



Whistleblower Policy

1. Introduction

Baguio Green Group Limited ('Baguio') is committed to achieving and maintaining the highest standards of openness, probity and accountability. Employees at all levels are expected to conduct themselves with integrity, impartiality and honesty. It is in all interest of Baguio to ensure that any inappropriate behaviour or malpractice that compromise the interest of the shareholders, investors, customers and the wider public does not occur. It is also critical to maintain a good corporate image and raise the standard of corporate governance of Baguio.

To this end, Baguio has devised a Whistleblower Policy (the 'Policy') so that employees of Baguio as well as relevant third parties (e.g. customers, suppliers, subcontractors, etc., who deal with Baguio) ('Third Parties') can raise concerns, in confidence, about misconduct, malpractice or irregularities in any matters related to Baguio. The Company also ensures that proper arrangements are in place for the fair and independent investigation of such matters and for appropriate follow-up action.

2. Scope of Application

This Whistleblower Policy (the 'Policy') - adopted by the Board of Directors of Baguio - applies to Baguio and its subsidiaries, collectively referred to as the 'Group'. Since the Group offers a wide range of environmental service including Professional Cleaning, Recycling, Waste Collection and Management, Green Technology, Green Product, Horticulture and Landscaping, and Integrated Pest Management, the Group requires a clear and comprehensive statement of its commitments to guide whistleblower policy across its operations. Each subsidiary of the Group should use this Policy as a guidance for developing its management approach and practices in ways that are most appropriate to its industry and location.

3. Policy

3.1 Definition

3.1.1 Whistleblowing

Whistleblowing could mean alerting the authorities to information which reasonably suggests there is serious malpractice, where that information is not otherwise known or readily apparent and where the person who discloses the information owes a duty



(such as an employee's) to keep the information secret, provided that wherever practicable he or she should have first raised the matter to the company concerned.

3.1.2 Whistleblower

A person or entity making a protected disclosure about improper or illegal activities is commonly referred to as a whistleblower. Whistleblowers may be employees, vendors, contractors, customers or general public. The whistleblower's role is as a reporting party. They are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial action that may be warranted.

3.1.3 Good Faith

Good faith is evident when a report is made without malice or consideration of personal benefit, and the employee has a reasonable basis to believe that the report is true. However, a report, to be taken as being made in good faith, does not have to be proven to be true. Good faith is lacking when the disclosure is known to be malicious or false.

3.1.4 Misconduct and Malpractice

It is impossible to give an exhaustive list of the activities that constitute misconduct or malpractice but, broadly speaking, the Group would expect you to report the following:

- A criminal offence;
- A failure to comply with any legal obligations;
- A miscarriage of justice;
- Malpractice, impropriety or fraud relating to internal controls, accounting, auditing and financial matters;
- Violation of the applicable Code of Conduct within the Group;
- Improper conduct or unethical behavior likely to prejudice the standing of the Group;
- Bribery or corruption;
- A financial impropriety;
- An action which endangers the health and safety of any individual;
- An action which causes damage to the environment; and



- The deliberate concealment of information concerning any of the matters listed above.

While it is not expected to have absolute proof of the misconduct or malpractice being reported, the report should show the reasons for the concerns. If you make a report in good faith then, even if it is not confirmed by an investigation, your concern would be valued and appreciated.

3.2 Safeguards

3.2.1 Protection

This policy is designed to offer protection to individuals who make complaints in good faith. You will be treated fairly and justly and any matter will be taken seriously. The Group will not tolerate harassment or victimisation of anyone raising a concern under this policy. Any complaint alleging harassment or victimisation of an individual shall be received, reviewed and investigated in the same manner as any complaint alleging misconduct or malpractice. Any officer or employee who is found to have victimised or harassed an individual reporting suspected misconduct or malpractice will face disciplinary action, including but not limited to summary dismissal.

If the complaint is not confirmed by subsequent investigation, no action will be taken against you unless it is found to have been raised frivolously, mischievously, maliciously or for personal gain which may result in disciplinary action against you. In making a complaint, you should exercise due care to ensure the accuracy of the information.

3.2.2 Confidentiality

The Group will make every effort to keep your identity confidential. In order not to jeopardize the investigation, you should also keep the fact that you have filed a report, the nature of your concerns and the identity of those involved confidential.

There may be circumstances in which, because of the nature of the investigation, it will be necessary to disclose your identity. If such circumstances exist, the Group will endeavour to inform you that your identity is likely to be disclosed. If it is



necessary for you to participate in an investigation, the fact that you made the original disclosure will, so far as is reasonably practicable, be kept confidential. However, it is also possible that your role as the whistleblower could still become apparent to third parties during investigation.

Equally, should an investigation lead to a criminal prosecution, it may become necessary for you to provide evidence or be interviewed by authorities. In these circumstances, the Group will, once again, endeavour to discuss with you the implications for confidentiality.

3.2.3 Anonymous Report

The Group respects that sometimes you may wish to file the report in confidence. However, an anonymous allegation will be much more difficult for us to follow up simply because the Group will not be able to obtain further information from you and make a proper assessment. Concerns expressed anonymously may be investigated, but due consideration will be given to the following factors:

- (i) sufficiency and validity of the information offered;
- (ii) seriousness of the concern;
- (iii) credibility of the concern; and
- (iv) likelihood of confirming the concern from identifiable sources.

The Group generally does not encourage anonymous reporting and encourage you to come forward with your concerns.

3.3 Report Procedure

3.3.1 Reporting

You should raise your complaints in writing for the attention of the Group's Company Secretary at Unit A, 4/F, Dragon Industrial Building, No. 93 King Lam Street, Lai Chi Kok, Kowloon, or by email to csec@baguio.com.hk. You are invited to set out the background and history of the complaint, giving names, dates, places and any relevant documentation, where possible. This will help the investigating officer to focus his investigation on the main issues quickly. Although you are not expected to prove the truth of an allegation, you need to demonstrate that there are sufficient grounds for real concerns.



If any employee of the Group receives through other channels complaints or concerns about misconduct or malpractice, they should promptly refer such complaints or concerns to the Company Secretary.

If the normal channels for airing their grievances or concerns are inappropriate, you can take their concerns directly to the Chairman of the Audit Committee.

The Company Secretary is required to report to Audit Committee if any whistleblowing case is received and have their status updated in ensuring that the Committee remains well-informed about all ongoing investigations.

3.4 Investigation Procedures

3.4.1 The Group will acknowledge receipt of your report within 7 working days confirming that:

- (i) Your report has been received;
- (ii) The matter will be investigated; and
- (iii) Subject to legal constraint, you will be advised of the outcome in due course.

On receipt of a complaint, the Company Secretary will arrange you to complete the Whistleblowing Report Form (the 'Form') per Appendix I attached. The completed Form shall be passed as soon as is reasonably possible, to the Management Team or Audit Committee, whichever appropriate.

3.4.2 Investigation

Group Management will evaluate the validity and relevance of the concerns raised, and to decide if the reported matter falls under 3.1.4 and so an investigation is necessary. The format and length of an investigation will vary depending upon the nature and particular circumstances of each report made. The matters raised may be:

- (i) investigated internally;
- (ii) investigated by external professional party;
- (iii) reported and referred to the Audit Committee;
- (iv) reported and referred to the Management Team of the group;
- (v) referred to the external auditors;



- (vi) referred to the relevant public bodies or regulatory/ law enforcement authorities; and/or
- (vii) from the subject of any other actions as the Audit Committee may determine in the best interest of the Group.

The objective of an investigation is to evaluate whether concerns are substantiated by examining information relating to the allegation and to allow the Group to take proper subsequent actions as appropriate from an objective and impartial result. During the investigation, Management Team or Audit Committee may seek advice and/or assistance from professionals such as lawyers, external auditors, etc., where appropriate.

During investigations, Management Team and Audit Committee/ other authorized professionals may need to contact the employees/ Third Parties for further information. They are requested to cooperate with the investigation, including by making themselves available for interviews as required. They are required to preserve the strict confidentiality of the fact of the investigation and the content of any interviews/ communications in relation to the investigation (except as required by law or regulatory authority).

Employees who are found to have breached the Company's Code of Conduct/ policies will be subject to disciplinary actions, which may include termination of employment. In cases of suspected corruption or other criminal offences, the group will refer the case to Audit Committee. After consulting with legal advisors, Audit Committee will determine whether the matter should be referred to the relevant authorities for further action.

As stated at 3.2.2, in most cases, the Group will endeavour to discuss with you before referring a matter to the authorities. However, in some situations, the Group may have to refer the matter to the authorities without prior notice or consultation with you. Please note that once the matter is referred to the authorities, the Group will not be able to take further action on the matter, including advising you of the referral. The Group may be asked to provide more information during the course of the



investigation.

3.5 Investigation Result

The investigation report will be reviewed by the Management and Group CFO.

Possible outcomes of the investigation:

- (i) The allegation could not be substantiated;
- (ii) The allegation is substantiated with one or both of the following:
 - Corrective action taken to ensure that the problem will not occur again;
 - Disciplinary or appropriate action against the wrongdoer.

A final report, with recommendations for change (if appropriate), will be produced by the top management or the audit committee, or the Board, whatever appropriate for actions.

4. Monitoring and Reporting

We are committed to enhancing the execution and effectiveness of the Policy. We assess and report our whistleblower policy in line with local listing requirement on Environment, Social and Governance disclosure. Stakeholders are regularly engaged to opine about the effectiveness of the whistleblower policy.

5. Review of the Policy

A review of the Policy shall be conducted every 3 years or more frequently as and when needed. Where there are any discrepancies or differences of interpretation in the Policy between the English text and Chinese translation, the English version shall prevail. If there are any questions about the contents or application of the Policy, please email to csec@baguio.com.hk.

~ END ~

Appendix

Appendix I: Whistleblowing Report Form



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Confidential

Baguio Green Group Limited
WHISTLEBLOWING REPORT FORM

The Group is committed to the highest possible standards of openness, probity and accountability. In line with that commitment the Group expects employees who have concerns about any suspected misconduct or malpractice within the Group to come forward and voice those concerns.

It is recognised that in most cases the person raising concerns will wish to be dealt with on a confidential basis. All reasonable efforts will therefore be made to avoid revealing the person's identity.

If you wish to make a written report, please use this report form. Once completed, this report becomes confidential.

<p>The Group encourages you to provide your name with this report. Concerns expressed anonymously are much less powerful but they will be considered as far as practicable.</p>	<p>Name: _____ Address: _____ _____ Tel No: _____ Email: _____ Date: _____</p>
<p>The names of those involved (if known):</p>	
<p>Details of concerns: Please provide full details of your concerns: names, dates, places and the reasons for the concerns (continue on separate sheet if necessary) together with any supporting evidence.</p>	

Note: Please deliver this report to the Group's Company Secretary at Unit A, 4/F, Dragon Industrial Building, No. 93 King Lam Street, Lai Chi Kok, Kowloon, or by email to csec@baguio.com.hk.

