



Greenheart Group
綠心集團

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GREENHEART GROUP LIMITED

綠心集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 94)

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ABOUT THE GROUP

Greenheart Group Limited (“**Greenheart**” or the “**Company**”, together with its subsidiaries collectively, the “**Group**” or “**we**” or “**us**” or “**our**”) is a company listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with stock code 94. The Group is principally engaged in log harvesting, timber processing, marketing, sales and trading of logs and timber products and provision of forest management services in New Zealand.

About This Report

This Environmental, Social and Governance Report (the “**Report**”) is prepared in accordance with the requirements as set out in “Environmental, Social and Governance Reporting Code” contained in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Board Statement

The board of directors (the “**Board**”) of Greenheart Group Limited is fully responsible for the oversight and decision making of the Group’s environment, social and governance (“**ESG**”) matters. The Board has the overall responsibility of formulating the Group’s strategies, policies, practices on ESG matters, overseeing the ESG reporting and monitoring the implementation of ESG-related measures of the Group to ensure they align with the corporate purpose and values of the Company.

To integrate ESG practices into our business operations, the Board has delegated the day-to-day ESG responsibility to senior management of the Group (“**Management**”), which has the responsibility for the planning and implementation of measures in order to achieve the ESG goals and targets set by the Board. Apart from the above, Management is also responsible for identifying any ESG-related risks that emerge during the operation of the Company’s businesses. Any risks identified will be further analyzed by Management and formulate the corresponding action plan to cope with these risks. To ensure effective implementation of the Group’s sustainability policies, updates on ESG-related policies, progress, goals and targets are reported to the Board and discussed periodically.

This Report has been reviewed and endorsed by the Board.

Mission and Vision

As a responsible forestry company, our vision is to grow sustainable forestry assets around the world to meet the demands of Asian and other markets. We embed the sustainability principles into the core of our business strategy, including the focus on the way to protect our forests for the future, to create long-term economic value for our shareholders and to ensure our employees having a safe and healthy working environment.

Greenheart understands that as the demands placed on our planet increase for commodities and natural resources, finding a balance between the needs of mankind and the preservation of our planet is increasingly important. Our biggest asset is our forests. We have set ourselves the highest standards in operating our forests in order to preserve our key assets.

Greenheart is firmly committed to implementing measures to improve the three pillars of sustainability – Environmental, Social and Governance. By adopting sustainable practices, we will gain competitive edge, increase our market share and bring value to our shareholders in the long run. On top of that, we will continuously extend our efforts to improve the local communities that we work with, with a constant focus on social responsibility and to improve the livelihood of the people who live there.

Governance Structure and Feedback Mechanism

The Company has clear governance structure for the management and oversight of the ESG issues of the Group. It adopts a three-tier governance structure: the Board – the highest governing level; Management – the managing level, and Departments – the executive level.

The Board, as the highest governing body, comprises of Directors of the Company. They come from various industries and possessed different skills and experience and are capable of developing and overseeing the Group's ESG strategies to respond to climate-related risks and opportunities. The Board is responsible and accountable for the overall ESG performance of the Group. It formulates the ESG-related strategies and targets, oversees and reviews the ESG performance and has the ultimate decision on the ESG issues of the Group. The Board delegates the day-to-day ESG responsibility of the Group to Management.

Management is senior management of the Group. They are professionals or expert in forestry. Management formulates effective and feasible plans and measures that can be implemented by Departments in daily operation.

Departments are the execution body of the Company comprises of various business departments. Under the co-ordination of Management, Departments carry out the relevant plans and measures formulated by Management. Results and feedback will be collected for Management to review their effectiveness.

Where any new or potential ESG-related risks and opportunities emerged during operation, Departments will report to Management at the first instance. Management will identify, analyze and evaluate their expected likelihood and the potential effects on the critical assets of the Group. Once the expected likelihood and potential effects came to the knowledge of Management, Management will report to the Board promptly and provide advice or solutions for consideration and approval. Management will monitor the development of these new or potential risks and opportunities simultaneously. Any further updates will be reported in a timely manner. The Board can take into account of the new or potential ESG-related risks and opportunities emerged when formulating future corporate strategies and making substantial decisions.

Strategy

The Company recognises that climate change is a significant issue to the Group and may have negative impact on the Group's finance position. A climate risk assessment was conducted in 2025 to identify physical and transition risks. The assessment results were reviewed and confirmed by Management. These risks mainly arise from the following aspects:

Climate-related Risks

Risk type	Time horizon¹	Potential risk and financial impact	Mitigation strategy
Physical (Acute): Extreme weather events (i.e. typhoon and flooding)	Short to Medium	<ul style="list-style-type: none"> • Potential increase in the operating costs for debris clearance and restoration. • Possible impairment or decrease in fair value of plantation forest assets due to physical damages. • Supply chain disruptions may impact timely generation of revenue. 	<ul style="list-style-type: none"> • Established emergency protocols, including aerial drone surveillance to rapidly assess post-event forest health. • The Group maintains backup logistics arrangements and optimises inventory levels to mitigate delivery delays.
Risk type	Time horizon¹	Potential risk and financial impact	Mitigation strategy
Transition (Policy/Legal): Evolving environmental regulations	Medium to Long	<ul style="list-style-type: none"> • Changes in environmental regulations in New Zealand and China (i.e. stricter controls on fumigation chemicals) may increase operating costs. • Non-compliance could lead to financial penalties, export delays or operational risks. 	<ul style="list-style-type: none"> • The Group maintains active monitoring of the regulatory frameworks in New Zealand and China and ensure 100% compliance by utilising approved fumigation treatments that meet the environmental standards.

Climate-related Opportunities

Opportunity type	Time horizon¹	Potential opportunity and financial impact	Our response
Market Opportunity: Sustainable timber and carbon sequestration	Medium to Long	<ul style="list-style-type: none"> • Increasing demand from Business-to-Business (“B2B”) partners of sustainable timber and carbon-neutral supply chains may lead to increased revenue and market share. Natural carbon sequestration offers potential for carbon credit generation, creating a diversified, non-traditional income stream. 	<ul style="list-style-type: none"> • The Group’s New Zealand subsidiary is a FSC-certified forest management company. It provides professional, high-standard management services to both the Group’s forests and third parties forest owners. By leveraging this internal expertise, the Group provides fully traceable and compliant sustainable wood products that meets the stringent ESG procurement standards of our global B2B partners.

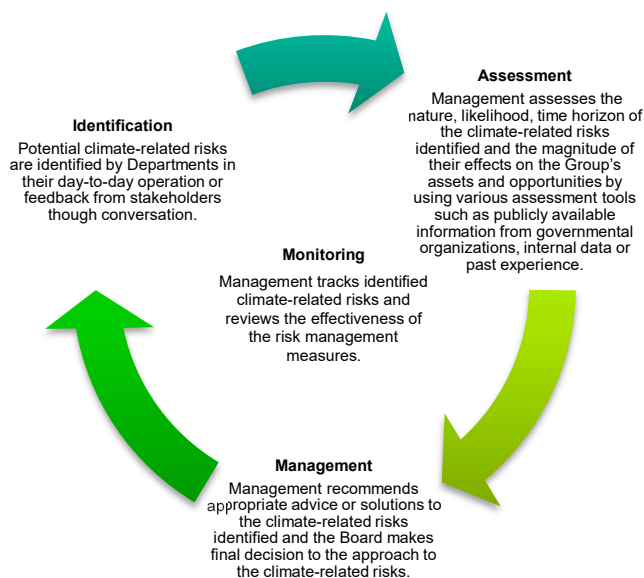
Note:

1. Time horizon refers to the period over which climate-related risks or opportunities may affect the Group's operation. Short term is defined as less than 1 year, medium term is defined as less than 5 years, and long term is defined as over 10 years.

Risk Management

The Group adopts a meticulous approach in managing risks, which is not just about avoiding potential threats but about understanding and embracing risk as an inherent aspect of business, turning potential vulnerabilities into strategic advantages. The Group recognises that it is imperative to tie risk to key business indicators to measure the impact regarding revenue and relevant business decisions. Similar to other types of risks, the Group has incorporated climate-related risks and opportunity considerations into its operations.

The Group's risk management is a cycle of identification, assessment, management and monitoring.



As Management evaluates the climate-related risks with other types of risks concurrently without prioritization, the climate-related risks management is entirely integrated into the Group's risk management process accordingly. The process used for risk management for the Reporting Period is the same as previous reporting period.

Reporting Principles

The following reporting principles have been applied in the preparation of the Report:

Materiality: The information disclosed in this Report is carefully collected, assessed and presented based on its importance to the business of the Group and to the key stakeholders.

Quantitative: The relevant standards, methodologies and assumptions used to prepare the quantitative information in this Report are disclosed, as appropriate. Quantitative information is provided with narrative and comparative figures, where possible.

Balance: The information in this Report is presented without the inappropriate use of selections, omissions or other forms of manipulation that would influence a decision or judgment by the reader.

Consistency: This Report is prepared according to the ESG Reporting Code issued by the Stock Exchange, unless otherwise specified. Should there be any changes in the methodologies used in the calculation of key performance indicators or any other relevant factors or statements affecting a meaningful comparison, a full explanation of the relevant change will be disclosed where applicable.

We have evaluated the materiality of the key ESG issues arising from our business and have prioritized the issues that Management believes are the most important to our business and stakeholders in this Report. We set out the Group’s overall sustainability approaches and policies through four different areas, namely, environmental protection, our people, operating practices, and community involvement.



The Report contains forward-looking statements that are based on certain assumptions and expectations at the time of its publication, which we have deemed to be reliable after careful consideration. These statements involve known and unknown risks and uncertainties, which means that actual results may differ from the expectations, forecasts and/or conclusions made herein. No guarantee is expressed or implied as to the accuracy of these forward-looking statements and the Company expressly disclaim any liability for and assume no responsibility for correcting or updating these forward-looking statements in the event that any of these statements does not materialize or turns out to be incorrect.

Reporting Scope and Period

The content contained in the Report focuses on providing an overview of the ESG performance of the Group. It covers the reporting period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”) on information and activities of our headquarters in Hong Kong and our overseas operation in New Zealand. The Company disposed of most of its loss-making subsidiaries in Suriname in 2025 and ceased the operation thereafter, the data in this Report only covers the operation activities in Hong Kong and New Zealand for the Reporting Period. Unless specified, data for 2024 has been re-presented the operation activities in Hong Kong and New Zealand solely.

Access of the Report

The Report is available in Chinese and English. In case of any inconsistency between the two versions, the English version shall prevail. The electronic version of this Report can be downloaded from the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.greenheartgroup.com>).

Stakeholder Engagement

The Group is committed to proactive and continuous interaction with key stakeholder groups, which comprise its shareholders and investors, employees, customers and service providers, through various channels to understand and address their concerns. The engagement channels with stakeholders include general meetings, corporate website, corporate announcements, annual and interim reports, regular dialogue with employees and networking with service providers.

Stakeholders' opinion is important because it enables us to know how well we performed and the room for improvement. Through consistent communication and feedback from stakeholders, their area of concern or expectations are identified and evaluated as below.

Stakeholders	Area of concern or expectations	Engagement platforms
Shareholders and investors	<ul style="list-style-type: none"> • Investment returns • Information transparency • Risk management and internal control • Communication and feedback 	<ul style="list-style-type: none"> • Annual and interim reports, ESG reports and other corporate communications • General meetings • Company website • Investor relations enquiry
Employees	<ul style="list-style-type: none"> • Employees' benefits • Training and development • Promotion opportunities • Occupational health and safety 	<ul style="list-style-type: none"> • Internal communication through emails or meetings • Company activities
Customers	<ul style="list-style-type: none"> • Quality of products and after-sales services • Business ethics • Effective communication • Customers' privacy and protection • Complaint handling 	<ul style="list-style-type: none"> • Communications through phone calls, emails and meetings • Company website
Service providers	<ul style="list-style-type: none"> • Business ethics • Fair play 	<ul style="list-style-type: none"> • Communications through phone calls, emails and meetings • Contracts such as engagement letters

ENVIRONMENTAL

Emissions

Greenheart has been persistent in conducting its business in an environmentally responsible manner and takes measures to reduce the possible impact on the environment arising from its production and operating activities. We closely monitor our greenhouse gas emissions and energy consumption and stay abreast of environment-related regulatory developments in the respective areas where the Group operates.

Our ultimate goal is to achieve a balance between business growth and environmental protection by improving our operations and practices as well as encouraging the employees to adopt environmentally responsible behavior in the workplace.

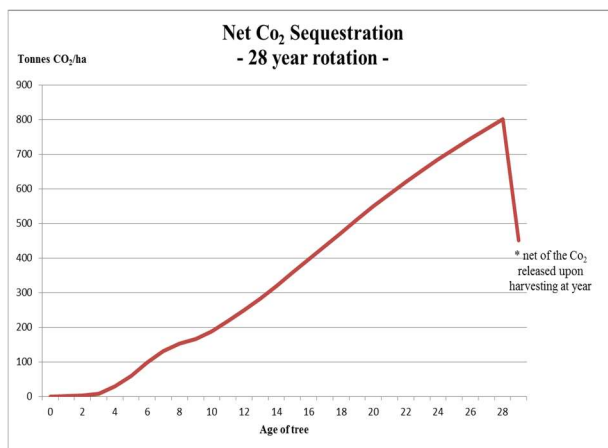
Sequestration and carbon dioxide emission

As a forestry and plantation company, Greenheart is aware of the essential role of trees in reducing carbon emissions and hence, we strive to protect the forests and take a sustainable forest management approach so as to maintain the balance between harvesting forest resources for business and the need for environmental protection. We believe this is also the utmost concern of our stakeholders.

Our New Zealand division's operations consist of plantation, forest management, harvesting and sale of logs. All our New Zealand plantations are developed on lands which are unsuitable for farming. During the Reporting Period, Greenheart had stocked area of 13,403 hectares. The sole commercial specie is radiata pine. Over 82% of the estate is planted on freehold land and, according to our established practice, will be replanted within 12 months after harvesting. Our remaining forestry assets are in the form of cutting rights of trees located on third party forests. The related land will be returned, with or without replanting depending on the cutting rights agreement, to the land owners after harvesting. Strict environment controls are in place to minimize harm to the environment as well as the local community. The average age for harvesting is 28 years.

Through carbon sequestration process, our New Zealand forests capture carbon dioxide (CO₂) from the atmosphere through biological, chemical, and physical process and offset emission made elsewhere. The graph below shows the carbon we capture per hectare based on a 28 years rotation.

The drop at the tail-end (at 28th year) accounts for the roots and branches that rot on the ground and release CO₂. The table below assumes that most of the radiata pines we harvested and sold are used for infrastructure and construction and therefore CO₂ will be locked in these products as long as they are in service.



In summary, the net CO₂ absorbed by our plantation activities throughout the life of the radiata pines (i.e. 28 years) is approximately 451 tonnes CO₂ per hectare (after netting of approximately 350 tonnes CO₂ released from residual roots and branches). Given that Greenheart had a total of 15,631 hectares of plantation lands during the Reporting Period, it is estimated that the net CO₂ absorbed in a full 28-year rotation cycle of our plantation could be as high as 7.1 million tonnes (2024: 7.1 million).

The emissions from harvesting activities are limited to the exhaust fumes emitted by harvesting machinery, log transport trucks and vehicles. It is estimated that a total of 7,309 tonnes (2024: 10,592 tonnes) of CO₂ were emitted based on the volume of fuel used in the harvesting and sales activities during 2025 in New Zealand division.

Below table is the breakdown of CO₂ emission from each of our operation activities in New Zealand.

Operation activities	Unit	2025	2024
Harvesting (<i>approx. 9.80kg/tonne of logs</i>)	tonne	588	596
Transport (<i>approx. 6.00kg/tonne of log</i>)	tonne	752	951
Export Sales (Shipping) (<i>approx. 0.01kg/tonne of logs/km</i>)	tonne	5,969	9,045
Total		7,309	10,592

During the Reporting Period, the CO₂ emission in Hong Kong headquarters was mainly generated from the consumption of purchased electricity amounting to 37.2 tonnes (2024: 50 tonnes).

Greenhouse gas emissions

Greenhouse gas (“GHG”) emissions data of the Group is prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). Scope 1 GHG emission mainly comes from mobile combustion from harvesting machinery, log transport trucks and light vehicles in New Zealand. Scope 2 GHG emission comes from the consumption of purchased electricity in both Hong Kong headquarters and office in New Zealand. Scope 3 GHG emission is indirect emission from employees’ business travel by air.

Indicators	Unit	2025
Direct GHG emission (Scope 1)	tonne CO ₂ equivalent	24,692.53
Indirect GHG emission (Scope 2)	tonne CO ₂ equivalent	30.10
Indirect GHG emission (Scope 3)	tonne CO ₂ equivalent	12.61

Waste and its disposal

The only type of non-hazardous waste Greenheart produces during the production process is the roots and branches left in the forests after harvesting. These will decompose naturally as time goes by and will finally become fertilizers which benefit the environment and no hazardous waste was therefore produced. As mentioned above, there are approximately 350 tonnes CO₂ per hectare released from roots and branches after harvesting. Based on the total hectares of plantation which were harvested in 2025, a total of 588 tonnes (2024: 596 tonnes) CO₂ were released due to the harvesting activities.

The wastes produced at Hong Kong headquarters and office in New Zealand as a result of routine office activities are non-hazardous and hence no hazardous waste was generated. Unless they can be recycled, most of the office garbage will be treated as general waste.

Use of Resources

Energy consumption

The resources used by Greenheart are principally attributed to electricity consumed at its offices and the fuel oil consumed from harvest machinery and log transport trucks.

Below table shows the resources consumed by Greenheart during the Reporting Period.

Energy consumed	Unit	2025	2024 (Re-presented)
Electricity			
Consumption	kWh	45,193	43,821
Intensity ¹	kWh/million revenue	1,066.88	1117.31
Oil (diesel oil and fuel oil)			
Consumption	tonne	8,151	8,892
Intensity ¹	tonnes/million revenue	192.42	226.72

Note:

1. Intensity is calculated by dividing the Group's revenue of HK\$42.36 million in 2025 and HK\$39.22 million in 2024 (re-presented) respectively.

Water consumption

Trees in plantation forests in New Zealand are grown in natural environment which does not need watering. Water consumed in Hong Kong headquarters and office in New Zealand is mainly used for drinking and cleaning and therefore insignificant and no difficulties in sourcing water during the Reporting Period.

Packaging Materials

Unless customers request, all of our logs sold in New Zealand are unpackaged.

Green measures

The Group has always placed great emphasis on energy conservation. To achieve this, we continually apply efficient energy consumption strategy to improve energy saving and reduce energy consumption.

To green our offices, Greenheart actively promotes the 3R concepts -



“Reduce, Reuse and Recycle” in daily business activities.

Reduce	Reuse	Recycle
<ul style="list-style-type: none"> • Maintain office temperature at 25.5°C • Install energy-efficient light tubes and use natural daylight for office as far as possible • Remind employees to switch off all electronics appliances when not in use • Use audio/video conferencing to reduce business travels • Encourage double-sided printing and the use of digital documents and emails to reduce the need for printing 	<ul style="list-style-type: none"> • A clearly labelled tray with one-sided printed paper is placed near the photocopiers to encourage staff to use that paper to print informal documents or draft • Reuse paper boxes for storage or archiving documents instead of throwing them away 	<ul style="list-style-type: none"> • Collection of waste paper for recycling • Place dedicated recycling bins for paper waste • Toner cartridges are recycled through recyclers

The Environment and Natural Resources

Trees are the most valuable assets of the Company and they are be managed responsibly to support the Company’s long-term development and sustainable forestry. As a responsible forest manager, our operations meet the world’s highest environmental, economic, and social standards and therefore our Group’s New Zealand subsidiary obtained forest management certification through the Forest Stewardship Council (FSC) in 2021, which is a recognition of our protection of the plants, animals, and people that rely on those forests now and for years to come. Our FSC-certified forests are managed in a way that is economically viable, environmentally friendly and socially beneficial under 10 FSC principles that are:

- ✓ Comply with all applicable laws;
- ✓ Maintain or improve the social and economic well-being of workers;
- ✓ Uphold the rights of Indigenous Peoples;
- ✓ Maintain or improve the social and economic well-being of local communities;
- ✓ Manage our products and services in a way that maintains or improves our long-term economic viability, social benefits, and environmental benefits;
- ✓ Maintain, conserve, and/or restore the ecosystem services and environmental values of managed forests; and also avoid, repair, or mitigate negative environmental impacts;
- ✓ Establish a management plan that outlines our economic, environmental, and social policies and objectives;
- ✓ Demonstrate progress toward meeting these objectives;
- ✓ Maintain or improve high conservation values; and
- ✓ Ensure that all management activities comply with FSC principles and criteria.

By implementing these 10 FSC principles in our forests, trees are harvested responsibly so there is no net loss of forest over time. Forests with irreplaceable values, such as old-growth forests, are identified and maintained. Apart from a proven solution to prevent deforestation, it also preserves biodiversity and protects human rights. Plant and animal species are protected. Local communities living in and around forest areas are consulted, and their legal and cultural rights to land and forest resources are respected.

Greenheart is committed to conducting its business activities in an environmentally conscious manner and it strives to mitigate the environmental impacts caused by our operations. To achieve this, the Group has established the “Corporate Environmental Policy” which sets out the measures for controlling the forest operations in New Zealand. Measures include, but are not limited to:

- ✓ Plants are placed in offices to purify the air and cleanse the working environment;
- ✓ Conduct environmental impact assessments on a regular basis;
- ✓ Ensure stream and waterways are protected and not disturbed by harvest activities;
- ✓ Protect native plants and fruits that may border the harvest area;
- ✓ The use of chemicals is limited and whenever chemicals are used, a register will be kept for monitoring purpose;
- ✓ Reduce erosion through correct engineering and seeding of disturbed areas;
- ✓ Production activity will be stopped during period of heavy rainfall to protect the soil; and
- ✓ No production activity will take place in vulnerable areas and high conservation value forests.

SOCIAL

Employment

Employees are one of our key stakeholders. Greenheart cares about our employees and regards them as one of the important resources for the development of the Company. To attract and retain the best people, we endeavor to build a comfortable, healthy and equal working environment for our employees and ensure that all their rights and interests are protected.

As a responsible employer, we strictly comply with the applicable employment laws in both Hong Kong and New Zealand. Major laws include the Employee Ordinance (Chapter 57 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), the Employment Relations Act 2000, the Minimum Wage Act 1983 and the Holidays Act 2003 etc.

We believe that each employee should be treated equally and ensure that employees in the workplace or job applicants during the recruitment process will not be subject to any form of discrimination. The Company complies with the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong) throughout the Reporting Period.

In addition to compliance with laws, the Company has adopted Board Diversity Policy and Workforce Diversity Policy to further strengthen diversity and anti-discrimination in the workplace.

Depending on the needs of the job positions, the Group recruits talents through different recruitment channels, including internal referral, internal promotion, job transfer or social recruitment. All employees and job applicants are based on meritocracy regardless of gender, age, race, ethnicity, religion, sexual orientation, disability as well as cultural background.

The Group also adopted an employee handbook that includes the terms and conditions of employment, the staff benefits and the office rules and policies. Furthermore, all employees of the Group have entered into written employment contracts and such contracts will include dismissal term where the Group has the right to terminate such contract with an employee who willfully violates local laws and regulations and the Group's policy.

Employees' remuneration packages include basic salaries and performance-based bonuses which shall be determined by their qualifications, experience and prevailing market rates. Salaries and promotion opportunities are normally reviewed annually based on individual performance appraisals. Apart from the basic remuneration package, Greenheart also offers a wide range of benefits including medical and hospital insurance coverage and paid leaves for sick, marriage and bereavement in addition to statutory holidays. All employees enjoy rest days, statutory holidays and paid annual leave according to the respective government laws and regulations. No employee is paid less than the minimum wage specified by the government regulations in different jurisdictions.

As at 31 December 2025, the Group has a total of 20 (2024 (re-presented): 19) employees. Below table shows the total workforce by gender, employment type, age group and geographical region.

Indicators	Unit	2025	2024 (Re-presented)
By Gender			
Male	person	12	11
Female	person	8	8
By Employment Type			
Full-time	person	19	18
Part-time	person	1	1
By Age Group			
Below 30	person	1	0
30-50	person	12	12
Over 50	person	7	7
By Geographical Region			
Hong Kong	person	10	9
New Zealand	person	10	10

In 2025, the Company ceased its operation in Suriname, all employees were dismissed in accordance with the applicable laws in Suriname. As these employees left the Company due to restructure of the Company, these workers would not be counted in our turnover rate. In addition, no employee resigned in both Hong Kong headquarters and office in New Zealand during the Reporting Period. Employee turnover rate is therefore not applicable.

Health and Safety

Greenheart places the highest priority on health and safety of all our employees. We endeavor to protect them from work-related accidents or injuries and the Group pledges full compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) in Hong Kong and the Health and Safety at Work Act 2015 in New Zealand. In addition, the Company provides insurance covering illness and accidents to employees.

In order to avoid accidents and ensure that all employees work in a safe manner, we implement tailor-made "Workplace Health and Safety Manual" for different working conditions and needs which stipulates clearly the safety procedures as well as emergency response plans. These established policies and guidelines will be reviewed periodically and further improved to better protect our employees. At the same time, first aid kit is available at each workplace to ensure that any employee who is injured or ill at work can receive immediate attention.

During the Reporting Period, the Group was not subject to any punishment by the government and did not have any litigation pertaining to employee health and safety issues.

Forestry is a high-risk profession. Logging workers confront formidable dangers from the machinery and equipment they use daily which may cause severe injuries if mishandled or if a malfunction occurs. For the safety of the forest workers, Greenheart has a clear health and safety policy for all staff and contractors. Service providers of the Company are required to have their own standard operating procedures which have audited on a regular basis. Individual crew members are required to confirm they are aware and have the necessary personal protective equipment and training before work starts. Harvesting managers and supervisors will also conduct daily inspects of controls procedures and documentation. WorkSafe, New Zealand's primary work health and safety regulator, will conduct regular inspections.

Below table shows the key performance indicators in relation to occupational hazards in each of the past three years including the Reporting Period.

Indicators	Unit	2025	2024	2023
Fatality or permanent disablement cases recorded				
Hong Kong	number	0	0	0
New Zealand	number	0	0	0
Number of employees died during duty				
Hong Kong	person	0	0	0
New Zealand	person	0	0	0
Number of working days lost from working injury				
Hong Kong	days	0	0	0
New Zealand	days	1	0	1

Development and Training

Greenheart strives to provide an environment where our employees can grow professionally and develop their career path that meets the long-term growth of our business simultaneously. We encourage our staff to undertake training and further studies to enhance their job-related skills and knowledge.

Education allowances are offered to our employees to attend training courses organized by professional institutions from time to time to enhance their professional and technical knowledge. The Group also provides its directors with regular reading materials to ensure that they keep abreast of the latest regulatory requirements, corporate governance practices, financial information and market trends. Below is the summary of percentage of employees trained by gender, and employee category among total trained employees and the respective average training hours completed:

Indicators	Unit	2025	2024 (Re-presented)
By gender among total trained employees			
Male	%	58.3	58.3
Female	%	41.7	41.7
Average training hours by gender			
Male	hour	14.3	27.1
Female	hour	16.0	23.0
By employment category among total trained employees			
Senior management	%	25.0	16.7
Middle management	%	50.0	58.3
General staff	%	25.0	25.0
Average training hours by employment category			
Senior management	hour	18.3	20.0
Middle management	hour	14.0	30.7
General staff	hour	14.7	26.7

Labour Standards

The Company prohibits child labour and forced labour in any workplace. We strictly abide by the Employment of Children Regulations & Employment of Young Persons (Industry) Regulations in the Employment Ordinance in Hong Kong and the relevant laws in New Zealand to combat against child labour and forced labour.

All applicants invited for interview are required to provide valid personal identification documents and educational certificates before recruitment to ensure they are over the age for completing compulsory education and the minimum age for employment in order to avoid child labour. Background checks are also carried out when deemed necessary. All the employment contracts entered into between the Group and the successful applicants and the Group's employee handbook clearly specify the working hours.

Should there be discovery of any violations of labour regulations, the responsible personnel or department head would immediately report to the administration department, which will then take appropriate remedial measures. Serious violations will be reported to appropriate statutory or investigative agency where necessary.

Supply Chain Management

Providing the highest quality of timber to customers around the world is not only our commitment to customers, but also our core business strategy aiming to stay competitive in the ever-changing global market. Also, throughout its operations, the Group ensures that it is in strict compliance with all national and regional policies regarding anti-corruption.

The Group has its standard operating procedures in place with periodical audit and reassessment of the procedures. The procurement of equipment, products and services is undertaken through an open and fair competition to ensure we engage a product/service provider whose experience, technical expertise and capacity can best meet the Group's particular needs. To better enhance the sustainability of the Group's development, priority will be given to those product/service providers with environment-friendly products and are actively fulfilling social responsibilities. Furthermore, the Group is committed to supporting local economies by prioritising procurement from local suppliers to reduce the carbon footprint from transportation.

Greenheart requests all product/service providers to sign confidentiality agreement to ensure all information provided will only be used for specified purposes. Formal agreements listing out all the legal, regulatory, and various additional sustainability requirements, will be entered into with each product/service provider before cooperation. Product/service providers are required to pay attention to the environmental risks that may arise in their operations and manufacturing processes. Internally, an authorization process is in place to ensure that no engagement of product/service provider is made without the approval of the Group's authorized personnel. If any irregularities are found, we will require our product/service providers to take immediate remedial and corrective measures.

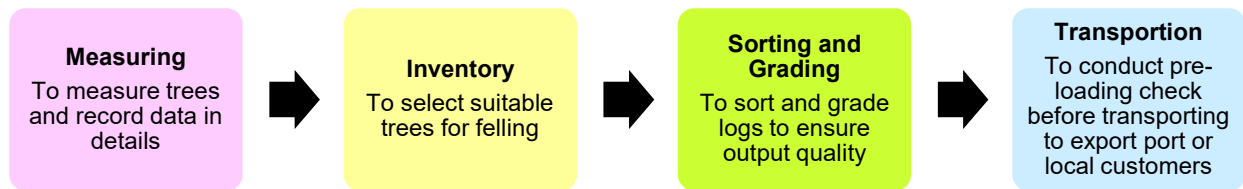
All product/service providers are treated in an equal manner in order to develop long-term business relationship. Also, we will carry out quality review on the selected product/service providers based on price, quality and after-sale service regularly to ensure sustainable quality material and services are received.

As at 31 December 2025, we cooperated with 68 suppliers in total, of which there are 34 suppliers in each of Hong Kong and New Zealand.

Product Responsibility

Greenheart understands that apart from quality, customers are becoming more concerned about environmental matters and more likely to purchase and use eco-friendly products. We are fully aware of and in support this market trend and implements product certification and well-established quality inspection procedures to ensure that all our products meet quality standard and sustainable development requirement.

On the other hand, in order to improve product quality and reduce waste of resources, the Group has established a workflow for quality control which is performed during different stages of the production process.



Our wood comes from sustainably managed plantation forests. These forests are actively managed by our team, which harvesting conducted in a controlled manner followed by replanting to ensure long-term productivity, environmental sustainability, and continued economic viability. Due to the nature of the Group's business, recall procedure is not applicable. During the Reporting Period, no products sold or shipped subject to recalls for safety and health reasons. No products-related or service-related complaints were received from customers or business partners during the Reporting Period.

The Group emphasizes the importance of protecting the privacy of our customers and business partners. The Group's information technology department has maintained a comprehensive data protection system to ensure that the data we collect is protected and our customer's privacy is respected. All of our desktop computers and laptops have installed firewall and upgraded regularly to prevent against the attack of the latest malwares. In addition, no computer software and programme can be downloaded or used without prior approval. Furthermore, pirated computer software is prohibited to download.

The Group strictly abides by the regulation regarding the collection, processing and use of the information collected from our customers and business partners. When signing a contract with a customer or a business partner, a term on confidentiality of their information will be included to avoid disclosure of their information. Employees are obligated to retain in confidence any information obtained in connection with their employment, including but not limited to trade secrets, client information, supplier information and other proprietary information.

Trademark is one of our valuable assets. We protect our logos by registration as trademarks in major operating markets such as Hong Kong, New Zealand, Canada, Europe and mainland China. We renew the trademarks before their expiry to ensure the legality of continued use of trademarks.

Anti-corruption

Greenheart values credibility and integrity and prohibits any form of corruption or malpractice such as bribery, money laundering, extortion and fraud. The Group has formulated Anti-Money Laundering and Counter-Terrorist Financing Policy and Anti-corruption Policy and strictly enforced to prevent, identify and control the risk of fraud and corruption. We believe that strong ethical conduct is essential in building a sustainable business and gaining the trust from our employees, customers, suppliers and other business partners. We have zero tolerance for violations against business ethics and strictly abide by all anti-corruption laws such as Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention), the United Nations Convention Against Corruption (UNCAC) and the Asia Pacific Economic Cooperation's (APEC) Santiago Commitment to Fight Corruption and Ensure Transparency followed by New Zealand and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) enforced by the Independent Commission Against Corruption in Hong Kong.

Binding terms have been included in the respective employment or service contracts of all directors and employees to ensure that they act in accordance with the Group's requirements on anti-corruption. Under no circumstances are they permitted to use inside information for their own private gains. At the same time, the Group has been consistently improving its internal control system in order to prevent corruption and fraud. Employee handbook which lays out the Group's expectations and guiding principles on bribery prevention is provided to each employee.

To maintain a fair, ethical and efficient business and working environment, the Group has established whistleblowing policy to provide employees with a confidential platform to raise concern about any suspected cases of misconduct and malpractice. Whistleblowers can raise complaints directly to the chairman of Audit Committee of the Group by letter or mailbox. All complaints received will be read and investigated by the Audit Committee of the Company. All investigations will be handled confidentially.

The Board is ultimately accountable for the Group's activities and financial performance. Anti-corruption training materials and video are circulated to the Board during the Reporting Period to further strengthen directors' awareness against corruption.

During the product/service providers' selection or procurement processes, employees are reminded to avoid misuse of authority or being engaged in situations which could affect their ability to make decisions. During the Reporting Period, no legal cases regarding corrupt practices was brought against the Group or its employees.

Community Investment

Being a responsible corporate citizen, Greenheart focuses on working with a non-profit organization for providing services for the elderly. During the Reporting Period, Greenheart has donated a total of approximately HK\$20,000 (2024: HK\$7,000) to charity organizations. Our employees in Hong Kong participated in Qile Cake (耆樂餅) charity sale project, which aimed at raising funds for the elderly care service (Organizer: Haven of Hope Christian Service).

In addition to donations, we also encourage our employees to contribute their time and efforts in various local community projects in the regions where we operate. The Company has a dedicated community team in New Zealand office who will handle the communication, relationship development, concern and disputes with the related communities. They have worked closely with schools, police and trucking companies to improve safety on the roads and ensure children are made aware of the possible dangers. Greenheart has also liaised with the Department of Conservation to ensure that the New Zealand public can have access to safe areas of the forest for recreation.

Furthermore, Greenheart has been awarded the "Caring Company" Logo by the Hong Kong Council of Social Service for 10 consecutive years since 2015 in recognition of our significant efforts on social responsibility.

