英達公路再生科技(集團)有限公司

Freetech Road Recycling Technology (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：6888

環境、社會及管治報告
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
2025

公路醫生®



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This Annual Report is printed on environmentally friendly paper



ABOUT THIS REPORT

PURPOSE OF THE REPORT

The purpose of the 2025 environmental, social and governance report (the "Report") of Freetech Road Recycling Technology (Holdings) Limited (the "Company") and its subsidiaries (the "Group") reflects our commitment in transparency and accountability in elaborating on the Company's sustainable development plan and performance.

REPORTING SCOPE

The Report sets out the Group's environmental and social performance for the year 2025 (the "year"). The scope covers the core business of the Group namely asphalt pavement maintenance equipment manufacturing and asphalt pavement maintenance services, through the Company and its major subsidiaries, Freetech Road Recycling Corporation and Nanjing Freetech Road Maintenance Vehicle Manufacturing Corporation.

The Report outlines the Group's social and environmental protection performance, while other areas include corporate governance, regulatory matters, directors' information and other information of the Group are set out in the Group's 2025 annual report.

REPORTING DATA DESCRIPTION

The contents of the Report are based on a set of systematic procedures. The procedures include assessing the importance and relevance of identified environmental and social areas, compiling and verifying the reported information, reviewing and responding the views of the stakeholders on the Report. Unless otherwise stated, the financial figures in this report are in Hong Kong dollars.

REPORT PREPARATION PRINCIPLES AND IMPLEMENTATION

The Report was prepared in accordance with the Environmental, Social and Governance Reporting Code, under Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Group has complied with requirement for corporate governance in accordance with Appendix C1 of the Listing Rules, except code provision C.2.1. For details, please refer to the corporate governance report in the Group's 2025 annual report.

The Company has formed the Environmental, Social and Governance report team to optimise and implement the relevant measures, as well as to collect and analyse the environmental and social impact of the Company's operations. The report team is coordinated by the finance department at the Hong Kong headquarters and its members include the human resources department, sales department, equipment business department, production department, project management department and administration department of Hong Kong and subsidiaries in the People's Republic of China (the "PRC").

ABOUT THIS REPORT

ESG GOVERNANCE STRUCTURE

The Group acknowledges the need to have effective and strong ESG governance in place. Good governance ensures accountability and a balance of authority by clearly defining the roles and responsibilities of different parties within the Group. The Board has the overall responsibility for the Group's ESG strategy and reporting. An ESG Committee has been set up and its operations was approved in the regular board meeting. The Committee is to focus on the sustainability issues at board level and comprises an Executive Director, Chief Financial Officer and Operations Manager. A Board Statement has been approved to guide our strategy to achieve a better ESG performance in different areas of works, such as the process used to set targets, evaluate, prioritise and manage material ESG-related risks to our business. The Board will continue to review the progress made against the ESG-related goals and the targets related to our business in the regular board meetings. In addition, the Committee works closely with the ESG report team and is required to provide a follow-up action plan to address any shortfall (if any) in the ESG-related goals and the targets to the Board. If necessary, an interim report on the progress of the follow-up action plan will also be submitted to the Board.

QUANTITATIVE ASSESSMENT

Our assessment standards, methodologies, calculation tools, source of conversion factors used are mainly based on the document "How to prepare an ESG Report" issued by the Stock Exchange. The environmental KPIs are calculated based on its Appendix 2 "Reporting Guidance on Environmental KPIs", while the social KPIs are calculated based on its Appendix 3 "Reporting Guidance on Social KPIs".

CONSISTENCY ASSESSMENT

In this ESG Report, there is no material change to the methods or key performance indicators used or any other relevant factors affecting a meaningful comparison of this ESG report with previous reports.

STAKEHOLDERS ENGAGEMENT

We value the participation of the stakeholders and understand that the stakeholders have different expectations on our sustainable development. Therefore, we use different communication channels to maintain effective communication and establish long-term relationships with the stakeholders. The stakeholders engagement provides insights on the materiality of the environmental, social and governance issues. When developing business strategies, we will consider these factors to improve the transparency of the Group and the confidence of the stakeholders on the sustainable development of the Group.

Stakeholders	Communication Channels	Concerns
Shareholders/Investors	Annual General Meetings and Extraordinary General Meetings	Financial performance
	Annual reports, interim reports and announcements	Company's business development
	Direct communication	Company's significant matters
	Company's website	Sustainable development matters
Government	Direct communication (including teleconference calls and face-to-face meetings)	Implement government policies accordingly Participate in local development and construction Business integrity Social responsibilities to be borne by the enterprise
Community	Participate in community environmental protection activities and charity activities	Environmental protection and public welfare matters, such as Green Office Awards Labelling Scheme and scholarship schemes
Suppliers	Direct communication and feedbacks	Product quality management
Employees and technical team	Management Seminar	Working requirements of the employees and the Company's development
	Training Courses	Safety and health
	Work-life balance activities	Recreational activities
	Periodic performance assessment	Employee welfare and benefits, and sustainable development strategies
Customers	Direct communication: letters, telephone calls, emails and interviews etc.	Customer experience and feedback

STAKEHOLDERS ENGAGEMENT





MATERIALITY ASSESSMENT

In order to better understand the preferences of stakeholders, an expanded stakeholder engagement exercise was performed in 2025. Some key stakeholders of the Group were asked about their priorities on the reporting items in this ESG Report. The stakeholders include suppliers, customers and different levels of employees of the Group, who were all selected to provide their comments by means of questionnaire survey. The questionnaires set out twelve aspects of the environmental, social and governance scope and the stakeholders were asked to rank three aspects that concerned them most in terms of priorities and provide their reasoning. The rankings were assigned with designated scores for calculating and reflecting the pressing ESG issues those stakeholders were concerned with regard to the Group. The results show that "Health and Safety" is the top priority and "Emissions" comes second. "Employment", "Development and Training", "Product Responsibility" and "Use of Resources" are also the main concerns for the stakeholders as these are the fundamental elements for sustainable business. The Company aims to continue improving these areas to satisfy stakeholders' needs.

In conclusion, the results of the survey clearly indicate that health and safety has been of utmost importance for all different stakeholders, especially during and after the Covid-19 pandemic. As both the global and the national environmental standards have been rising, various stakeholders put strong emphasis on reducing emissions and conserving the natural resources.

CONTENT OF REPORT

MAIN CATEGORY:

A. Environmental

The Group has always focused on environmental protection and sustainable development strategies, and reduce waste disposal and waste gas emissions in all types of Hot-in-Place recycling asphalt pavement maintenance projects, as other measures to fight against global warming. We ensure that the maintenance process is in compliance with the relevant environmental laws and regulations through continuously keeping up-to-date on the relevant laws and regulations. Using the Hot-in-Place recycling technology not only has the advantages of saving the energy, reducing the waste, minimising various types of pollution, such as noise pollution, but also promotes the recycling of materials and saves the city construction funds for the local governments.

Compared with the traditional method which will produce a lot of dust and cause noise pollution, the Group's Hot-in-Place recycling technology is able to substantially reduce dust and noise pollution during road construction.

The followings are the comparative advantages of the Hot-in-Place recycling technology over the traditional technology in terms of impacts on the environment:

	Hot-in-Place recycling technology
Energy consumption saving	40%
Waste disposal reduced	100%
Dust emission reduced	96%
Carbon dioxide emission reduced	44%
Sulphur dioxide emission reduced	83%
Nitrogen oxides emission reduced	51%

Source: CCID, PRC industry standard for Technical Specifications for Maintenance of Highways Asphalt Pavement, sinoasphalt.com, 2013.



Aspect A1: Emissions: relating to exhaust emissions and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste

(a) The Company has developed various internal policies to effectively manage the emissions, including: "Identification and Evaluation Procedures for Environmental Factors", "Environmental Operation Control Procedures" and "List of Important Environmental Factors". Various internal policies enable the Company to identify, evaluate, and manage environmental factors that affect the environment in production and business activities. From the beginning of environmental assessment, each department has explicitly identified the relevant regulations, identifies and performs rating evaluation on the different types of polluted waste. Finally, the Company proposes a comprehensive management program. During the business operation process, in order to reduce the environmental pollution of solid waste and control the solid waste, the Company has also developed "Solid Waste Management System". The Group's major subsidiaries, namely Freetech Road Recycling Corporation and Nanjing Freetech Road Maintenance Vehicle Manufacturing Corporation, obtained the "Environmental Management System Certificate ISO14001" in 2024 and 2023 respectively (valid date is May 2027 and November 2026 respectively). The hazardous waste is properly handled by licensed collectors and the non-hazardous waste is handled in accordance with the local laws in the PRC.

(b) The Group has complied with the "Law of the PRC on the Prevention and Control of Atmospheric Pollution", "Regulations of Nanjing Municipality on the prevention and control of air pollution", "Water Pollution Prevention and Control Law of the PRC" and "Law on the Prevention and Control of Environmental Pollution by Solid Wastes" during the year.


环境管理体系认证证书

兹证明

英达热再生有限公司

建立的环境管理体系符合：

GB/T 24001-2016 / ISO 14001:2015 标准

该管理体系适用于

位于江苏省南京市南京经济开发区恒飞路9号的英达热再生有限公司资质范围内的市政公用工程施工总承包和公路路面工程专业承包所涉及的环境管理活动。

江苏九州认证有限公司

总经理：

IAF

CNAS

MANAGEMENT SYSTEM

CNAS C029-M


环境管理体系认证证书

兹证明

南京英达公路养护车制造有限公司

建立的环境管理体系符合：

GB/T 24001-2016 / ISO 14001:2015 标准

该管理体系适用于

位于江苏省南京市南京经济技术开发区恒飞路9号的南京英达公路养护车制造有限公司沥青路面养护车/机的设计、生产和销售所涉及的环境管理活动。

江苏九州认证有限公司

总经理：

IAF

CNAS

MANAGEMENT SYSTEM

CNAS C029-M

The Group has renewed its climate-related target with a target to reduce greenhouse gas (GHG) emissions intensity by 5% over the five-year period from the base year 2025. This target covers Scope 1 and Scope 2 emissions across the Group's operations. To achieve this target, the Group-wide energy saving measures has been implemented in all our construction sites and offices to reduce the use of vehicles and electricity. The measures include reminding the staff members to conserve the energy and increase adoption of online meetings/visits instead of physical meetings/visits to reduce air emissions and greenhouse gas emission generated from transportation.

The Group has set the target to reduce 10% on hazardous wastes (intensity) and the non-hazardous wastes (intensity) over the five-year period from the base year 2025. All of our employees are encouraged to further reduce consumption, and the production and operations will be further streamlined to achieve the reduction targets for hazardous and non-hazardous wastes.

Aspect A2: Use of Resources — Efficient use of resources (including energy, water and other raw materials)

The Company has developed "Office Supplies and Other Non-production Materials Management System" for effective use of office supplies.

The Company has adopted the following measures to make effective use of production resources:

1. Stick a water-saving label to each water tap to remind our employees to save water.

2. Turn off the office equipment, such as computers, lighting systems, photocopiers, air-conditioners, etc., at the end of a working day.

3. Save the use of paper (such as double-sided printing) and packaging materials, to avoid unnecessary wastage.

4. Submit meal and office supplies order applications and car and air tickets booking applications through electronic communication means in order to reduce paper consumption.



5. Conduct water pipe inspection, and if leakage is found, immediately perform maintenance to avoid waste of water resources.

6. Avoid unnecessary use of liquefied petroleum gas and diesel by requiring the construction department to start up the modular series equipment 15 minutes before the commencement of maintenance work.

7. Avoid unnecessary use of asphalt aggregate material by arranging our construction department to check and examine the appropriate amount of asphalt aggregate material to be used to meet the road conditions, design standard requirements and customer requirements, and avoid adding too thick asphalt aggregate material.

8. Recycle the scrap metal through the Group's steel plate site which has a scrap storage area, those steel plate with less than 0.04 square meters identified as waste materials will be recycled by the waste recycling factory.

9. Recycle production materials, such as gasoline, paint accessories (solvent oil), disc sandpaper, etc.

10. Optimise the procurement system, the sales department and the production department communicate closely every week to determine the procurement plan and shorten the inventory turnover cycle.

During the year, we consumed tap water from the local municipal water supply agency, during which we did not encounter any problems in obtaining water sources. We have set the target to reduce 5% water consumed intensity and electricity consumed intensity over the five-year period from the year 2022. We will continue to adopt the above measures to achieve the target. Both of our products and services do not involve packaging materials.

Aspect A3: The Environment and Natural Resources

In general and by nature, our core business is to maintain roads by re-using existing asphalt and reduce the impact on the environment and natural resources. Nevertheless, the Company has taken the following measures and policies to reduce the significant impact on the environment and natural resources:

1. Collect the waste batteries and return to the manufacturers by way of trade-in.

2. Protect greenery along road side before commencement of work to avoid damage to green plants.

3. Enter into contracts with recycling units to recycle waste metals and plastics on a regular basis.

4. Enter into contracts with qualified units to centrally manage and dispose of industrial dangerous waste such as waste oil and waste oil cotton yarn.

5. Regularly inspect the environment of the production plant in accordance with the requirements of the environmental management system of the Group and rectify any problem found in a timely manner.

6. Install durable and impervious flooring on the workshop ground, and install epoxy impervious flooring in hazardous waste storage room to prevent certain pollutants from contaminate soil and groundwater sources.

7. Renovate the grinding workshops in the plant, install filtration devices to reduce dust emission.

B. Social

Aspect B1: Employment

The success of the business depends on a professional, energetic, responsible and enthusiastic team. We advocate people-oriented, attract, train and retain talents to drive the continuous growth of the business, where the employees can unleash their own advantages, and facilitate their working enthusiasm. The Company has formulated various internal employment policies according to the relevant laws and regulations, including: "Salary Management System", "Recruitment Management System", "Employee Promotion Management System", "Attendance Management System", "Performance Management System", "Employee Welfare System", "Lunch Subsidy Standard Adjustment Notice", "Employee Care Fund Management System", "Employee Behavior Requirement and Assessment Methods", "Confidential Policy" and "Staff Retirement Management Methods". These policies enable us to be more systematic when recruiting new employee. The Group promotes equal opportunities and respects different ages, genders, nationalities, people with disabilities and religions. Any type of discrimination would not be tolerated, and employees are encouraged to report any discriminatory behaviours to the management. The Group treats all employees equally in all employment decisions including recruitment and promotion.

During the year, the Group did not violate the "Labor Law of the PRC" and the "Employment Ordinance" in Hong Kong.

Aspect B2: Health and Safety



The Company is concerned about the safety and health of the employees. According to the "Safe Production Law of the PRC", "Law of the PRC on the Prevention and Control of Occupational Diseases", "Provisions on the Supervision and Administration of Occupational Health at Work Sites", it clearly states that it is the Company's responsibilities on labour protection such as occupational health and safety of the employees. Therefore, the Company has formulated various internal health and safety policies for the employees, including "Hazard Identification, Risk Assessment and Renewal Control Procedures" and "Occupational Health and Safety Operation Control Procedures". In order to protect the safety and health of the employees during the process of production, operation and services, and properly equip and use the labour protection supplies, the Company has formulated and implemented the "Labour Protection and Labour Protection Supplies Management Procedures". Our Equipment Maintenance and Application Training Center is responsible for the identification of safety factors during the production process and to use the safety factors to develop control management program and related systems. The Human Resources Department is responsible for labour hygiene and the centralised management of the employee's occupational health. The Administration Department is responsible for the implementation of occupational health examination work. The Raw Material Supply Department is responsible for the procurement, custody, the release of labour protection supplies. Each department is responsible for their employees' safety during production activities and the implementation of relevant systems and management measures. The Group's major subsidiaries, namely Freetech Road Recycling Corporation and Nanjing Freetech Road Maintenance Vehicle Manufacturing Corporation, obtained the "Occupational Health and Safety Management System Certificate ISO45001" in 2024 and 2023 respectively (valid date is May 2027 and November 2026 respectively).

In 2025, the Company complied with all the above-mentioned laws relating to health and safety.



职业健康安全管理体系认证证书

兹证明

英达热再生有限公司

建立的职业健康安全管理体系符合：
GB/T 45001-2020 / ISO45001:2018 标准
该管理体系适用于

位于江苏省南京市南京经济开发区恒飞路9号的英达热再生有限公司资质范围内的市政公用工程施工总承包和公路路面工程专业承包所涉及的职业健康安全管理活动。

江苏九州认证有限公司

总经理：

IAF CNAS



职业健康安全管理体系认证证书

兹证明

南京英达公路养护车制造有限公司

建立的职业健康安全管理体系符合：
GB/T 45001-2020 / ISO45001:2018 标准
该管理体系适用于

位于江苏省南京市南京经济技术开发区恒飞路9号的南京英达公路养护车制造有限公司沥青路面养护车/机的设计、生产和销售所涉及的职业健康安全管理活动。

江苏九州认证有限公司

总经理：

IAF CNAS

There were no work-related fatalities and occupational diseases in the past three years. However, there were below ten cases of work-related injuries in the past three years, which were mainly injuries sustained during production operation. In view of the above, the Group will strengthen the safety training for production personnel and require the employees to strictly implement safety practices and use the appropriate tools during their works.

During the year, the Company has organised different activities, such as the Lunar New Year Dinner, to enable employees to get a balance between work and life.





Aspect B3: Development and Training

For the employee personnel development on different type of positions, the Company has developed a set of complete training and development program. The Company also has a relevant training program to upgrade all levels of talents. Different types of training activities are arranged every year. The following is a brief introduction of the training activities for the year:

1. *Equipment manufacturing*
   - Every year in June, the Company holds "Safety Production Month" activity (including conduct fire drill and position responsibility system safety training);
   - Perform regular check on the fire-fighting equipment in the production plant;
   - Invite the manufacturer to organise safety operation training for the workers before the use of special production equipment;
   - Workshop workers are required to obtain Level 3 safety education certificate as prescribed by the State Administration of Work Safety before the new employees' enrollment;
   - Hold "Safety Production Method" interpretation training; and
   - Arrange safety management manager and safety management staff to attend external trainings on a regular basis and to obtain relevant qualifications.

2. *Construction*
   - Organise a large-scale safety production training every year;
   - Conduct a large-scale safety drill at the plant;
   - Conduct a safety training for all construction project personnel before commencement of construction project; and
   - Send a designated personnel to the construction site for safety checks during construction process.

3. *Department training*
   - Different type of department trainings have been organised throughout the year 2025. Through different activities and interactive method, these enable the employees at or above the manager level to train and develop their soft skills, such as leadership and problem-solving skills. These also enable the employees to understand the latest developments of the Company and increase cohesion and tacit understanding among teams and departments.

Aspect B4: Labour Standards

The Company respects and has complied with international human rights principles, such as the United Nations' "Universal Declaration of Human Rights" and the convention of International Labour Organisation (ILO); adheres to the policy of not to hire child labour or forced labour. The Company has also strictly complied with the "Prohibition of Using Child Labour Provision", and will not hire minority which is under 16 years old. The Company strictly complies with the "Labour Contract Law of the People's Republic of China" when hiring employees. The Company will negotiate with the employees in relation to the terms of the labour contract, including working environment, working hours and wages.

The Company strictly abides with the relevant laws and regulations, and has never hired child labour or forced labour.

Aspect B5: Supply Chain Management

The Company has formulated various internal supply chain management policies including "Procurement Control Procedures". According to ISO9001: 2008 "Quality Management System Requirements", the Company established and implemented the quality management system, developed a "Supplier Selection and Control Procedures", requested control requirements on the environmental and safety impact of the products or services provided by the suppliers and informed the suppliers in the form of "Notification to the Relevant Party".

During the year, the Group had approximately 800 tier-1 suppliers, which were mainly located in the PRC. They provided asphalt aggregate material and road maintenance equipment parts, etc. The Group engaged the suppliers in accordance with the above policies. The Company identifies and selects suppliers in terms of environmental and social risks by inspecting their relevant certificates and continuous monitoring their products quality and service performance. Furthermore, we encourage our suppliers to prioritise the adoption of environmentally friendly products. The Group continuously monitors the procurement process and may purchase materials/products from alternative suppliers when a supplier has been identified by the Group to have deficient environmental and social responsibility practices and has not made any improvement upon request.

Aspect B6: Product Liability



The Company has formulated a variety of internal policies relating to product liability including "Non-qualified Product Control Procedures", "Customer Service Control Procedures", "Standardised Construction Control Procedures", "Inspection, Test and Acceptance Control Procedures", "Quality and Environmental Safety Inspection and Supervision Management Procedures" and "Process and Finished Product Inspection Control Procedures". Regarding product safety policies, the Company has developed the "Design and Development Control Procedures" according to the quality management system standards. The environmental factors, occupational health and safety risks caused during the consumption or production of products are the important factors to consider in the product development, and require to be assessed in order to ensure product safety performance and environmental protection performance are complied with the requirement of the "GB7258-2017 Technical Specifications for Safety of Power-driven Vehicles Operating on Road", "GB1589-2016 Limits of Dimension, Axle Load and Masses for Motor Vehicles, Trailers and Combination Vehicles", "GB11567-2017 Motor Vehicles and Trailer-lateral and Real Underrun Protection Requirements" and "GB/T50430-2017 Code for Quality Management of Engineering Construction Enterprises". Regarding to the customers protection, the information of the users should not be disclosed to any person or entity, unless being required to report to the defective vehicle product recall management information platform of the State Quality Supervision Bureau. The Company obtained the "Advanced Unit for Safe Production" certificate issued by the Nanjing Economic Development Zone in 2018. The Group's major subsidiaries, namely Freetech Road Recycling Corporation and Nanjing Freetech Road Maintenance Vehicle Manufacturing Corporation, obtained the "Quality Management System Certificate ISO9001" in 2024 and 2023 respectively (valid date is May 2027 and November 2026 respectively).

The Group respects intellectual property rights and protects the privacy of its customers. The Group have formulated strict guidelines and prevented employees from dishonest or inappropriate use of intellectual property, such as requiring employees to install licensed software. Such guidelines are communicated to our employees and are reinforced from time to time. The Group required employees to ensure that confidential information of customers and suppliers is kept confidential and strictly prohibiting unauthorised disclosure of such confidential information to third parties in order to protect the interest of the Group, its customers and suppliers. Suppliers are also required to enter in confidentiality agreements and undertake to comply with the relevant privacy protection policies.

If any recall of products is needed, the Group shall initiate the product recall procedures includes stop selling the relevant products, investigate the root causes and take permanent corrective action for the problems. We shall keep seeking improvement of the service and product quality to fulfil customers' expectations. The Group shall take prompt action to handle and investigate when receiving complaints from customers in accordance with the policy developed. Follow-up actions and remediation shall be taken accordingly after the investigation and act as references for future improvement. There was no product recall for health and safety reasons, and the Group hasn't received any customer complaints during the year. In 2025, the Company complied with the Advertising Law and the Law on Protection of Consumer Rights and Interests in the PRC.


质量管理体系认证证书

兹证明

英达热再生有限公司

建立的质量管理体系符合：

GB/T 19001-2016 / ISO 9001:2015 和 GB/T 50430-2017 标准

该管理体系适用于

资质范围内的市政公用工程施工总承包和公路路面工程专业承包。

江苏九州认证有限公司

总经理：

CNAS

MANAGEMENT SYSTEM

CNAS C029-M


质量管理体系认证证书

兹证明

南京英达公路养护车制造有限公司

建立的质量管理体系符合：

GB/T 19001-2016 / ISO 9001:2015 标准

该管理体系适用于

沥青路面养护车/机的设计、生产和销售。

江苏九州认证有限公司

总经理：

IAF

CNAS

MANAGEMENT SYSTEM

CNAS C029-M

Aspect B7: Anti-corruption

The Company's policies have strictly complied with the relevant requirements of all applicable laws and regulations in all material respects, including anti-corruption laws. The Company does not have a stand-alone anti-corruption policy but has a supervision system on violation of laws, regulations and cultural values. In addition, the Company educates the employees of the best practice of anti-corruption in workplace via emails from time to time. The Company has formulated relevant anti-corruption policies in the "Employee Code of Conduct and Assessment Measures" to formulate codes of conduct and provides relevant training for the employee; defines the scope of corruption activities, formulates the prevention and control measures and establishes reporting procedures for reporting on corruption and bribery activities. The Company's whistle-blowing procedures are operated under the Supervisory and Monitoring Committee which comprises senior management. Reports are directly escalated to the head of the department or division, further to the Chief Executive Officer and/or the Audit Committee depending on severity. During the Reporting Period, our senior management self-studied the "Criminal Law of the People's Republic of China" and the latest anti-corruption regulations on ICAC's official website.

During the year, the Company has been complying with the "Company Law of the People's Republic of China", "Law of the People's Republic of China Against Unfair Competition" and the "Prevention of Bribery Ordinance" enforced by the Independent Commission Against Corruption in Hong Kong. The Company has not found any investigation or conviction by a regulatory body against the directors, employees or distributors of the Company in violation of the relevant provisions or improper payments.

Aspect B8: Community Investment

The Company does not have a stand-alone community investment policy but has taken social responsibility and actively participates in various social welfare activities. Over the years, we have actively supported training of students from various universities and technical colleges. We have further extended our financial support to vulnerable groups this year. The following table is the donation provided by the Group in 2025:

Name of organisation	Purpose of donation	Amount (HK$)
Nanjing Vocational Institute of Transport Technology	Freetech Scholarship	HK$21,740.00
Southeast University	Freetech Scholarship	HK$130,440.00
Jiangsu Association for Services to Enterprises with Hong Kong Investment	Community Support	HK$54,350.00
Hong Kong Nanjing Association	Community Support	HK$100,000.00
	Total	**HK$306,530.00**

The Company also supported "World Green Organisation, a Hong Kong non-governmental organisation", and participated in the Green Office Award Labelling Scheme and Eco-healthy Workplace Awards Labelling Scheme. The Company passed the relevant review and was awarded the "Green Office and Eco-Healthy Workplace" label. The Company has also made contribution to environmental protection and established a healthy workplace.



C. Climate Change

The Group recognises climate change as a significant issue and actively assesses the climate risks posed to the business operations. Climate risks can be categorised into physical and transition risks.

Climate governance structure and processes

To further enhance the governance of climate-related matters and to respond to the Stock Exchange's new requirements, the Group is actively planning and refining the climate-related governance structure and management processes, with a view to supporting the long-term sustainable development objectives.

At the Board level, the Board oversees climate-related risks and opportunities as part of its overall governance responsibilities. The ESG Committee manages climate-related risks and opportunities. The Group intends to further clarify the Board's oversight responsibilities in respect of climate-related risks and opportunities. The Board receive regular updates on climate-related issues during board meetings and remain informed of material developments through management reports. The Board oversees the setting of climate-related targets and continuously monitors progress towards achieving them, ensuring alignment with the Group's long-term strategic direction.

At the management level, the ESG Committee coordinates the identification, assessment and response to climate-related matters, and to strengthen cross-departmental collaboration. Climate-related considerations will be progressively integrated into our routine business processes such as risk management, operational management and financial management. The ESG Committee will report to the Board periodically on the status of climate risks and the progress of target implementation to facilitate effective Board oversight.

In addition, the Group will gradually enhance the capacity-building mechanisms. Through training programmes, internal discussions and experience-sharing initiatives, we aim to improve the Board's and management's understanding of climate-related risks and opportunities as well as regulatory requirements, thereby laying the groundwork for a more systematic climate governance in the future.

Physical climate risks

Physical climate risks are posed by extreme weather condition such as typhoon and rainstorm in greater frequency and severity, which may cause disruption to our operation and affect the safety of our staff. Therefore, the Group has formulated a crisis management plan which sets out the safety precautions to be taken under extreme weather condition as follows:

- Reinforcing or dismantling outdoor facilities of the factory before extreme weather strikes in order to prevent substantial damages to the factory.
- Ensuring smooth drainage by inspecting catch basins regularly to prevent flooding during rainstorm.
- Observing government's policy under extreme weather conditions and cooperating with the government to shut down the work and production in order to ensure the personal safety of employees.

In accordance with the requirements of the Stock Exchange, we will progressively disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks in future ESG reports.

Transition climate risks

Transition climate risks result from the transition to a low-carbon economy, which may require changes in policies, regulations, technology and market to address mitigation and adaptation requirements related to climate change. The Group does not expect the transition to a low-carbon economy to have a significant impact on the Group's operation. However, the Group will regularly monitor the regulatory market environment and take relevant measures to address potential transition climate risks.

In accordance with the requirements of the Stock Exchange, we will progressively disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks in future ESG reports.

Climate-related risks and opportunities

Based on its own strategic planning framework, operating cycle and development characteristics of the biopharmaceutical industry, the Group defines the impact cycle of climate-related risks and opportunities as "short-term", "medium-term" and "long-term", which helps in setting corresponding goals, resource allocation and risk management practices. "Short term" means 1 to 3 years, including current urgent priorities; "Medium term" means 3 to 5 years, connecting operational execution with strategic transformation and focusing on initiatives that require sustained investment or organisational adaptation; "Long term" means more than 5 years, depending on major trends in the industry, prioritising sustainable value creation, competitive positioning and alignment with global ESG commitments. The Group's strategic planning process integrates these time-horizon definitions to ensure alignment between governance, risk appetite and stakeholder expectations. The Group's climate-related risks and opportunities are regularly reviewed and assessed by the Board.

The Group currently does not disclose the specific amount and percentage of assets or business activities aligned with climate-related opportunities. At our current stage of development, a dedicated data collection mechanism and rigorous financial quantitative methodology for climate-related opportunities have not yet been fully established. The Group will continue to closely monitor the development of global sustainability disclosure standards (such as the ISSB Standards) and evaluate the feasibility of progressively incorporating such financial quantitative data into future reports as the Group's ESG data infrastructure matures.

Risk Analysis

	Risk Type	Expected Time of Occurrence	Impact on Business, Strategy, and Financial	Response Measures
Physical climate risks	Acute	Medium-term	Daily operations may be affected by extreme weather conditions such as snowstorm, hurricanes and heavy rains, resulting in increased additional operating costs or reduced operating income	Develop a crisis management plan for coping with extreme weather events Maintain backup equipment and materials Ensure staff safety protocols are strictly followed at both sites and offices
	Chronic	Long-term	Chronic risks such as heat, drought, and rising sea levels may increase the total energy consumption and costs of the office building or project site, resulting in higher overall operating costs	Assign dedicated security personnel in each project to oversee security measure briefings and on-site communication Develop heat stress management plans for workers

	Risk Type	Expected Time of Occurrence	Impact on Business, Strategy, and Financial	Response Measures
Transition climate risks	Policy and Legal	Medium-term	With the increasing materiality of addressing climate change, the government and listing regulators may introduce more stringent requirements on disclosure of environmental information and supervision for enterprises, which may increase the compliance risks faced by enterprises	Constantly monitor and study regulatory policies to ensure full operational compliance Actively explore low-carbon operation models and effectively reduce our GHG emissions by improving energy efficiency and increasing the proportion of clean energy
	Technology	Medium-term	Driven by the "Dual Carbon" policy, the demand for low-carbon technologies will gradually increase. Failure to master core green technologies or failure to invest in green technologies may lead to the setback of the core competitiveness of enterprises	Strengthen the research and development of and talent reserves for low-carbon technologies, and deepen efforts in energy conservation and emission reduction practices leveraging our own low-carbon technologies
	Market	Medium-term	As customers are concerned about the low-carbon properties of products, if green and low-carbon technologies and services are not provided in a timely manner, the market share may decline, thus affecting operating income	Enhance low-carbon technology capabilities and develop green products Promote low-carbon concept and lead green consumption
	Reputation	Medium-term	If an enterprise fails to disclose the progress of its goals or key measures to the public in a timely manner after releasing the "Dual Carbon" objective or sustainable development strategy, investors and the public may cast doubts, which will further affect the reputation of the enterprise	In addition to releasing targets for carbon reduction, the Group continuously carries out various low-carbon practices and discloses them to the public in a timely manner

Opportunity Analysis

Opportunity Factor	Expected Time of Occurrence	Impact on Business, Strategy, and Financial	Response measures
Resource Efficiency	Long-term	Improved resource utilisation efficiency helps companies reduce costs, increase output, and enhance the value of fixed assets	Climate change considerations into the procurement process and encourage the use of low carbon and energy efficient product materials By continuing to enhance our unique asphalt pavement maintenance technology, while investing in R&D for more efficient and energy-saving solutions, we will further improve resource utilisation efficiency and energy performance, and expand its application to a wider range of road maintenance projects and potential clients.
Products and Services	Long-term	Traditional high-carbon emission industries are accelerating green and low-carbon digital transformation, consumer preferences are shifting towards green and low-carbon, resulting in higher product demand	Actively promote our environment-friendly technologies to more potential customers in the infrastructure and road maintenance sectors, thereby capturing the growing demand for green and low-carbon solutions in the market.

Financial Impacts of Climate-related Risks and Opportunities

The above climate-related risks and opportunities had no material impact on the Group's financial position, financial performance and cash flows during the reporting period.

Also, the Group does not expect its financial position, financial performance and cash flows to have significant change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities. The impact on our revenue due to the risk of climate change is estimated to be less than 5% on average.

Climate resilience

During the reporting period, the Group's climate resilience remained robust. Based on our assessment, we believe that our existing risk management and operational strategies are sufficient to enable the Group to maintain normal operations under different climate scenarios. No significant shortcomings that would undermine the Group's climate resilience were identified at this stage.

Reasonable information relief and capabilities relief are applied for not using climate-related scenario analysis. Conducting robust and scientifically sound climate scenario analysis requires substantial specialised data support, advanced modelling capabilities, and significant resource allocation. Given the Group's current operational scale and resource allocation, our ESG resources are currently focused on foundational steps, such as establishing a preliminary greenhouse gas emissions inventory and identifying qualitative climate-related risks and opportunities. Moving forward, the Board and management will systematically review the Group's climate strategy and assess the readiness and feasibility of adopting formal climate scenario analysis in phases as conditions permit to gradually align with evolving regulatory expectations.

Climate-related capital expenditure

In accordance with the requirements of the Stock Exchange, we will progressively disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities in future ESG reports.

Carbon price

The Group currently does not apply a carbon price in decision making. In accordance with the requirements of the Stock Exchange, we will progressively disclose whether and how the Group applies carbon pricing in decision making in future ESG reports, or provide an appropriate negative statement.

Climate-related remuneration policy

Climate-related considerations are currently not factored into remuneration policy of the Board. In accordance with the requirements of the Stock Exchange, we will progressively disclose whether and how climate-related considerations are factored into remuneration policy in future ESG reports, or provide an appropriate negative statement.

Greenhouse gas emissions

The Group has disclosed its absolute gross greenhouse gas emissions (Scope 1 and Scope 2) in the "Performance Table" section of this ESG Report.

The Group measures and reports its Scope 1 and Scope 2 greenhouse gas emissions in accordance with the Greenhouse Gas Protocol Corporate Standard and the latest calculation formulas set out in "Appendix 2: Reporting Guidance on Environmental KPIs" of "How to Prepare an ESG Report" published by HKEX. Reasonable information relief is applied, Scope 3 emissions are not reported in this year's report as data collection processes are being developed. The Group will continue to enhance its Scope 3 reporting in future periods.

The Group will continue to measure and report on climate-related metrics in accordance with the Environmental, Social and Governance Reporting Guide, issued by the Stock Exchange. As our data collection processes and internal systems mature, the Group will assess the feasibility of expanding its climate-related disclosures in future reporting periods.

Saved as disclosed above, the Group's operating activities have no significant impact on the environment and natural resources. Apart from the above-mentioned activities related to emissions and energy and water consumption, the Group has no other activities that have significant impacts on the environment and natural resources.

PERFORMANCE

PERFORMANCE TABLE

Indicator	Unit	2025	2024
Gaseous Emissions*			
— Nitrogen oxides (NO_x)	kg	**170.37**	280.85
— Sulphur oxides (SO_x)	kg	**1.06**	1.59
— Particulate Matter	kg	**0.85**	0.79
Greenhouse Gas Emissions*			
Total	CO_2e (tonnes)	**4,806.06**	7,259.96
— Scope 1: direct emissions	CO_2e (tonnes)	**4,381.99**	6,885.88
— Scope 2: indirect emissions	CO_2e (tonnes)	**424.07**	374.08
GHG emissions intensity*			
— by revenue	CO_2e (tonnes)/HK$'M revenue	**35.92**	38.63
Hazardous Waste			
Total	tonnes	**6.51**	2.81
Hazardous Waste Intensity			
— by revenue	tonnes/HK$'M revenue	**0.049**	0.015
Non-hazardous Waste			
— Metal	tonnes	**20.14**	17.90
Non-hazardous Waste Intensity			
— by revenue	tonnes/HK$'M revenue	**0.151**	0.095
Energy Usage*			
— Electricity	kWh	**691,081.00**	610,742.00
Energy Intensity*			
— by revenue	kWh ('000)/HK$'M revenue	**5.17**	3.25
Water Consumed*			
Total	m^3	**15,913.63**	54,312.73
Water Consumed Intensity*			
— by number of employees	m^3/number of employees	**57.87**	181.65
Energy Consumption			
— Petrol	kWh	**535,856**	665,136
— Diesel	kWh	**7,773,821**	11,059,593
— LPG	kWh	**10,961,941**	18,636,198
— Electricity	kWh	**691,081**	610,742
Energy Consumption Intensity			
— by revenue	kWh/HK$'M revenue	**149,200.27**	164,779.73

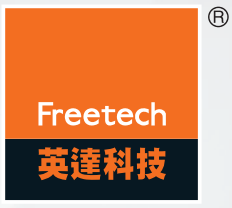
Notes:

1. The decrease in gaseous emissions, greenhouse gas emissions and energy consumption in 2025 was due to 1) effective implementation of emission control policies and 2) decrease in the total service area of the Group's "Hot-in-Place" projects during 2025.

2. The decease in water consumed in 2025 was mainly due to 1) effective implementation of water saving policies, 2) less demonstration and trials of flooding control vehicle which required the use of large volume of water in 2025 and 3) decrease in production of standard series equipment during 2025.

* Environment KPIs calculations are based on latest calculation formula in Appendix 2: Reporting Guidance on Environmental KPIs.

Indicator	Unit	2025 Workforce	2025 Turnover Rate	2024 Workforce	2024 Turnover Rate
Total Workforce and Turnover Rate					
Total	no. of people/%	**275**	**8.36**	299	1.33
By gender					
— male	no. of people/%	**236**	**9.29**	259	1.53
— female	no. of people/%	**39**	**2.53**	40	–
By employment type					
— Full time	no. of people/%	**275**	**8.36**	299	1.33
— Part time	no. of people/%	**–**	**–**	–	–
By employment position					
— Senior management	no. of people/%	**13**	**14.29**	15	–
— Managers	no. of people/%	**20**	**9.52**	22	9.52
— Frontline and general staff	no. of people/%	**242**	**7.94**	262	2.26
By age group					
— under 30	no. of people/%	**65**	**12.95**	74	6.54
— 30–50	no. of people/%	**147**	**5.94**	156	5.00
— over 50	no. of people/%	**63**	**9.09**	69	13.95
By location					
— Hong Kong	no. of people/%	**20**	**9.52**	22	9.52
— Nanjing	no. of people/%	**255**	**8.27**	277	2.14
Employee trained					
By gender					
— male	%	**72.46**	**N/A**	73.36	N/A
— female	%	**79.49**	**N/A**	72.50	N/A
By employment position					
— Senior management	%	**30.77**	**N/A**	13.33	N/A
— Managers	%	**45.00**	**N/A**	27.27	N/A
— Frontline and general staff	%	**78.10**	**N/A**	80.53	N/A
Average Training Hours					
By gender					
— male	Hours	**5.93**	**N/A**	5.80	N/A
— female	Hours	**9.77**	**N/A**	5.38	N/A
By employment position					
— Senior management	Hours	**10.62**	**N/A**	6.67	N/A
— Managers	Hours	**6.70**	**N/A**	2.27	N/A
— Frontline and general staff	Hours	**6.23**	**N/A**	5.98	N/A
No. of lost-days due to work injury		**1**	**N/A**	3	N/A
No. of work-related fatality		**–**	**N/A**	–	N/A



Freetech Road Recycling Technology (Holdings) Limited

英達公路再生科技(集團)有限公司