABILITY APPROACH

Themes	Progress in 2024	Respective Section
 Green Fleet	<ul style="list-style-type: none"><li>Conducted a biodiesel trial on 4 vans</li><li>Set a short-term target for transitioning to electric vehicles: Replace all company-registered private cars to electric vehicles by 2026</li><li>The ratio of electric private car increased from 29% (6 out of 21 private cars) in 2023 to 44% (12 out of 27 private cars) in 2024</li><li>Initiated plans for an online platform to centralise vehicle maintenance information</li></ul>	<ul style="list-style-type: none"><li>Acknowledging our Environmental Footprint</li><li>Implementing Operation Excellence</li></ul>
 Green Procurement	<ul style="list-style-type: none"><li>Updated Sustainable Procurement Policy</li><li>Established Green Product List and collected 61 products across cleaning and pest control products and office equipment</li><li>Organised green procurement seminars and arranged face-to-face evaluation meetings with key suppliers to share our green procurement strategy</li></ul>	<ul style="list-style-type: none"><li>Implementing Operation Excellence</li></ul>
 Sustainable Human Resources	<ul style="list-style-type: none"><li>Optimised occupational health and safety policies to comply with laws and regulations</li><li>Delivered targeted heat stroke prevention training and guidance for all frontline employees</li><li>Issued automated SMS alerts related to adverse weather and heat stroke to employees to take precautionary measures</li><li>Recruited mainland workers through Enhanced Supplementary Labour Scheme and expanded hiring via local school internship program</li></ul>	<ul style="list-style-type: none"><li>Upholding our Employees</li></ul>
 Sustainable Culture Development	<ul style="list-style-type: none"><li>Organised 3 sustainability trainings and workshops for employees</li><li>38% of staff activities involved purchasing products or services from social enterprises, or were related to environmental sustainability</li><li>Organised Waste Reduction Campaign in office</li><li>Built sustainability capacity for the Board of Directors and senior management</li><li>Enhanced the Personal ESG Scheme</li></ul>	<ul style="list-style-type: none"><li>Being a Leader - Our Sustainability Approach</li><li>Acknowledging our Environmental Footprint</li></ul>



BEING A LEADER – OUR SUSTAINABILITY APPROACH

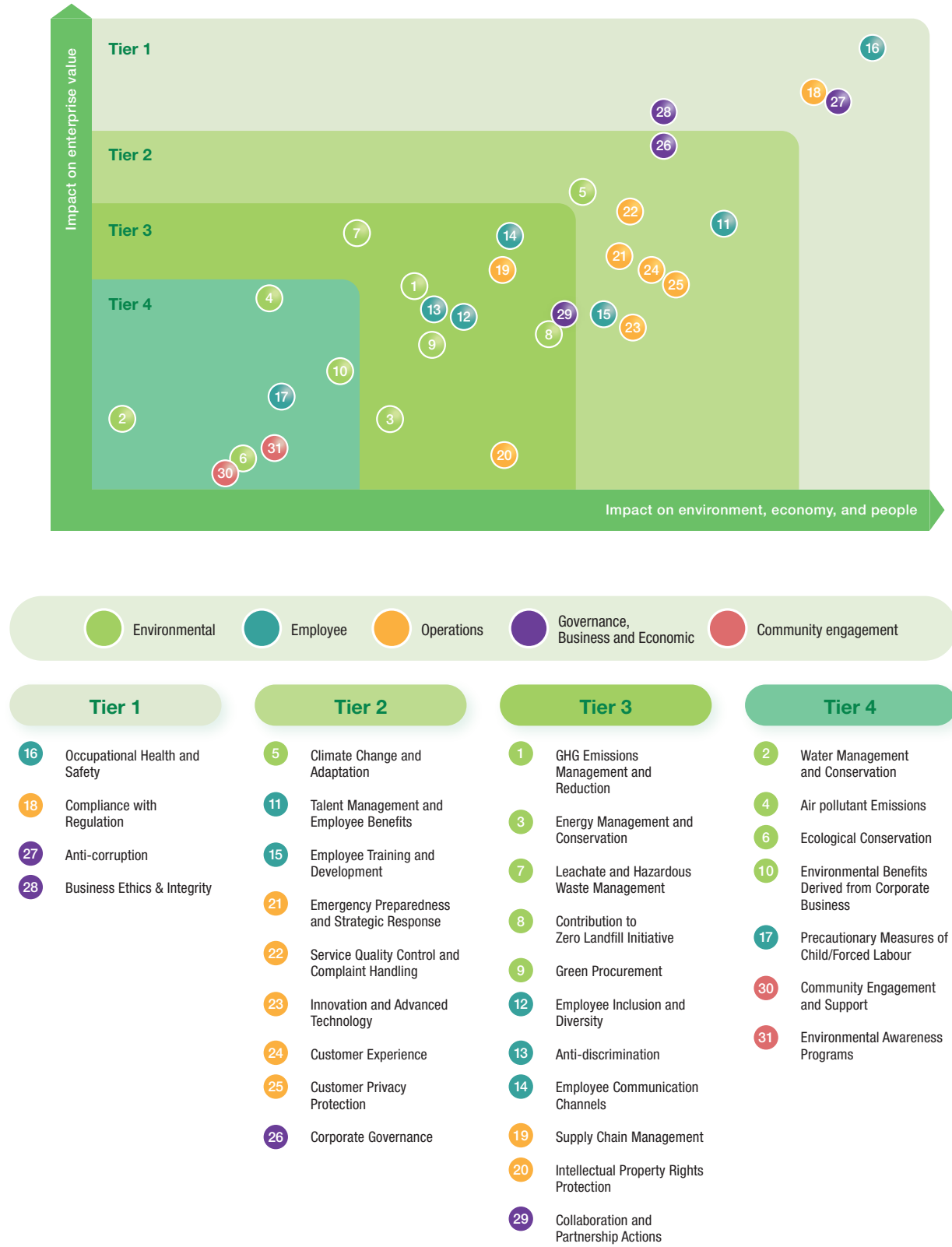
Stakeholders Engagement and Materiality Assessment

We engage actively with both external and internal stakeholders each year, as outlined below. To enhance transparency, we conduct a materiality assessment with the support of an independent consultant. This year, we adopted the double materiality approach, as recommended by the Global Reporting Initiatives (“GRI”) and International Sustainability Standards Board (“ISSB”). This approach evaluates our impact on people and the environment (the inside-out view) and how sustainability-related developments and events create risks and opportunities for the Group (the outside-in view). By considering both perspectives, we aim to gain a deeper understanding of the Group’s relationship with the environment, informing better 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.

BEING A LEADER – OUR SUSTAINABILITY APPROACH



Ethical business practices and compliance remain the foundation of the Group’s operations. In response to the increasing threat of extreme weather events and rising temperatures, we are dedicating more resources to safeguarding the well-being of our employees. The positioning of most operational topics in Tier 2 indicates their critical role in ensuring business continuity and customer satisfaction. The Group will continue to balance operational priorities with sustainability objectives, addressing immediate business needs while progressively embedding sustainability into our core strategy.



BEING A LEADER – OUR SUSTAINABILITY APPROACH

Material Topics	Key Management Approach	Respective Locations
<div></div> <div>Occupational Health and Safety</div>	<ul style="list-style-type: none"><li>We obtained ISO 45001 certificate</li><li>Safety trainings are provided to all frontline employees</li></ul>	<div>Implementing Operation Excellence</div>
<div></div> <div>Compliance with Regulation</div>	<ul style="list-style-type: none"><li>The Group holds ISO 9001, 14001, 45001 across five subsidiaries</li><li>The Group was not aware of any significant non-compliance with laws and regulations during the year</li></ul>	
<div></div> <div>Anti-corruption</div>	<ul style="list-style-type: none"><li>Anti-corruption training is conducted biennially through seminars organised in collaboration with the Independent Commission Against Corruption (ICAC)</li></ul>	<div>Implementing Operation Excellence</div>
<div></div> <div>Business Ethics &amp; Integrity</div>	<ul style="list-style-type: none"><li>Updated our Whistleblower Policy</li></ul>	<div>Implementing Operation Excellence</div>

BEING A LEADER – OUR SUSTAINABILITY APPROACH

Climate Governance

Sustainability Steering Committee oversees the Group’s sustainability initiatives, including climate-related issues. Through annual assessments of climate-related risks and opportunities, as well as regular committee meetings, the Board stays well-informed about emerging climate risks and their potential financial implications.

The Group introduced its Climate Change Policy in 2021, reaffirming our commitment to enhancing capabilities in tackling climate change and managing its associated risks and opportunities. This policy outlines our approach to addressing the impacts of climate change on our integrated environmental services and is accessible on our website under the “Sustainability” section.

Climate Strategy

Climate change presents a broad spectrum of risks to the Group’s operations, with potential consequences for both our business and the environment. The increasing frequency and severity of climate-related events — such as extreme weather, rising sea levels, and temperature fluctuations—are well-documented in authoritative sources, including reports from the Intergovernmental Panel on Climate Change (IPCC). The urgency to address these challenges has never been greater, as the growing impact of climate change threatens ecosystems, economies, and communities worldwide.

Understanding and managing these risks is vital. At the same time, we recognise the opportunities for innovation, adaptation, and resilience that emerge from these challenges. By proactively addressing climate-related risks, we aim to build a sustainable and resilient future for our business and stakeholders. We have conducted annual analyses of climate-related risks and opportunities to evaluate their impact on our operations since 2021. These assessments consider both the level of impact and the time horizon of each risk and opportunity. By identifying the most material climate-related risks, particularly those with a significant short-term impact, we prioritise key concerns for our business operations. This focus enables us to effectively manage risks while capitalising on opportunities to innovate and adapt.

To align with the Hong Kong Climate Action Plan and the goals of the Paris Agreement—achieving peak emissions before 2025 and a decline by 2030, we have defined the following time horizons:



BEING A LEADER – OUR SUSTAINABILITY APPROACH

The table below summarises the Group’s identified climate-related risks and opportunities, along with their corresponding impact levels and anticipated timeframes. To strengthen our climate resilience, we have developed action plans to mitigate the potential financial impacts of these risks while ensuring we capitalise on the identified opportunities.

Climate-related Risks					
Physical Risk		Impact Level	Time Horizon	Description	Potential Financial Impact
Acute	Property Damage	Medium	Short	Extreme weather events damage properties, including vehicles, recycling centres, composting plants, and waste bins.	<ul style="list-style-type: none"><li>Repairment or replacement of damaged property</li></ul>
	Operational Disruptions	Low	Long	Extreme weather events disrupt operations, reducing productivity, increasing commutes, and delaying material and supply deliveries.	<ul style="list-style-type: none"><li>Affect supply chain and business operations</li></ul>
	Employee Health & Safety	Low	Medium	Extreme weather events pose health and safety risks to employees, including hazards like fallen trees and heatstroke.	<ul style="list-style-type: none"><li>Medical insurance expenses</li><li>Productivity declination</li></ul>
Chronic	Property Damage	Medium	Short	Rising sea levels expose our service facilities and physical assets to water-related damage and vulnerability.	<ul style="list-style-type: none"><li>Repairment or replacement of damaged property</li></ul>
	Supply Chain Disruptions	Medium	Medium	Reduced rainfall affects water supply to offices and facilities. Besides, water and raw material shortage due to climate change may affect long-term production.	<ul style="list-style-type: none"><li>Delays and interruptions to operation</li><li>Additional water purchases</li><li>Procurement of alternative supplies</li></ul>
	Workplace Efficiency	Medium	Long	Rising temperatures reduce work efficiency, potentially leading to shutdowns and higher cooling costs. It also lower outdoor employees' productivity and increase the risk of heat stroke.	<ul style="list-style-type: none"><li>Extended work period</li><li>Increase cooling costs</li></ul>
	Business Landscape Complexity (Newly added in 2024)	High	Medium	Rising sea levels will lead to a reduction in land area, and the demand and scope of environmental services will decrease; and as people move into high-altitude areas in urban areas, the operational business will become more complex (such as narrow roads, mountainous roads and dense population, which will worsen the sanitary conditions)	<ul style="list-style-type: none"><li>Increased vehicle service costs (highland and mountainous roads)</li><li>Reduced demand and scope of environmental services</li></ul>
	Extreme Temperatures and Heat Stress (Newly added in 2024)	High	Long	Extreme temperatures and heat stress represent a chronic risk that threatens human health, disrupts infrastructure, and adversely impacts ecosystems and economies, particularly as climate change increases the frequency and intensity of heat events	<ul style="list-style-type: none"><li>Decreased revenue from reduced workforce output coupled with increased operational costs for cooling and climate control measures</li></ul>

BEING A LEADER – OUR SUSTAINABILITY APPROACH

Transition Risk		Impact Level	Time Horizon	Description	Potential Financial Impact
Technology & Market	Technological Changes	High	Medium	Costumers will begin to demand the uptake of emerging technologies aimed at supporting the global low carbon transition.	<ul style="list-style-type: none"><li>Rising costs for clean input technologies implementation, talent recruitment, and training</li></ul>
	Market Sentiment	Medium	Long	The market requires operational sustainability improvements such as sustainable practices, electric vehicles, enhanced recycling, and green products.	<ul style="list-style-type: none"><li>Purchase of new, more efficient equipment, green products, development of new services, more investments into R&amp;D</li></ul>
Policy & Regulatory	Climate-related Disclosure Requirements	Medium	Short	Increasing requirements for climate-related disclosure.	<ul style="list-style-type: none"><li>Increased investment costs in compliance and ESG data disclosure</li></ul>
	Policies and Regulations	Medium	Medium	More stringent environmental policies and regulations covering greenhouse gas emissions, waste and non-environmentally friendly products.	<ul style="list-style-type: none"><li>Increase in compliance costs</li></ul>
	Carbon Pricing	High	Medium	Evolving financial incentives, in the form of taxes or fees, encourage companies to reduce carbon emissions, pollution, and waste disposal.	<ul style="list-style-type: none"><li>Increase in costs, such as carbon taxes</li></ul>
	Climate-related Litigation	High	Medium	Stricter environmental regulations may lead to higher exposure to litigation claims, as well as legal risks	<ul style="list-style-type: none"><li>Compliance costs and cases of litigation claims for violations</li></ul>
Reputation	Reputation	Medium	Medium	Neglecting climate change compliance, like ignoring heat warnings, damages corporate reputation and stakeholder perception.	<ul style="list-style-type: none"><li>Loss of existing and potential client business, such as failure to tender due to reputational damage</li></ul>

Climate-related Opportunities	Impact Level	Time Horizon	Description	Potential Business Impact
Recycling Services Demand	Medium	Long	Corporations seeking waste-related GHG reduction solutions will boost demand for recycling services.	<ul style="list-style-type: none"><li>Increased client business for waste management and recycling services</li></ul>
Operational Efficiency	Medium	Medium	Climate-induced resource scarcity drives efficiency in transportation, production, distribution, and water management.	<ul style="list-style-type: none"><li>Less expenditure for transportation fuel and lower water bills</li></ul>
Energy Efficiency	High	Long	Increasing pledges to net zero emissions encourage the use lower-emission sources of energy.	<ul style="list-style-type: none"><li>Increase in resilience to carbon price and fossil fuel fluctuations</li></ul>
Collaborative Potential	Medium	Long	Growing demand for sustainability opens new markets and collaboration opportunities in integrated environmental services.	<ul style="list-style-type: none"><li>More customer attention and increased demand for environmental services from various sectors</li></ul>
Product and Services (Newly added in 2024)	Medium	Long	A larger market demand for environmentally friendly, green, energy-efficient products and services	<ul style="list-style-type: none"><li>Increased income as a result of shifting consumer preferences or a possible increase in demand for green products and services</li></ul>
Market Resilience	Low	Medium	Substituting or diversifying resources for sustainability enhances resilience against volatile supply chains.	<ul style="list-style-type: none"><li>Diverse supplier options cut procurement costs</li></ul>

BEING A LEADER – OUR SUSTAINABILITY APPROACH

Climate Risk Management

Climate-related risks have been integrated into our risk management strategy, with each department responsible for identifying relevant issues and formulating appropriate countermeasures. In response to the growing demand for climate-related litigation and carbon pricing, the Group has taken proactive steps to transition to cleaner energy sources, such as biofuels and electric vehicles, to reduce emissions. For further details, please refer to “Acknowledging our Environmental Footprint” section of this report.

Recognising the increasing temperature and frequency of extreme weather events, we prioritise the safety and well-being of our workforce by implementing a Heat Stroke Prevention Work Plan. This initiative includes regular safety training, the provision of personal protective equipment (PPE), and the issuance of timely notifications when Heat Stress At Work Warning is in effect. The initiative is also incorporated in our Code on Occupational Safety and Health, Environmental Protection and Quality Management for Subcontractors and requires our contractors to follow. Additionally, the Group is researching innovative devices and machinery to reduce employee exposure to adverse weather conditions. Operational resilience is strengthened through enhanced safety guidelines, fleet precautions, and measures to mitigate disruptions caused by extreme weather events.

Beyond managing risks, we actively leverage climate-related opportunities to foster business growth and drive innovation. The increasing demand for recycling services and sustainable solutions has empowered the Group to diversify its offerings and solidify its market leadership. Through our ESG+ solutions, we are pursuing collaborative initiatives in integrated environmental services and green technology development, supporting our clients in building resilience to climate challenges. For more details, please refer to the “Greening Our Planet: ESG+ Service” section of this report.

BEING A LEADER – OUR SUSTAINABILITY APPROACH

ESG Leadership Development

In 2024, we hosted two online trainings and a one-day in-person workshop to equip general office employees, management and board members with knowledge in sustainability and effective team management skills. To fostering a top-down influence across the Group, we will ensure the Board of Directors and senior employees are equipped with essential ESG skills and capabilities.



Sustainability Leadership Workshop



## ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT



### Green Fleet

To achieve our 2030 carbon emissions reduction target, we have been actively exploring and implementing a variety of environmental initiatives. As our vehicle fleet represents the largest contributor to our carbon footprint, we are prioritising its transition to sustainable alternatives. This year, our efforts focus on adopting biodiesel and electric vehicles (EVs), leveraging innovative solutions to reduce carbon emissions while enhancing operational efficiency.

To evaluate the feasibility of biodiesel deployment, we conducted a trial on four vans powered by B5 biodiesel, consuming a total of 6,837 litres during the testing phase. These vehicles, primarily deployed for mobile team operations, demonstrated reliable performance without requiring any replacement parts. The results confirm the practicality of integrating biodiesel into our daily operations. However, market uncertainties, such as the discontinuation of B5 biodiesel of filling stations, present ongoing challenges.



In 2024, we have doubled the number of electric private cars from 6 to 12, increasing the share of electric private cars to 44% of the Group's total private cars. Despite sometimes we are restricted by clients' requirement on the selection of vehicles, the Group has set a short-term target to transit all company-registered private cars to electricity powered alternatives by 2026. To stay at the forefront of this transition, the Group actively monitors advancements in the renewable energy-powered vehicle market by participating in automobile exhibitions, press conferences, and test drives. We also closely track government green transition policies, seeking strategic opportunities to further minimise fleet emissions.

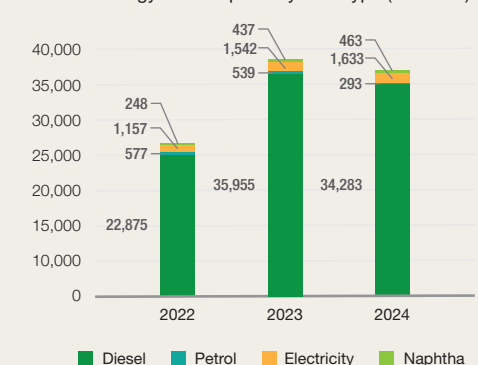
### Energy Consumption

In 2024, our total energy consumption was 36,671,040 kWh, representing a 5% reduction compared to previous year.

In line with our 2030 target to reduce energy intensity by 30% from the 2016 baseline, we are investing in electric and new energy vehicles while exploring additional low-energy-consumption options for our fleet.

In our offices, we ensure that lighting and air conditioning are switched off in areas like corridors and reception areas during lunch hours and after office hours. Additionally, we regularly send email reminders to all staff to save energy by turning off lights and air conditioning when not in use.

Energy consumption by Fuel Type (kWh'000)

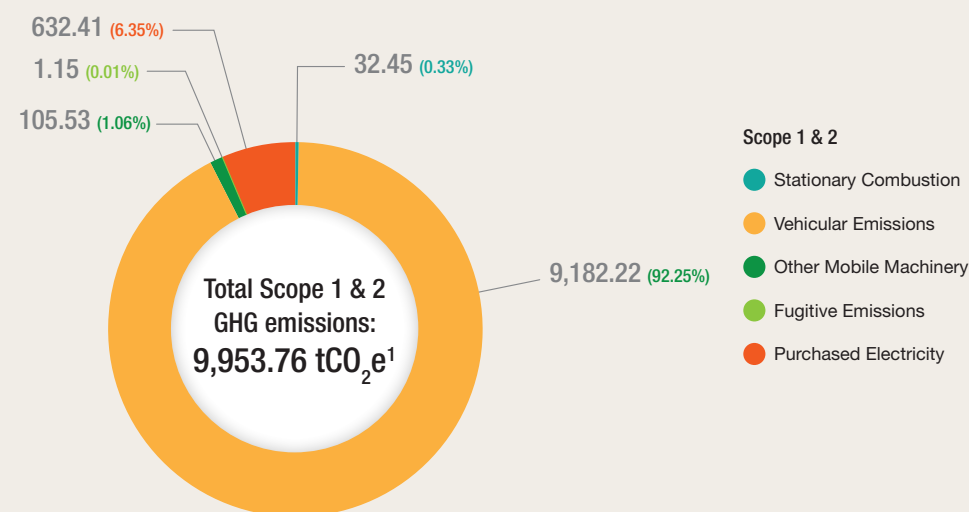


## ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT

### Our Climate Footprint

In 2024, our business operations have generated a total of 9,953.76 tCO<sub>2</sub>e in scope 1 and scope 2 greenhouse gas emissions. This comprises 9,321.35 tCO<sub>2</sub>e from direct emissions due to fuel consumption (Scope 1), 632.41 tCO<sub>2</sub>e from indirect emissions resulting from electricity consumption (Scope 2). Our Scope 1 emissions are mainly driven by the operation of our fleet for street cleaning and waste collection.

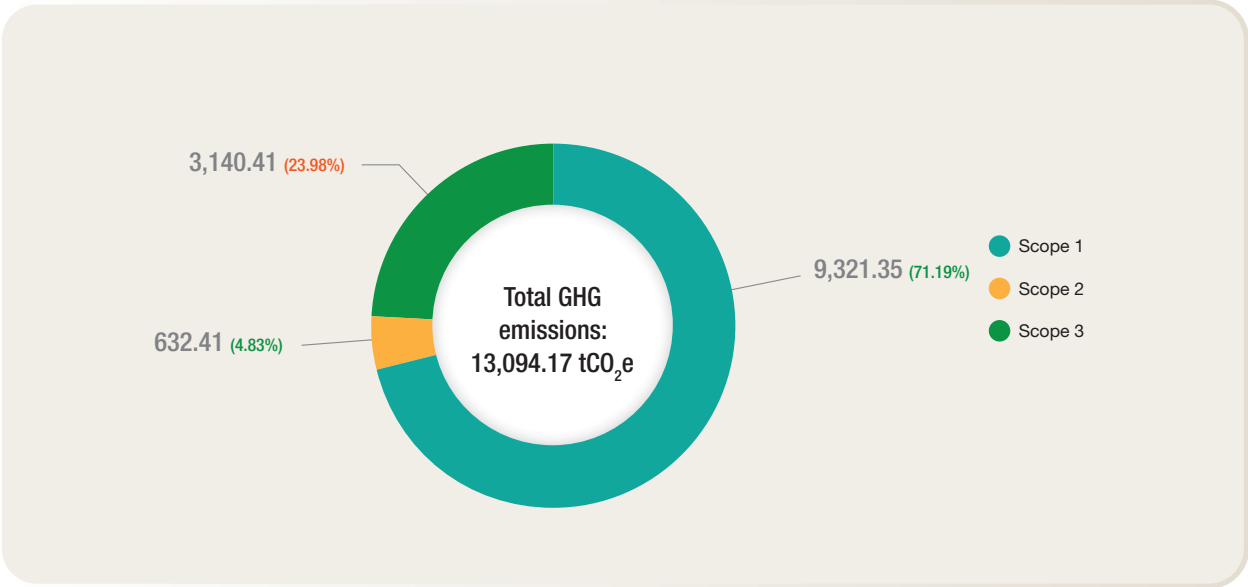
This year, our Scope 1 emissions exclude several vehicles that were either not central to Baguio's operations or not owned by the Company. While emissions from these vehicles were included in the Group's totals in previous years, we chose to exclude them starting from this reporting year in order to reflect the emissions related to the Group's core operations and its efforts to reduce emissions.



<sup>1</sup> The reported Scope 1 and 2 emissions exclude the GHG emissions from biomass combustion, which amount to 1.09 tCO<sub>2</sub>e.

ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT

Emission in Value Chain

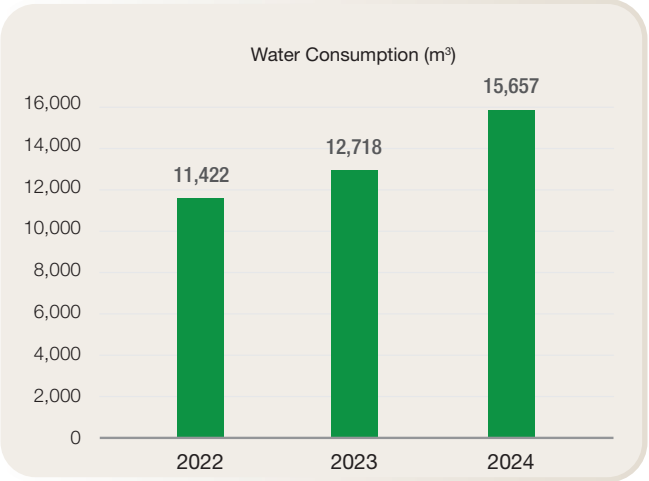


We started measuring our Scope 3 emissions from this year. Categories 1<sup>2</sup>, 5 and 6 were selected and calculated for this reporting year, totalling 3,140.41 tCO<sub>2</sub>e. We aim to continuously optimise our Scope 3 inventory and gradually cover all the Scope 3 categories outlined in the GHG Protocol to provide a complete picture of our carbon footprint.

Water Consumption

The majority of our water consumption stems from our offices and facilities. In 2024, the total water consumption was approximately 15,657 m<sup>3</sup>. We primarily rely on the local municipal water. As Hong Kong experiences low water stress, there is no issue in sourcing water to support our operational needs.

At our Glass Bottle Recycling Plant, we have implemented water-saving measures to reduce water use during the cleaning of recycling bins. In January 2024, we installed a Wastewater Treatment Unit that combines activated sludge and membrane filtration technology to treat wastewater. The treated water is then reused for cleaning purposes, helping us reduce freshwater consumption and improve sustainability.



To minimise water losses, we uphold stringent maintenance standards for our facilities, ensuring the prevention of leaks. Furthermore, in full compliance with local environmental regulations, all wastewater generated is securely collected and transferred to licensed water treatment facilities for proper processing.

Water management has been classified as a Tier 4 topic in Baguio’s latest materiality assessment, indicating that it is not a key material issue for the Group’s operations. As a result, no quantitative water consumption target has been set at this time. However, Baguio remains committed to consistently monitoring water usage to identify and address any irregularities.

<sup>2</sup> 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, were included.

ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT

Internal Waste Management

Our hazardous waste primarily consists of lube oil and electric vehicle batteries, which were safely managed and disposed of by licensed chemical waste contractors.

From our office and recycling facility operations, we successfully sorted 27,319.81 kg of recyclables from the non-hazardous waste, resulting in a recycling rate of 54%. The remaining non-hazardous waste, which could not be recycled, was disposed of properly in landfills, in line with environmental disposal regulations.

The Group has set a 60% non-hazardous waste recycling target. To strive toward achieving this target, we have implemented various waste reduction initiatives across the organisation.

Waste Reduction Campaign

Waste Audit

In Jun 2024, we conducted a waste audit to gather accurate data on the types and quantities of waste generated in office. The result showed that tissue/ paper towel (25%), food waste (20%), waste paper (20%) and disposable cutlery/tableware (14%) were the major waste generated in office. The results provided us with valuable insights to enhance our recycling rates in office and develop an effective waste management strategy.



Waste Audit



Zero Waste Market

Zero Waste Market

In August 2024, Baguio hosted a “Zero Waste Market” to promote waste reduction among employees. Partnering with five bulk stores and local eateries, the event featured eco-friendly products, bulk snacks, and seasonal local vegetables. The market aimed to encourage employees to bring their own containers, promote zero-waste bulk shopping, green consumption, and support locally made goods. In addition to the market, we organised a “Recycling Sorting Game” and a “Zero Waste Cotton Candy Giveaway” to raise awareness about our company’s recycling goals.

No Paper-Towel Day

In response to our waste audit result, we introduced the “No Paper-Towel Day” initiative (止紙一天), starting in November 2024. This initiative involves refraining from providing paper towels in the pantry and restrooms every Friday. Instead, hand dryers have been installed, cloth towels were given away to every office employee and employees are encouraged to use them. The goal is to reduce tissue waste and raise awareness among employees about the importance of waste reduction.



“No Paper-Towel Day” initiative

Electronic Equipment Donation

This year, we continue our partnership with Caritas Computer Workshop by donating 63 personal computers, 2 notebooks, and 24 LCD monitors, supporting digital access for those in need.



ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT

Sustainable Culture Development

Personal ESG Scheme

This year, we continued the internal ESG-focused reward system to engage employees in understanding and practicing ESG principles. The program incentivises both individual and department-based efforts, where employees earn points for participating in designated ESG activities. Upon reaching specific point thresholds, they are rewarded with cash coupons and subsidies for department activities. For the personal ESG scheme, the focus this year has been on two key themes: **“Waste Reduction and Recycling”** and **“Caring for the Community”**. Individuals rewards include vouchers for reaching milestones, with special prizes like the ‘Environmental Expert’ and ‘Community Star’ awards. Additionally, departmental awards are given to acknowledge collective efforts, including titles like ‘Best Performing Department’ and ‘Most Improved Department,’ celebrating team achievements and progress.

The Personal ESG Scheme has successfully incentivised employees to integrate ESG practices into their daily routines, strengthening Baguio’s commitment to building a sustainable and inclusive corporate cult ure.

Environmentally-focused activities

As part of our Sustainability Culture Development initiative, we organised various environmentally-focused activities for our employees. Through these activities, employees learned about the current waste issues in Hong Kong, experienced the journey of giving waste a second life, and understood how to practice sustainability in their daily lives.



Coffee Grounds Soap Making Workshop






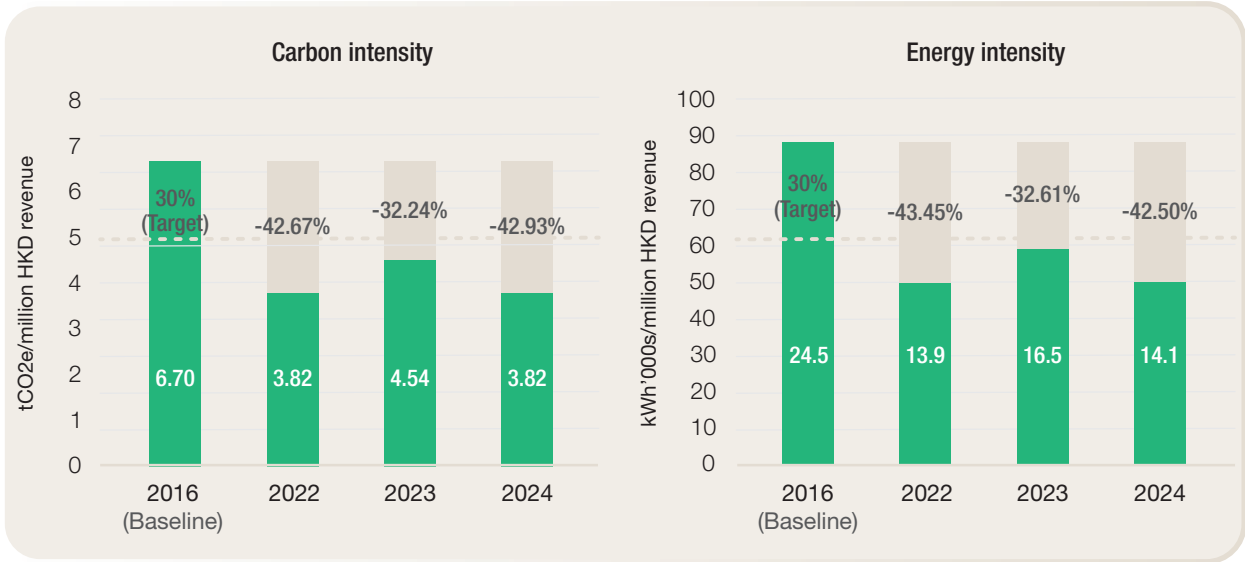
Food Waste Bracelet Upcycling Workshop

ACKNOWLEDGING OUR ENVIRONMENTAL FOOTPRINT

Environmental Metrics and Targets

To support the China’s Dual Carbon Goals and Hong Kong’s Climate Action Plan 2050, the Group has set a series of climate-related targets covering carbon emissions, energy consumption and recyclable waste recovery. In 2024, we recorded progresses across all aspects, thanks to the resource conservation initiatives implemented over the past years in coalition with various business units. Below highlights our progress towards our climate-related targets during the reporting year.

2030 Targets					
Aspects		Unit	(against base year)	Base Year	Our progress
	Carbon Emissions Intensity – Scope 1&2	tCO <sub>2</sub> e/million HKD revenue	Decrease of 30%	2016	Decreased by 43%
	Energy Consumption Intensity	kWh/million HKD revenue	Decrease of 30%	2016	Decreased by 43%
	Total Recyclable Waste	Percentage	Recycle rate at 60%	–	Recycle rate at 54%



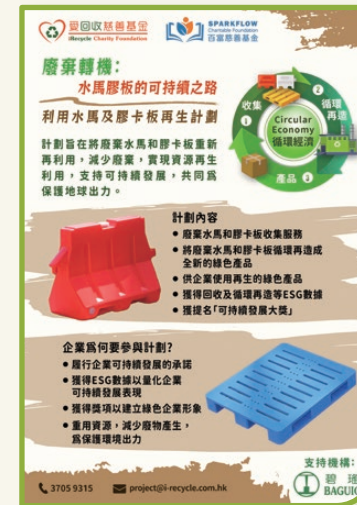
The Group has set a waste recovery target to increase our non-hazardous waste recycling rate to 60% by 2030. In 2024, we achieved a recycling rate of 54%.





## GREENING OUR PLANET

### Transforming Water Barrier into Sustainability



In collaboration with iRecycle Charity Foundation, Sparkflow Charity Foundation, we have launched an innovative program that gives discarded water barriers and plastic pallets a second life. Instead of being sent to landfills, we help construction companies and Hong Kong Conventional and Exhibition Centre (HKCEC) to collect and recycle their discarded water barriers and plastic pellets. Since the project launched in Oct 2023, we have collected more than 600 water barriers and safety barriers (weighted over 7,000kg) from 5 construction sites and more than 600 pallets (weighted over 7,000kg) from HKCEC.

### Pioneering Zero Waste with Green Sand Bag

On our journey towards zero waste, the Green Sand Bag initiative showcases our commitment to sustainability. These green sand bags made from recycled materials, serve as an eco-friendly alternative to traditional disposable ones, reducing waste and supporting a circular economy. The latest Type 3 Green Sand Bag features a surface made from rPVB (20%), derived from laminated glass, and rPET (77%), sourced from recycled plastic bottles. Its filling is composed of recycled glass bottle cullet, equivalent to 21 recycled glass bottles, enhancing its eco-friendly design.



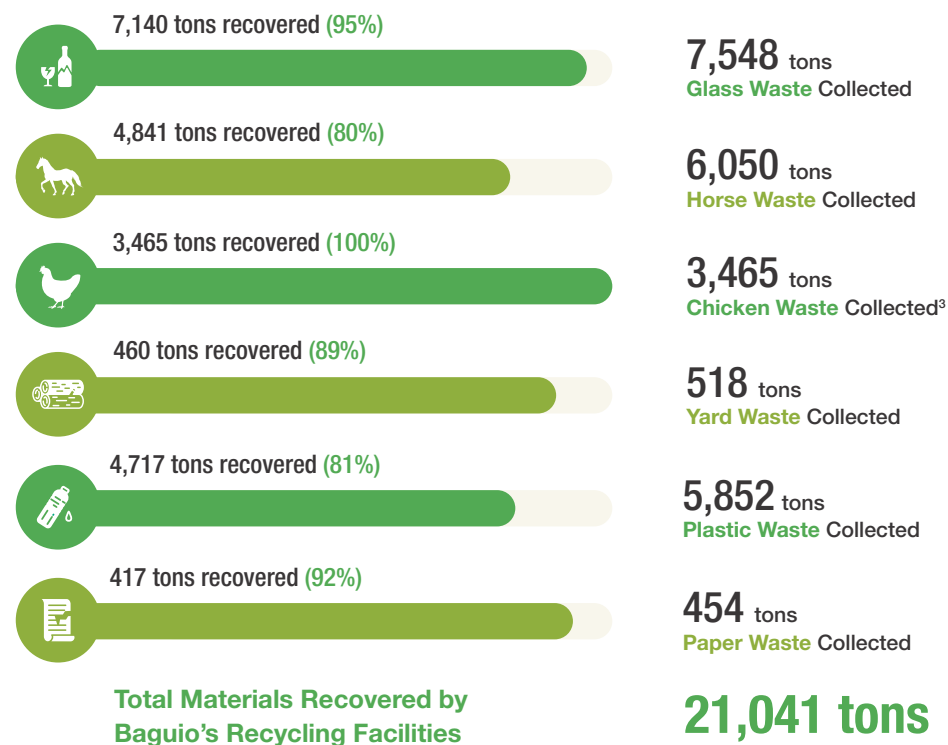
In 2024, we set a world record with about 350 participants simultaneously creating green sand bags, awarding official certification from the World Record Association.



For over 40 years, we have been dedicated to providing cleaning, recycling, and waste management services to the people of Hong Kong, ensuring a clean and vibrant city. Our core mission has always been to create and sustain a “Clean & Green” environment for the benefit of society. Beyond our internal initiatives, we are committed to extending our impact through partnerships and collaborations that drive positive environmental change in the communities we serve. From providing eco-friendly waste management solutions to promoting recycling campaigns, we aim to empower stakeholders to contribute to a low-carbon future. By introducing innovative green technologies and services, we enable businesses and households to make tangible progress toward sustainability goals.

### Circular Economy

Baguio actively promotes circularity by recovering collected materials and transforming them into valuable products. Some examples of our upcycled products include green sandbags, organic soil conditioner (BGSoil), biochar, organic fertilisers, and animal feed. With sustainability integrated into every aspect of our operations, Baguio remains committed to unlocking the potential of more resources and contributing to a greener, more circular future.



In addition to the above waste categories, Baguio has collected 26,156 tons of food waste from the local community for proper recycling.

<sup>3</sup> In 2024, we collected 14,614 tons of chicken waste. 3,465 tons is the total volume of chicken waste trucked in our recycling facilities.



GREENING OUR PLANET

Our Journey Towards Zero Waste

Green Technology Solutions

At the heart of our sustainability efforts lies our commitment to green technology. Through digital transformations, we continuously enhance our service performance and develop smarter, more innovative solutions. By integrating intelligent technologies into our operations, we aim to not only improve efficiency but also reduce environmental impact, supporting a more sustainable future for our customers and communities.

### Smart Waste Management Solution

The Smart Waste Management System offers an all-encompassing waste management solution through a comprehensive recycling network, suitable for public housing estates, private complexes, rural areas, shopping malls, schools, and more. Leveraging Internet of Things (IoT) and wireless technology, the system enables 24/7 monitoring and real-time updates via a big data platform, enhancing recycling rates, reducing logistics costs, and minimizing carbon emissions.



Our latest innovation, the Smart Balance, is designed to boost citizens recycling efforts through enhancing overall recycling efficiency. It is equipped with high-precision, quad-corner balance weighing technology and real-time data auto-upload capabilities. It connects via 4G or Wi-Fi, synchronising weight data directly to a cloud-based data platform. Data collected from these devices are integrated into a big data platform, which generates monthly recycling reports. The reports provide a visual summary of the weight of each type of recyclable material collected and a detailed breakdown of the total weight recycled across all machines.



Users can effortlessly select the type of recyclable material on the touch screen after scanning a QR code. By simplifying the process of weighing and point registration, waste management becomes more convenient for businesses. The total volume of recyclables collected from our smart Waste Management Solutions reach up to 1,203 tons in 2024.



GREENING OUR PLANET

Biotechnology Solutions

To divert yard waste from landfills and alleviate overflowing pressure, we have been serving as the operation contractor for testing and running the Pilot Biochar Production Plant in EcoPark under the EPD since May 2023. This advanced facility can process wood waste, including yard waste, bamboo, pallet in the form of chips. By utilising the pyrolysis process, the waste is decomposed at high temperatures under anaerobic conditions, transforming into bio-products such as biochar and wood vinegar.



Wood feedstock material



Organic planting material made with biochar

Biochar composed primarily of carbon molecules, is characterised by its porous nature, low density, and large surface area. These properties make it highly suitable for soil improvement, as it enhances water and nutrient retention and soil pH regulation. It finds application in agriculture, horticulture, and as construction material. We also utilise BGSoil, an organic soil conditioner crafted from horse stable waste, comprising horse manure, straw or bedding materials and horse feed, to improve soil quality by mixing with soil in an environmentally-friendly approach.



Application of biochar to piazza planter boxes to increase water holding capacity and support plant growth


GREENING OUR PLANET

Environmental Management


Our approach ensures prudent resource management, reducing potential environmental impacts while supporting a more sustainable future. Five subsidiaries obtained ISO 14001 certificates, encompassing critical business operations:

- Baguio Cleaning Services Company Limited
- Baguio Waste Management & Recycling Limited
- Baguio Pest Management Limited
- Baguio Landscaping Services Limited
- Tak Tai Enviroscope Limited


Our Environmental Code, incorporated within our Employee Occupational Safety, Health, and Environmental Code, reinforces key measures outlined in the IMS. In addition to promoting energy-saving initiatives, the Environmental Code is designed to safeguard the environment by ensuring that:




**Chemicals and chemical wastes** are not haphazardly disposed of into the environment.




**Garbage, sewage, or chemicals** will not be indiscriminately discharged into the built environment, such as roadside tunnels, rainwater drains, river courses, or oceans.



**Recyclable waste** will be responsibly recycled or reused and will not be disposed of carelessly.



Licensed professionals manage the **disposal of electrical equipment**.



**Resources, materials, and tools** must not be wasted, for instance, by reducing adhesive tape usage and using chemicals judiciously.

GREENING OUR PLANET

Safeguarding Human Health and Biodiversity

Environmental-friendly solution in Pest Control

We are committed to exploring humane and environmentally-friendly solutions in our pest control operation. For examples, the rodent trapper is a humane pest control solution that captures rats without using pesticide or toxic ingredients. The alcohol used ensures higher hygiene standards through device disinfection. We also adopt the BugDefence System, which is designed for mosquito control using natural and organic repellents. It is completely non-toxic and more efficient than traditional methods, such as fogging and residual spraying.



The rodent trapper (above) used in hospitals and department stores and BugDefence system (right) used in outdoor premises



Greening the Community and maintaining biodiversity

In our landscaping project, we adopt the 10-20-30 rule of plant diversity in new planting and replacement planting as far as practicable. We planted various species promoting biodiversity, which helps create a balanced ecosystem and supports various forms of wildlife. In 2024, we planted 339 trees for our clients.



GREENING OUR PLANET

Environmental Awareness and Education

To enhance environmental awareness among stakeholders, the Group actively promotes various green initiatives both internally and externally. Within the Company, we implemented energy-saving measures in the office, organised environment-related employee activities, and conducted regular environmental training sessions. For more detail, please refer to “Acknowledging our Environmental Footprint- Sustainable Culture Development”.

Externally, we are committed to sharing environmental knowledge and industry expertise with stakeholders through hosting green events, participating in industry exhibitions, and other outreach initiatives. During the reporting year, we actively participated in different industry seminars and exhibitions to foster knowledge exchange and stay informed about the latest trends and innovations.



The Eco Expo Asia 2024



ReThink HK 2024



Recycling Facilities Visiting Tours



ESG/Recycling Related Seminar



Recycling Day/Event



The 22nd China International Environmental Protection Exhibition and Conference (CIEPEC) and IE Expo China 2024



Green Workshop



Green Procurement Fair



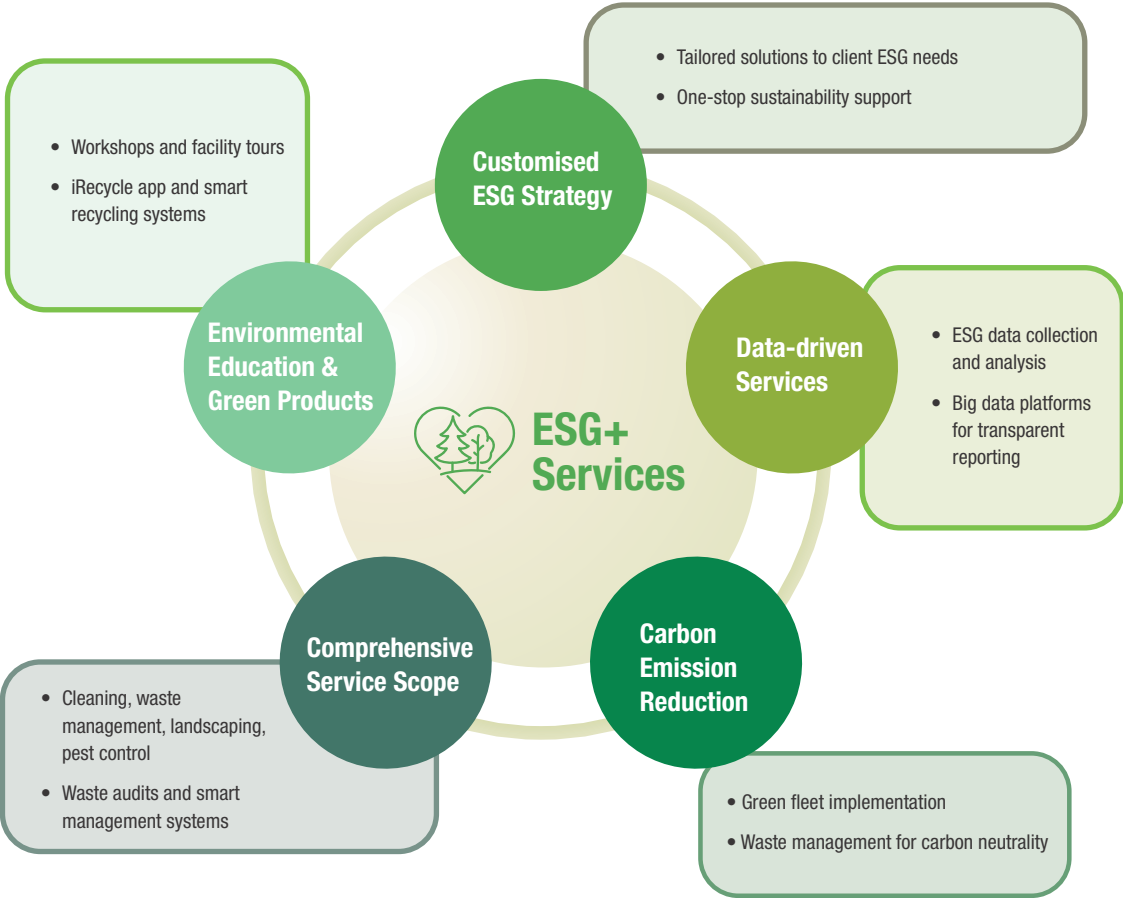
Exhibition

Green Workshop Activities 5	Recycling Facilities Visiting Tours 12	Recycling Day/Event 271
Exhibitions 7	ESG/Recycling Related Webinar/Seminar 29	Other Green Activities (Green Procurement Fair) 10

GREENING OUR PLANET

ESG+ Service

With over 40 years of expertise in integrated environmental services, our ESG+ Service delivers a comprehensive approach that seamlessly integrates ESG principles with advanced environmental management practices. We offer tailored solutions encompassing cleaning, waste management, green technology, horticulture and landscaping, and pest management. Designed to elevate our clients’ ESG performance, these services provide actionable environmental data, measurable sustainability outcomes, and strategic guidance to support the achievement of long-term sustainability goals.




## UPHOLDING OUR EMPLOYEES

### Remuneration and Benefits

The Group offers its employees competitive salaries and benefits, with regular adjustments based on factors such as employee performance, the Group's performance, and market trends. Baguio also provides training subsidies for eligible employees who meet specific criteria. All our full-time employees are entitled for local statutory holidays, annual leave, maternity leave, and paternity leave, and our office employees are entitled to additional birthday leave and marriage leave. Our medical allowance policy includes a dental allowance to demonstrate our concern for the health of our employees.




**To recognise and reward our employees, we hold a Long Service Awards Ceremony annually**

Moreover, we have also established a recognition system to honour outstanding frontline employees. When employees receive written praise from clients or are commended through service quality questionnaires, we present them with supermarket cash vouchers to express our gratitude.

As a considerate employer, the Group organised a wide variety of employee activities during the year, including annual dinner, festival celebrations, Work-Life Balance themed activities, handicraft workshops, outdoor activities, health and wellness activities, and other team activities. These initiatives aim to strengthen internal communication and create a healthy and vibrant working environment.



As an equal opportunity employer, Baguio is committed to the principles of “Fairness, Openness, and Impartiality” in all employment practices. We have established regulations that govern recruitment, dismissal, compensation, working hours, holidays, and benefits to ensure compliance with relevant laws. Additionally, we prioritise talent management by fostering a sustainable talent pool and offering diverse learning and development opportunities to support both employee and company growth.

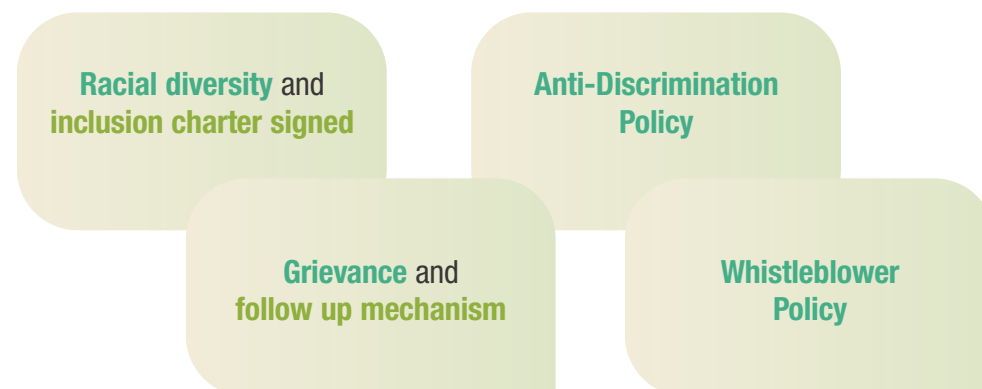


### Equal opportunity, diversity, anti-discrimination

The Group is committed to creating a fair, diverse, and inclusive workplace for all employees, ensuring equitable treatment regardless of race, gender, or disability.

Since June 2022, we have partnered with the Equal Opportunities Commission by signing the “The Racial Diversity and Inclusion Charter for Employers” to enhance workplace diversity. We introduced the “Anti-Discrimination Policy” in 2024 to foster a safe environment, outlining anti-discrimination measures, employee responsibilities, and complaint procedures.

We uphold a zero-tolerance stance on discrimination and harassment, encouraging the timely reporting and thorough investigation of any concerns to ensure a safe and respectful work environment for all. The policies can be found in our website under “Sustainability”.




**Mechanisms to uphold a zero-discrimination workplace environment**





UPHOLDING OUR EMPLOYEES

Annual Dinner





Baguio Anniversary Dinner

Work-Life Balance Themed Activities

Fitness Challenge

Movie Night

Relaxing Tea-Time

Massage Time






Environmentally-Focused Activities




Coffee Grounds Soap Making Workshop

Food Waste Bracelet Upcycling Workshop

Festival Celebrations

Father's Day

Mother's Day

Mid-Autumn Festival

Tuen Ng Festival

Christmas

UPHOLDING OUR EMPLOYEES

Handicraft Workshops






Latte Art Workshop

Sustainable Soilless Botanic Workshop

Parent-Child DIY Neon Workshop

Handmade Perfume Workshop

Health, Wellness and Other Activities






Health Talk & Health Check organised by HK Sheng Kung Hui Welfare Council

Health Check Station organised by Sham Shui Po District Health Centre

Ice Cream Day

Healthy Soup

Outdoor Activities







Cha Kee Hunger Run organised by Foodsport

Standard Chartered Hong Kong Marathon

Hiking

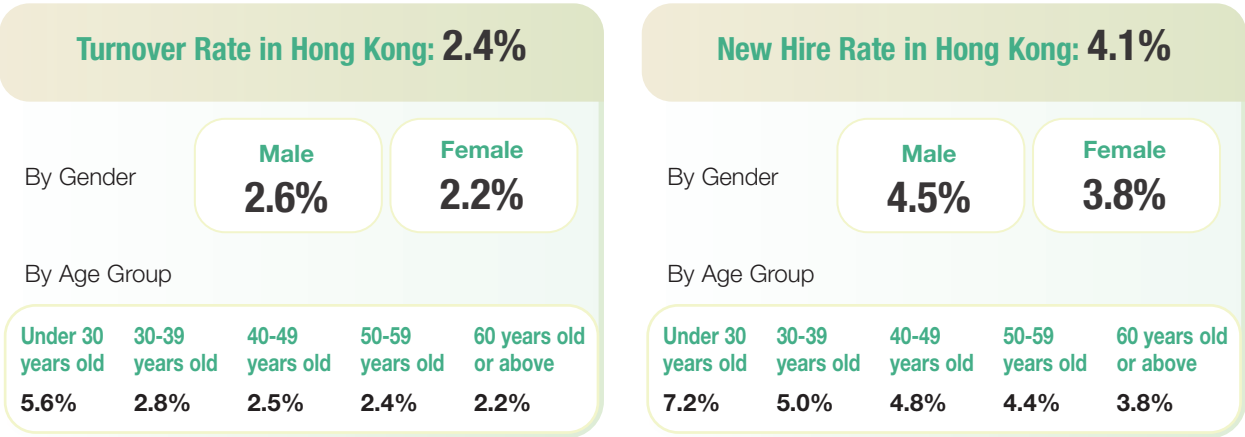
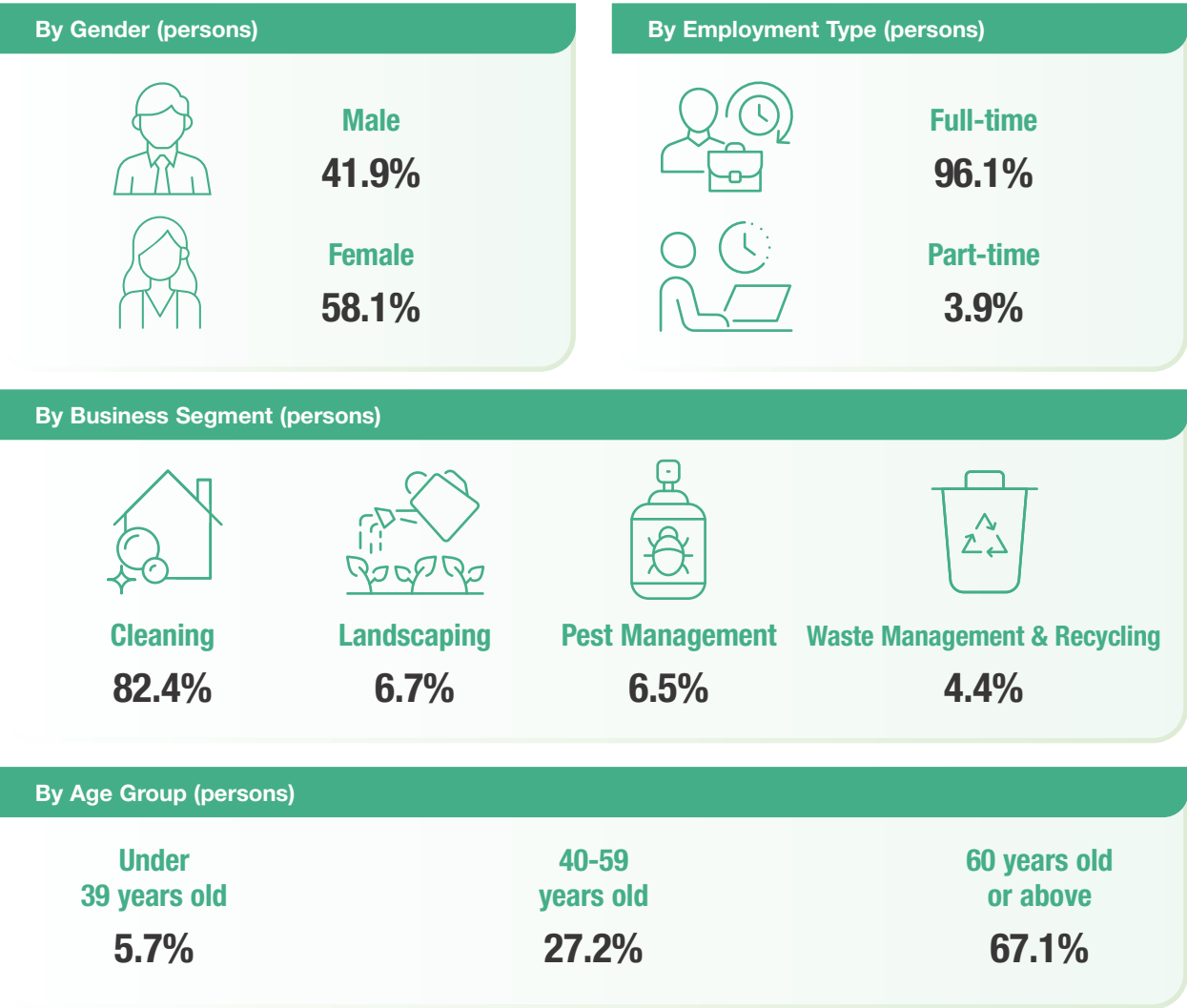
Baguio Green Business Site Tour

Running Club



UPHOLDING OUR EMPLOYEES

The Group recruits talent through diverse channels, including mainland workers through Enhanced Supplementary Labour Scheme, and local school internship programs for students. By offering these opportunities, we aim to attract individuals from various backgrounds, fostering an inclusive and dynamic workforce.



<sup>4</sup> This is the employee figure based in Hong Kong.

UPHOLDING OUR EMPLOYEES

Occupational Health and Safety

At Baguio, the well-being of our employees is our top priority. Our commitment to fostering a safe and healthy working environment is clearly reflected in our comprehensive management policies. Through thorough hazard identification and risk management measures, we strive to ensure the occupational health and safety of all employees across every workplace. We have established stringent standards for subcontractors regarding occupational safety and health, environmental protection, and quality management to enhance overall management quality.

Baguio’s Integrated Management Policy apply to all companies within our group and can be accessed in the “Sustainability” section of our website. Our dedicated Safety, Health, Environment, and Quality Department (“SHEQ Department”) conducts regular inspections, coordinates third-party audits, and provides regular reports to maintain strict safety standards throughout our operations. Our occupational health and safety management system is ISO 45001 certified.

To promote occupational health and safety, we offer training to employees that covers health and safety protocols and environmental guidelines. The trainings aim to minimise risks associated with daily operations such as mechanical tasks, chemical handling, electrical work, and working at heights. To support our diverse workforce, we have developed the guides in four languages.

We also maintain detailed records of staff licenses, such as permits for entering confined spaces or operating forklifts. For outdoor employees, their staff ID cards feature a QR code for quick and easy verification of qualifications, enabling inspectors to confirm staff competency instantly.

There were no work-related fatalities during the report year and the past three years.

14,141.5	1.25	0
Lost days due to work injury	Accident rate <sup>5</sup>	Work-related fatalities

<sup>5</sup> Work-related accident cases per 100,000 working hours

UPHOLDING OUR EMPLOYEES

Health and Safety Measures Implemented in 2024

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

Enhancing Worker Safety through Smart Watch

To strengthen workplace safety, we have introduced 90 smart watches for employees working in remote areas. These devices provide real-time communication and monitoring, ensuring timely support when needed.

The smart watches are equipped with backend health monitoring, GPS real-time positioning, call-in, call-out, automated safety alert, SOS click to call and video call functions, allowing workers to stay connected with their on-site supervisors. In the event of an unusual condition, immediate communication can be established to assess the situation and provide necessary assistance.

UPHOLDING OUR EMPLOYEES

Heat Stroke Prevention

As an Integrated Environmental Management Solutions provider, we recognise the elevated risk of heat stroke for our employees, particularly in settings without adequate air conditioning, both indoors and outdoors. We updated our heat stroke plan based on the second edition of Guidance Notes on Prevention of Heat Stroke at Work issued by Labour Department in April 2024, which covers all outdoor working staff. Additionally, targeted training sessions have been conducted to further enhance awareness among our staff, 100% of our outdoor employees are trained.

Our “Three Lines of Prevention” allows us to create a comprehensive and proactive approach to managing heat stress risks. This not only prioritises the health and safety of our employees, but also ensures compliance with safety standards and regulations.

Heat Stress Risk Assessment

- Conducted **Heat Stress Risk Assessment** by registered safety officer to identify risks and propose corresponding preventive measures

Implementation

- Provision of suitable **personal protective equipment (PPE)** (e.g. protective hoods, goggles, gloves and protective clothing, etc.) to minimise heat risks during work
- Provision of shade and cover to **minimise exposure to heat radiation**
- Installation of **blowers/misting fans** to enhance air flow and promote heat dissipation or provide portable fans to facilitate heat dissipation and decrease heat stress
- Automated **weather warning SMS**

Arrangement

- Duty rotation for employees** engaged in heavy physical work to minimise physical exertion and heat stress
- Provide rest breaks** for employees to recover, hydrate, and cool down
- Allow gradual adaption** of employees to hot work environment
- Encourage employees to **carry portable fans**

Health and Safety Measures Promotion Activities in 2024

Prevention of Bee Stings and First Aid

Things You Must Know about Safe Bleach

Prevention of Heatstroke at Work

Hazard Hunt



UPHOLDING OUR EMPLOYEES

Safety Communication

Baguio has established a comprehensive safety communication strategy to share safety information across all organisational levels effectively. We utilise text messages and WhatsApp to communicate important updates, including extreme weather precautions, recent industrial accidents, and work safety instructions for employees and subcontractors. SMS notifications are automatically blasted out to employees when Hong Kong Observatory or Labour Department issues heat stress at work warnings, No.8 or above typhoon or black rain signals. To guarantee comprehensive coverage for these notifications, the Human Resources department will regularly update employee contact phone information, especially during the summer months to ensure employees are informed. Additionally, safety policies and codes of conduct are prominently displayed on notice boards at construction sites to further raise safety awareness.



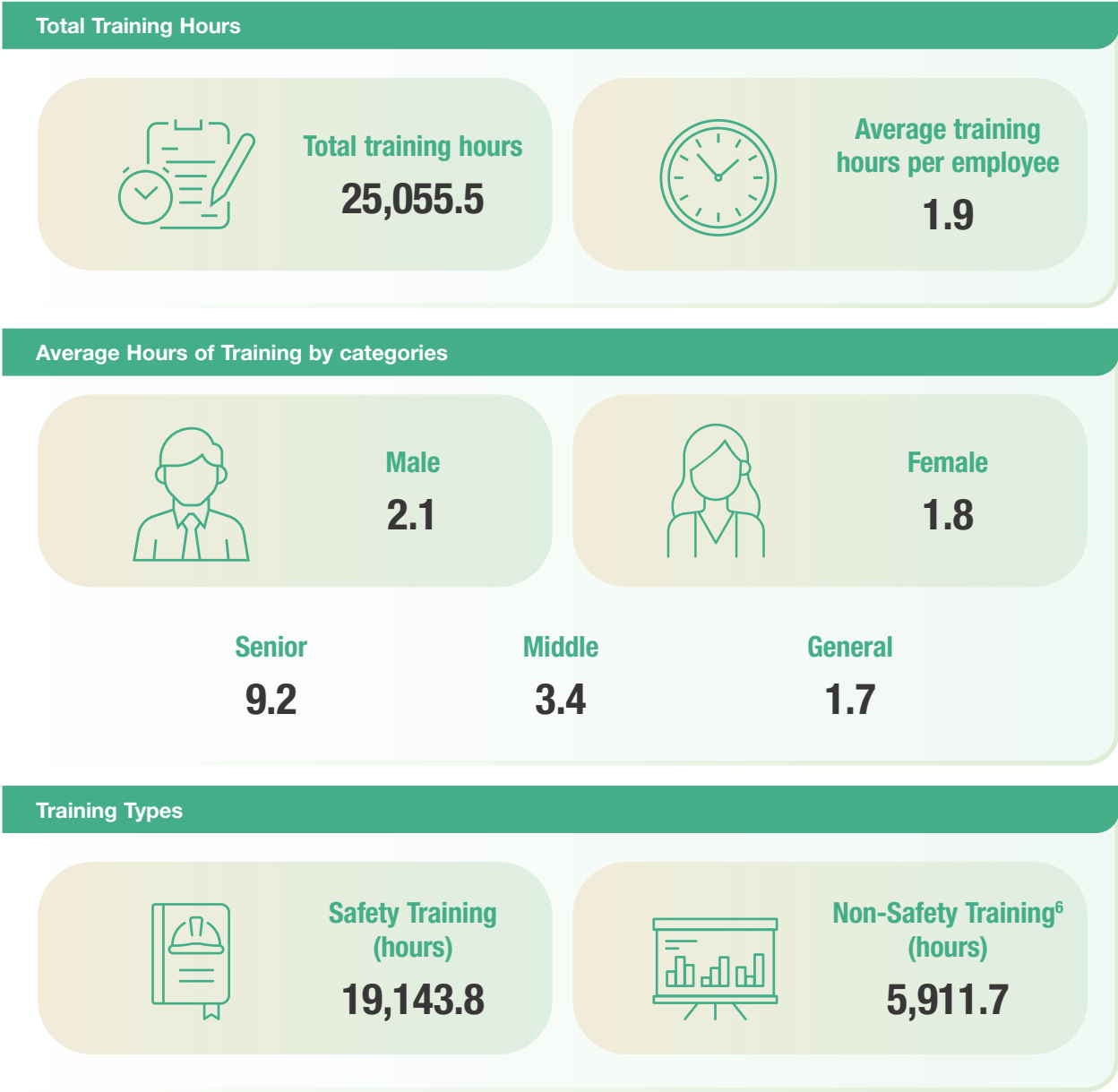
Training and Development

At Baguio, we place a strong emphasis on the continuous growth and accomplishments of our employees through ongoing training and development. We offer a diverse array of programs to ensure that our team members have the knowledge and skills necessary to excel in their roles and contribute to the Company's success.

Regular mandatory internal training, including orientation for new office employees and supervisory training were provided for those in leadership positions among frontline staff. We have established a Training Sponsorship Policy to support employee development. Training needs assessment meetings were conducted with business unit heads to collaboratively design and customise a variety of training programs tailored to the specific requirements of each department and different staff levels.

Targeted Employee		Frontline Employee		General Employee	All Employee
Focus Area	Safety, Health, Environment, and Quality (SHEQ)	Professional Skills	Personal Soft Skills	Respectful and Enjoyable Office Environment	Legal Compliance

UPHOLDING OUR EMPLOYEES



In 2024, we continued the “Train-the-Trainer” program, building upon the successes of previous years to further enhance our internal capabilities. This year, 264 trainers were qualified, equipping them with the skills and knowledge to effectively disseminate best practices and drive continuous improvement across the Group.

Prevention of Child and Forced Labour

The Group is dedicated to eliminating child and forced labour within its organization and among its contractors. The Human Resources Department has implemented policies to prevent these practices and conducts regular audits to ensure compliance. Age verification is required before hiring to avoid employing children. If any instances of child or forced labour are found, the Human Resources Department acts swiftly, including terminating employment and implementing remedial measures. Throughout 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.

<sup>6</sup> Non-safety training include professional development, industry knowledge training, sustainability development, and so on.

IMPLEMENTING OPERATION EXCELLENCE

### Guidelines for Sustainable Procurement Practices Implementation

#### Integrating Sustainable Criteria

Integrate Sustainable Criteria based on

- Environmental Protection Department Green Specifications — 183 Green Procurement Items
- Green labels/certificates (e.g. EU Ecolabel, FSC, Energy Star)

#### Supplier Engagement

Encourage Suppliers to

- Provide items meeting green specifications.
- Improve recyclability
- Increase recycled content
- Reduce packaging
- Adopt energy-saving technologies

#### Supplier Evaluation

Integrate sustainable criteria into

- Supplier Registration and Selection Process
- Annual Supplier Performance Review
- Tendering/Bidding Proposal Process

#### Continuous Improvement

Continuous improvement

- Regular monitoring on effectiveness of green procurement practices
- Collaborate with Stakeholders to improve sustainability practices

### Baguio's Green Procurement Approach

To engage our value chain in pursuing sustainability excellence, we also launched a supplier sustainability program. This year, we held face-to-face evaluation meetings with 44 suppliers to assess their alignment with Baguio's green practices. With the adoption of S-carbon, we encouraged suppliers to use the platform. By the end of 2024, 9 suppliers had registered and begun using it for streamlined data collection.



Baguio participating in green procurement fair



In 2024, Baguio received the “Hong Kong Green Awards” and the inaugural “Sustainable Procurement Award” from the Green Council, recognising our commitment to sustainable procurement

Supply Chain Management

The Group places a high value on fostering enduring relationships, particularly with its suppliers and partners, as a means to bolster operational efficiency and the quality of customer service. The Procurement Department is entrusted with the management of these supplier relationships, ensuring that all materials and services are sourced from approved suppliers. These suppliers are subject to annual evaluations and must adhere to established regulatory requirements. To mitigate environmental and social risks within the supply chain, the Group implements a strategy of regular risk assessments and active engagement with stakeholders, promoting sustainable procurement practices and minimizing environmental impacts.

Location	Number of Suppliers
Hong Kong	321
Mainland China	22
Other Locations	6
Total	349

Regular communication with suppliers and subcontractors is upheld through a variety of channels, including interviews, phone calls and questionnaires, and various procurement events, aimed at enhancing the oversight and management of their environmental and social performance standards.

### Sustainable Procurement

The Group is committed to sustainable development by integrating operational efficiency, environmental protection, and social responsibility into all its operations, including procurement, as stated in our Board-approved Sustainable Procurement Policy. In 2024, we formulated “Green Product List”. Our short-term target is to introduce 180 green products into the list, and in the long-run, we will ensure that 100% of procurement decisions will be based on the green product list. During the reporting period, we successfully introduced 61 green products to the Green Product List . The products primarily focused on Pest Control & Landscaping, Cleaning, and office equipment categories.

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Baguio Green Group Limited  
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IMPLEMENTING OPERATION EXCELLENCE

Responsible Service Provider

The Group has obtained ISO 9001:2015 certificate. The Integrated Management Policy has been established to guarantee service quality. In our role as a responsible service provider, the Group provides accurate and truthful information in our promotional materials, labels, advertisements, and more. Any form of misleading information, false statements, or exaggerated descriptions of our products and services is strictly prohibited by the Group.

We always prioritise our customers’ best interests, and as a result, we are committed to ensuring the quality of our products and services. This commitment is aimed at providing quality assurance and preventing environmental pollution, injuries, ill-health, and accidents. Furthermore, we initiate “Kick-off” meetings and action plans to ensure service clarity for our customers. We also conduct regular audits and service evaluations to maintain the high quality of our products and services.



Throughout the reporting year, the Group provided integrated environmental services and did not experience any product recalls related to health and safety concerns. Additionally, the Group had no knowledge of any violations of laws and regulations that would have a significant impact on advertising, labelling, or the health and safety aspects of the services we provided.

Striving for Service Excellence

Baguio is dedicated to providing high-quality sanitation services, ensuring environmental cleanliness, and achieving user satisfaction. To meet these objectives, the Company has developed a Feedback System and an Inspection application that combine user feedback with real-time inspections, enhancing oversight and enabling continuous service improvement. Furthermore, Baguio conducts monthly reviews of its product quality verification process with technicians, using their evaluations to refine the system. The Company also upgrades its regular maintenance reporting system using e-forms, which facilitates analysis of maintenance data.

Customer First

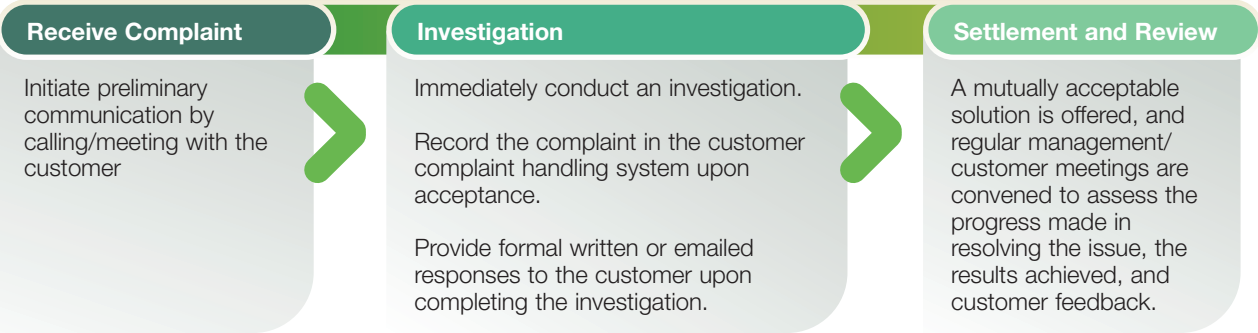
The Group is dedicated to delivering exceptional customer service and places high importance on communication with customers, as it contributes to ongoing improvements in our operations and services. In 2024, we conducted the Baguio Service Quality Evaluation Survey, assessing service performance, managerial staff performance, and frontline operational staff performance. We received 301 responses throughout the year, with overall achieving a “Satisfactory or above” rating of over 96.9%.



As Baguio continues to pursue operational excellence, we are committed to enhancing our services based on customer feedback. Upon receiving surveys from the client, they are promptly forwarded to the operations team for any necessary follow-up actions. Subsequently, the operations team provides updates on the results of their follow-up efforts.

Complaints Management

During the reporting period, we received 22 customer complaints, all of which were successfully resolved. Upon receiving customer complaints, we promptly initiate several actions, as outlined below:



IMPLEMENTING OPERATION EXCELLENCE

Enhancing Service Quality with Technology

We are committed to use the latest technology to improve our service and bring satisfaction to customers. In 2024, we launched two new solutions. Our feedback system allows visitors to provide feedback on the cleanliness and service quality of facilities, currently being used in toilets at Queen Mary Hospital. The inspection application enables supervisors to monitor worker performance in real-time by taking photos and recording observations. Managers can view, confirm, and download individual reports and summaries via a web platform, and add follow-up actions for easy tracking.

Feedback system and inspection apps to improve service performance

Digitalisation and Innovation

We embrace digitalisation and innovation as key drivers of our operational excellence and sustainability efforts. By leveraging advanced technologies and fostering strategic collaborations, we continuously enhance efficiency, streamline processes, and align with the government’s vision for a smart city. Our commitment to integrating cutting-edge solutions into our services reflects our dedication to staying ahead in the market while delivering impactful and sustainable results.

Enhancing Pre-Site Inspections with Drone Technology

For one of our landscaping projects in Hung Shui Kiu, we embraced cutting-edge drone technology to enhance our pre-site inspection process. Due to the complex and inaccessible terrain for the tree survey, drones were deployed to capture high-resolution images and videos, providing detailed insights into the site’s topography, environment and vegetation. This technology allowed us to assess the hard-to-reach areas in advance, such as steep slopes and dense woodland, safely and efficiently. By utilising drones, pre-inspections can be conducted much more efficiently than traditional field studies, reducing both labour costs and the time spent on-site. Most importantly, drones improved safety by minimising the need for personnel to navigate potentially hazardous areas.

Drone-captured aerial view of the site, providing detailed insights into the topography and surrounding environment

Smart Fleet Management Platform

The Group is currently developing an application designed to streamline the management of maintenance and accident records of our fleet, with a focus on improving efficiency and accessibility. In the first phase, the application will prioritise features related to Asset Management System (AMS) and traffic accident reporting. Users will be able to input key details such as vehicle license plates, incident times, and locations, while follow-up personnel can access a dedicated web platform to manage and review these records, aiming to simplify workflows and ensure timely updates, ultimately improving operational efficiency and supporting more informed decision-making processes.

IMPLEMENTING OPERATION EXCELLENCE

Intellectual Property Protection

The Group places a high priority on safeguarding intellectual property, as it serves as a catalyst for continual innovation and sustained growth. The Group’s materials will be verified before being published to guarantee conformity with applicable laws and regulations. The implementation of the Supplier Code of Conduct effectively ensures that the Group’s contractors, subcontractors, and suppliers safeguard relevant intellectual property rights. Any actions that compromise the Group’s intellectual property rights or reputation are strictly prohibited.

Throughout 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.

Information Security and Data Privacy

The Group places a strong emphasis on information security and data privacy, complying with relevant laws and regulations. The Risk Management Team is tasked with safeguarding information and data, preventing unauthorised disclosure of confidential information, and conducting ongoing monitoring. Our internal policies extend to employees, suppliers, and third parties. To enhance information security and data privacy, we have implemented several measures, 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.

Access Security

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

Throughout the reporting period, the Group has not encountered any instances of non-compliance with laws and regulations concerning information security and data privacy.

IMPLEMENTING OPERATION EXCELLENCE

IT Service and Information Security Management

During the reporting year, Baguio Waste Management & Recycling Limited and Baguio Green Technology Limited obtained ISO/IEC 20000 and ISO/IEC 27001. ISO/IEC 2000 is a standard for IT service management, it provides a framework for managing and delivering IT services to meet business and customer requirements and helps us to reduce operational risks. ISO/IEC 27001 is an information security management system (ISMS) standard. It provides a framework for managing and protecting sensitive company information, ensuring its confidentiality, integrity, and availability. We have also updated our IT Information Security Policy in the reporting year to ensure we manage and protect our information assets in compliance with the law and reduce our risk of data breaches and unauthorised access.



Anti-corruption

Baguio maintains a strict zero-tolerance policy towards corruption. This year, we have updated our Whistleblower Policy. To ensure that all employees, suppliers, customers, and other third parties are well-informed about our anti-corruption guidelines, we have established comprehensive internal policies (Refer to Appendix – Reporting Principles and Relevant Policies). During staff orientation, all new hires receive training on anti-corruption. We hold anti-corruption seminar biennially for all staff, collaborating with the ICAC, to consistently remind our employees of ethical business practices.

All members of the Group’s workforce are expected to adhere to our Business Code of Conduct and comply with relevant laws and regulations. They are required to submit a Conflict of Interest Declaration Form annually. Failure to comply with these policies may result in disciplinary actions, including dismissal. We have also implemented a Supplier Code of Conduct to ensure our suppliers comply with applicable anti-corruption laws and regulations. The Whistleblower Policy is available on our website under “Sustainability – Sustainable Approach” section. We also notified all our business partners, contractors, and suppliers via email regarding our policy on the acceptance of gifts and advantages as part of the Supplier Code of Conduct.

To address complaints or concerns regarding misconduct or malpractices, the Company Secretary serves as the designated point of contact. Upon receiving a report, we implement rigorous measures, including internal assessments, external evaluations, and, if necessary, the involvement of law enforcement authorities to ensure thorough resolutions. The final report of any investigation and recommendations for future changes are the responsibility of top management, the audit committee, or the Board. Throughout 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



**Spreading love in mid-autumn festival**  
Partnering with Food Angel, we donated mooncakes to the elderly and low-income families while recycling over 22 kg of mooncake packaging.



**Recycling for Rice Donations to Underprivileged Communities**  
Organised by the Green Council, the “綠續回贈” charity program encourages businesses to exchange “GREEN\$” point earned through waste recycling for rice donations to benefit charitable causes. With the enthusiastic support of Baguio’s employees, over 66,000 GREEN\$ points were accumulated from waste recycling over four months, placing Baguio among the top three participants in the program.



**Blood Donation**  
On November 15, our CSR team organised a blood donation event, with 19 colleagues donating at the Mong Kok Blood Donation Centre.



**Mid-Autumn Festival Outreach Visit**  
Our CSR team delivered leftover mooncakes which were collected from office colleagues to the homeless in Sham Shui Po and Tai Kok Tsui, in collaboration with Homeless Link.

**Food Donation in Annual Dinner**  
After our annual dinner, we encourage colleagues to take home leftovers or donate them to Homeless Link via CSR team, ensuring food reaches those in need while minimising waste.



0 OUR COMMUNITY ENGAGEMENT

In 2024, Baguio reinforced its commitment to social responsibility and environmental protection by driving community initiatives that promote sustainability and inclusivity. Through innovative programs aligned with the United Nations Sustainable Development Goals (SDGs), we fostered environmental awareness, supported underprivileged groups, and advocated for circular economy practices.

Over the past year, we have continued to be giving to the society where we operated in by organising environment-focused activities, and strengthening collaboration with key stakeholders, including green organisations, universities, secondary schools, non-governmental organisations, and business chambers.

Volunteering  
780+ Hours

To enhance community interaction and promote environmental consciousness, we organised a variety of activities, covering educational outreach, recycle workshop, social media interaction, and seminars aimed at promoting environmental consciousness. These initiatives are designed to encourage dialogue and action towards sustainability.

Cycling for Sustainability

All of our CSR initiatives for this year are centered on the concept of “Cycling for Sustainability,” with the goal of educating our community on the importance of integrating recycling and reuse into their daily routines. We strive to inspire our service users to appreciate the value of resources through our diverse programs, which are designed to foster a collective effort towards a more sustainable urban environment. These initiatives cover a range of actions that promote ecological consciousness and advocate a circular economic lifestyle. At the same time, we also provide material assistance to the disadvantaged through resource recycling and strive to reduce inequality while practicing green living.

Social Inclusion and Empowerment

Food Market

We have invited social enterprises, including Angelchild, Ginkgo House, and FairTaste, to our Food Market and provide a distinctive shopping experience for our colleagues. We highlighted their services in our promotion poster to encourage colleagues to discover more about these organisations.





OUR COMMUNITY ENGAGEMENT



**Stray Dogs Visit Event**  
In April, 25 colleagues visited Hug and Home, learning about stray animal issues and promoting adoption instead of purchasing.

**Stray Cat Visiting Tour**  
Ten colleagues supported House of Joy & Mercy by distributing food, cleaning, and donating supplies, aiding their stray cat rescue efforts.



**Stray Rabbit Visiting Tour**  
CSR visited “Bunny House,” where 12 volunteers assisted with cleaning, preparing hay, and grooming rabbits.

Environmental Education

**Recycling Facilities Visiting Tour**  
We organised a recycling facility visit for 16 children during their summer break. The tour included a visit to our Waste Glass Bottle Recycling Plant, where they gained insights into the lifecycle of glass bottles, from collection to recycle. Additionally, the WEEE•PARK, where the children learned about the innovative WEEE smart recycling process, demonstrating efficient and eco-friendly electronic waste management. This hands-on experience not only emphasised the importance of recycling but also fostered environmental awareness among the youth, empowering them to contribute to sustainability.



**Pop-up Recycling Wonder Stores**  
In June, a series of ‘Pop-up Recycling Wonder Stores’ were set up for five consecutive Tuesdays and Wednesdays, engaging office colleagues in the collection of rarely recycled items, such as toys, pills, bras, phone cases and shoes. These items were delivered to professional recycling organisations and charity groups for recycling or redistribution to underprivileged communities. To raise awareness, details about the recyclers and charity groups were shared through internal office emails, promoting circular economy principles and encouraging support for those in need.

OUR COMMUNITY ENGAGEMENT

Fundraising for NGOs



**Green Run 2024**  
Our team of 11 participated in the Green Run, competing in 10-km categories while supporting on-site waste collection with smart recycling machines.



**Cha Kee Hunger Run**  
Baguio’s team joined the Cha Kee Hunger Run promoting local food culture while supporting the community through an active and meaningful event.



**Green Earth Night Walk**  
Our colleagues joined Green Earth Night Walk 2024, embracing a zero-waste lifestyle while stargazing and enjoying Tai Mo Shan’s scenic beauty.

**Lockton Fearless Dragon Trail Run 2024**  
Our colleagues joined over 500 participants in a race promoting diversity and secured 2nd place in the 5km corporate category.





APPENDIX

PERFORMANCE DATA SUMMARY

		2024	2023	2022	2021
Employment	Group-wide (Person)	10,329	10,229	8,894	5,621
	By Business Segment				
	Cleaning (Persons)	8,511	8,554	7,383	4,237
	Landscaping (Persons)	694	456	485	405
	Pest Management (Persons)	668	768	599	628
	Waste Management & Recycling (Persons)	456	451	427	351
	By Region				
	Hong Kong (Persons)	10,329	10,229	8,867	5,593
	Mainland China (Persons)	–	–	27	28
	By Employment type				
	Full-time (Persons)	9,927	9,763	8,522	5,388
	Part-time (Persons)	402	466	372	233
	By Workforce				
	Office Staff (Persons)	277	274	273	247
	Operations Staff (Persons)	10,052	9,955	8,621	5,374
	By Age group				
	Under 30 years (Persons)	191	201	194	172
	30-39 years (Persons)	397	403	405	264
	40-49 years (Persons)	832	840	853	561
	50-59 years (Persons)	1,977	2,090	1,962	1,318
	60 years or above (Persons)	6,932	6,695	5,480	3,243
	By Gender				
	Male (Persons)	4,329	4,329	3,757	2,435
	Female (Persons)	6,000	5,900	5,137	3,186
	Group-wide turnover rate (%) <sup>7</sup>	2.35	2.49	2.64	2.78
	By Age group turnover rate <sup>8</sup>				
	Under 30 (%)	5.61	5.82	5.75	5.65
	30-39 (%)	2.77	3.34	4.21	3.27
	40-49 (%)	2.49	3.21	3.52	3.80
	50-59 (%)	2.40	2.66	2.99	2.78
	60 or above (%)	2.20	2.16	2.11	2.40
	By Gender turnover rate <sup>8</sup>				
	Male (%)	2.60	2.21	2.96	2.87
	Female (%)	2.17	2.88	2.41	2.71
	By Region turnover rate <sup>8</sup>				
	Hong Kong (%)	2.35	2.49	2.65	2.79
	Mainland China (%)	–	–	0.3	0
Training and Development	Total training (Hours)	25,056	23,512	32,320	23,050
	By Workforce Profile				
	Senior (Hours)	1,824	721	1,168	-
	Middle (Hours)	2,846	2,477	3,622	-
	General (Hours)	20,386	20,314	27,530	-

<sup>7</sup> Calculation of turnover rate: (accumulated number of employees who left employment ÷ accumulated number of employees during the reporting year) × 100%

<sup>8</sup> Calculation of turnover rate of the specific category: (accumulated number of employees in the specific category who left employment ÷ accumulated number of employees in the specific category during the reporting year) × 100%

APPENDIX

PERFORMANCE DATA SUMMARY

		2024	2023	2022	2021
	By Gender				
	Male (Hours)	11,736	11,876	15,991	–
	Female (Hours)	13,320	11,636	16,329	–
	The average training hours (Hours) <sup>9</sup>	1.9	2.3	3.6	4.1
	The average training hours by Workforce Profile				
	Senior (Hours)	9.2	3.4	7	–
	Middle (Hours)	3.4	2.5	5.2	–
	General (Hours)	1.7	1.7	3.4	–
	The average training hours completed by Gender				
	Male (Hours)	2.1	2.1	4.3	–
	Female (Hours)	1.8	1.6	3.2	–
	Total percentage of employees that took part in training (%) <sup>10</sup>	76.2	82.1	92	–
	Percentage of employees that took part in training by Workforce Profile <sup>11</sup>				
	Senior (%)	1.5	2.4	–	–
	Middle (%)	5.8	10.8	–	–
	General (%)	92.7	86.8	–	–
	Percentage of employees that took part in training by Gender <sup>11</sup>				
	Male (%)	43.4	44.7	–	–
	Female (%)	56.6	55.3	–	–
Health & Safety	Days lost due to work injury (Days)	14,142	17,018	10,049	5,583
	Work-related accidents (Number)	291	270	165	121
	(cases of over 3 lost days)				
	Work-related accident rate	1.25	1.29	1.00	1.02
	(Cases per 100,000 working hours)				
	Confirmed work-related fatalities (Number)	0	0	0	0
	Safety Training (Hours)	19,143.8	19,263.5	23,966	15,597
Environment	Total Resource Consumption				
	Electricity (kWh)	1,632,513 <sup>12</sup>	1,541,907	1,157,571	1,004,156
	Diesel (Litres)	3,437,934	3,612,763	2,298,477	1,585,207
	Biodiesel (Litres)	6,837	–	–	–
	Petrol (Litres)	32,837	60,487	65,135	65,019
	Naphtha (Litres)	48,186	46,062	26,064	23,760
	Water (m³)	15,657	12,718 <sup>13</sup>	11,422	11,291
	Water intensity (m³/million HK\$ revenue)	6.01	5.46	6.37	8.8
	Paper (Total) (Ream)	5,713	6,382	5,759	3,855
	Paper with recycled content (Ream)	5,685	6,350	5,695	3,785
	Non-degradable plastic bags (Bag)	317,140	211,000	388,716	430,850
	Degradable plastic bags (Bag)	13,904,264	12,991,502	9,745,332	6,799,048
	Average vehicular fuel consumption (Litre/km)	0.327	0.315	0.269	0.234
	Energy intensity (GJ/million HKD revenue)	50.7	59.5	49.9	49.66
	Energy intensity (kWh in '000s/million HKD revenue)	14.09	16.53	13.86	13.79

<sup>9</sup> Calculation of average training hour: Total training hours ÷ (Year-end total employees + Total resigned employees throughout the year).

<sup>10</sup> Calculation of employee training participation: Total trained employees (including resigned employees) ÷ (Year-end total employees + Total resigned employees throughout the year).

<sup>11</sup> 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

<sup>12</sup> Included purchased electricity for our EVs, with the first half estimated based on the distance traveled.

<sup>13</sup> Water consumption for 2023 has been restated due to delay of 2023 water bills.

PERFORMANCE DATA SUMMARY

	2024	2023	2022	2021
<b>Greenhouse Gas Emission<sup>14</sup></b>				
Scope I (tCO <sub>2</sub> e)	9,321.35	9,965.81	6,404.88	4,513.05
Scope II (tCO <sub>2</sub> e)	632.41	601.34	449.11	371.73
Scope III <sup>15</sup> (tCO <sub>2</sub> e)	3,140.41	–	–	–
Total Emissions (tCO <sub>2</sub> e)	13,094.17	10,567.15	6,856.19	4,884.78
Carbon intensity (scope I and scope II) (tCO <sub>2</sub> e/million HK\$ revenue)	3.82	4.54	3.82	3.83
<b>Air Emissions</b>				
Sulphur oxides (tons)	0.06	0.06	0.04	0.03
Nitrogen oxides (tons)	33.78	35.83	24.3	18.51
Particulate matter (tons)	2.89	3.08	2.15	1.58
<b>Hazardous waste</b>				
Engine oil disposed (spent lube oil) (kg) <sup>16</sup>	1,760 <sup>17</sup>	3,006	3,006	5,834
Battery Disposed (kg)	850	300	–	–
Fluorescent Lamp and electronic device (kg)	24	–	–	–
Chemical disposed (kg)	24	0	0	0
Pesticide disposed (kg)	0	0	0	0
Hazardous waste intensity (kg/million HK\$ revenue)	1.0	1.4	1.7	4.6
<b>Non-hazardous waste</b>				
Office and Recycling facilities – general (kg)	23,192.3	31,715.8	19,918.2	8,206.6
Office – paper collected for recycling (kg)	2,550.1	2,623	6,147	1,756
Office – metal collected for recycling (kg)	112.1	185.2	108.1	79.9
Office – plastic collected for recycling (kg)	527.9	524.5	784.0	529.0
Office – other recyclables collected for recycling (kg) <sup>18</sup>	1,232.1	863.2	1,180.1	–
Recycling facilities – paper, metal, and plastics (kg)	22,818.3	2,054	15.69	8.30
Non-hazardous waste intensity (kg/million HK\$ revenue)	19.41	16.31	15.69	8.30
<b>Community</b>				
Donations (HKD)	214,548 <sup>19</sup>	270,500	138,000	200,500
Volunteer hours (hours)	785.5	909.00	397.5	421.5

**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).

<sup>14</sup> The Group adopted S-Carbon for GHG emissions data collection and calculation this year, resulting in an updated methodology. Direct comparisons with previous years' emissions data are not applicable.

<sup>15</sup> Scope 3 emissions include category 1,5, 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.

<sup>16</sup> 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).

<sup>17</sup> In 2024, all lube oil used was properly treated and recycled by a licensed service provider.

<sup>18</sup> Other recyclables collected include glasses, styrofoam, woods, food wastes, milk cartons, red packets, beverage boxes (aluminium), used coffee capsules, and calendar (plastic and paper).

<sup>19</sup> Including direct donations, sponsorship, or participation in fundraising activities organised by charities or social enterprises.

APPLICABLE LAWS AND REGULATIONS

Aspect	Applicable Laws and Regulations	Section
<b>Environment</b>	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
<b>Employment</b>	Disability Discrimination Ordinance; Employment Ordinance; Family Status Discrimination Ordinance; Minimum Wage Ordinance; Race Discrimination Ordinance Sex Discrimination Ordinance;	Upholding our Employee
<b>Labour Standards</b>	Employment of Children Regulations Employment of Young Persons (Industry) Regulations;	Upholding our Employee
<b>Occupational Health and Safety</b>	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
<b>Product Responsibility</b>	Personal Data (Privacy) Ordinance  The Trade Descriptions Ordinance	Implementing Operational Excellence
<b>Anti-corruption</b>	Prevention of Bribery Ordinance  The Competition Ordinance	Implementing Operational Excellence



MEMBERSHIPS AND CHARTERSHIPS

Memberships	
<b>Issuing Party</b>	
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	
Y-PARK	
Hong Kong General Chamber of Commerce	
Hong Kong Cleaning Association	
Hong Kong Federation of Restaurants & Related Trades Limited	
Hong Kong Brand Development Council	
ISA Hong Kong Chapter	
GBA Youth Entrepreneurs Association	
Hong Kong ESG Club	
The Chinese General Chamber of Commerce, Hong Kong	
Hong Kong Property and Facilities Management Association of the Greater Bay Area	
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, and The Hong Kong Council of Social Service	Talent-Wise Employment Charter
World Green Organisation	Paper Towel Saving Campaign
Occupational Safety & Health Council, Department of Health	Joyful Healthy Workplace
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 2024
Labour Department	Good Employer Charter 2024

REPORTING PRINCIPLES AND RELEVANT POLICIES

Reporting Principles	
<b>Materiality</b>	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.
<b>Quantitative</b>	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 2024 ESG data may be found in the Performance Data Summary of the Appendix.
<b>Balance</b>	All relevant data and material topics, regardless of whether it has a positive or negative connotation, has been disclosed in a transparent manner.
<b>Consistency</b>	Unless explicitly mentioned, the data calculation methodologies for all derived figures are consistent with our 2023 ESG Report, thus allowing for direct comparisons to be made.
Relevant Policies	
<ul style="list-style-type: none"><li>Anti-Discrimination Policy</li><li>Climate Change Policy</li><li>Crisis Management Policy</li><li>Integrated Management Policy</li><li>IT Information Security Policy</li><li>Prevention of Child Labour</li><li>Prevention of Forced Labour</li><li>Procurement Policy</li><li>Protection of Personal Data Privacy</li><li>Quality, Environment, Occupational and Health, Environmental Protection and Quality Management for Subcontractors</li><li>Supplier Code of Conduct</li><li>Sustainability Policy</li><li>Sustainable Procurement Policy</li><li>Training Sponsorship Policy</li><li>Whistleblower Policy</li></ul>	

APPENDIX

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
<b>Governance structure</b>		
General disclosure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"><li>(i) a disclosure of the board’s oversight of ESG issues;</li><li>(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</li><li>(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.</li></ul>	Being a Leader - Our Sustainability Approach - Sustainability Governance p.10
<b>Reporting principles</b>		
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"><li>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.</li><li>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.</li><li>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.</li></ul>	Appendix - Reporting Principles and Relevant Policies p.59
<b>Reporting Boundary</b>		
General disclosure	<p>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.</p>	About the Report p.5

APPENDIX

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
<b>A. Environmental</b>		
<b>Aspect A1</b>		
General disclosure	<p>Information on:</p> <ul style="list-style-type: none"><li>(a) the policies; and</li><li>(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.</li></ul>	Appendix - Applicable Laws and Regulations p.57 Appendix - Reporting Principles and Relevant Policies p.59
KPI A1.1	The types of emissions and respective emissions data.	Acknowledging Our Environmental Footprint - Our Climate Footprint p. 20-22 Appendix - Performance Data Summary p.56
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Acknowledging Our Environmental Footprint - Our Climate Footprint p. 20-22 Appendix - Performance Data Summary p.56
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Acknowledging Our Environmental Footprint - Internal Waste Management p.23 Appendix - Performance Data Summary p.56
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Acknowledging Our Environmental Footprint - p.23-25 Appendix - Performance Data Summary p.56
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Acknowledging Our Environmental Footprint p.20-25
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.23-25



APPENDIX

HKEX ESG REPORTING GUIDE CONTENT INDEX

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.	Appendix - Reporting Principles and Relevant Policies p.59
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.21 Appendix - Performance Data Summary p.55
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.55
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Acknowledging Our Environmental Footprint p.20-25
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.22
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.
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.59
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.26-30

APPENDIX

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section/Remarks
Aspect A4		
Climate Change		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Appendix - Reporting Principles and Relevant Policies p.59
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Being a Leader - Our Sustainability Approach - Climate Governance p.15 Being a Leader - Our Sustainability Approach - Climate Strategy p.15-17 Being a Leader - Our Sustainability Approach - Climate Risk Management p.18
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.57 Appendix - Reporting Principles and Relevant Policies p.59
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.54
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Appendix - Performance Data Summary p.54
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.57 Appendix - Reporting Principles and Relevant Policies p.59
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.55
KPI B2.2	Lost days due to work injury.	Appendix - Performance Data Summary p.55
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.39-43

APPENDIX

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	HKEX ESG Reporting Guide 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.59
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.43
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Upholding Our Employees - Prevention of Child and Forced Labour p.43
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.59
KPI B5.1	Number of suppliers by geographical region.	Implementing Operational Excellence - Supply Chain Management p.44
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.44-45
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.44-45
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.44-45

APPENDIX

HKEX ESG REPORTING GUIDE CONTENT INDEX

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.	Appendix - Applicable Laws and Regulations p.57 Appendix - Reporting Principles and Relevant Policies p.59
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.46 Implementing Operational Excellence - Complaints Handling p.46-47
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Implementing Operational Excellence - Intellectual Property Protection p.48
KPI B6.4	Description of quality assurance process and recall procedures.	Implementing Operational Excellence - Striving for Service Excellence p.46 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



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HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	HKEX ESG Reporting Guide 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.59
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.59
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Our Community Engagement p.50-53
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Our Community Engagement p.50-53

INDEPENDENT ASSURANCE OPINION STATEMENT



Independent Assurance Statement  
Issued by: TÜV Rheinland Hong Kong Limited  
Date of Issue: April 2025

TÜV Rheinland Hong Kong Limited was commissioned by Baguio Green Group Limited (“Baguio”) to provide independent third-party assurance on the company’s Environmental, Social and Governance (ESG) Report for the year ended 31 December 2024 (the “Report”).

Objective and Scope

The objective of this assurance was to assess the extent to which Baguio’s ESG 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 ESG topics and performance indicators for the reporting period 1 January 2024 to 31 December 2024, as disclosed in the Report.

The assurance included, but was not limited to, review of policies, ESG management approaches, stakeholder engagement practices, and disclosed metrics on environmental performance (e.g. GHG emissions, waste management, water use), social contributions (e.g. occupational health and safety, training), and governance mechanisms (e.g. ESG governance and 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 ESG indicators, and any third-party data referenced but not directly controlled or managed by Baguio.

Reporting and Assurance Standards

- Reporting Standard:** ESG Reporting Guide (Appendix C2 to the Listing Rules) issued by the Hong Kong Exchanges and Clearing Limited (HKEX), including its mandatory and “comply or explain” provisions.
- 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 ESG management processes.

Methodology

The assurance was performed through a combination of document reviews, management interviews, data sampling, and review of internal controls. Baguio’s stakeholder engagement and materiality assessment processes were reviewed in detail. Sampling checks were conducted on selected performance indicators, focusing on the reliability, traceability, and accuracy of underlying records and control procedures.

The ESG Report and its supporting documentation were reviewed against the AA1000AS v3 principles. In addition to evaluating how Baguio integrates stakeholder views into its ESG strategy, the verification team assessed the company’s materiality determination process, identification of climate-related risks, and disclosure of impact-oriented goals. Internal policies related to data validation, record retention, and performance management were also examined.

Interviews were conducted with responsible managers from various departments including Sustainability, Environmental Operations, Occupational Health & Safety, Human Resources, and Community Engagement to obtain a well-rounded view of governance and performance execution.

Responsibilities

The assurance covered Sections B, and C of the ESG Reporting Guide issued by HKEX, including mandatory disclosure, “comply or explain” provisions, and climate-related disclosures. The verification was conducted through a Type 1 moderate assurance approach, in accordance with AA1000AS v3.

INDEPENDENT ASSURANCE OPINION STATEMENT

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 ESG 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 ESG Report for stakeholder communication.

Conclusion

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

- **Inclusivity:** Baguio actively engages with stakeholders through surveys, meetings, and internal discussions, incorporating feedback from employees, clients, suppliers, and community representatives into its ESG planning and reporting processes.
- **Materiality:** The company conducted a structured materiality assessment with the support of an external advisor, using both stakeholder input and internal strategic review to identify key ESG topics. These were validated and prioritized using a double materiality approach.
- **Responsiveness:** Baguio demonstrated responsiveness by implementing initiatives that address stakeholder concerns, including investment in electric fleet expansion, enhanced health and safety programmes, and diversity training.
- **Impact:** Quantitative indicators disclosed in the ESG Report, including greenhouse gas emissions, waste diversion rates, and community investment, reflect the company’s performance against measurable targets. Climate-related risks were also analysed and disclosed through a third-party-supported assessment.

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 ESG Report of Baguio Green Group Limited for the year ended 31 December 2024 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 Guide;
- Provide a fair and balanced representation of Baguio’s ESG strategy, performance, and stakeholder engagement for the reporting year.

Signed on behalf of TÜV Rheinland Hong Kong Limited



AA1000  
Licensed Assurance Provider  
000-728

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碧瑤綠色集團有限公司  
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