

## HUMAN RESOURCES POLICIES AND PROCEDURES MANUAL

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### **POLICY 1.17 : SHDS Whistle blowing and Protection of Identity Policy**

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#### **1.0 Purpose**

- 1.1 Paragraph 11.7 of the revised Singapore Corporate Governance Code (2005) recommends that “arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective should be to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action.”
- 1.2 The objective of the whistle blowing policy is to provide a channel for employees to report confidentially on non-compliance with the laws or fact of criminal acts. All reports will be treated confidentially.

#### **2.0 Scope of Whistle Blowing Policy**

- 2.1 Any activity or conduct or omission by an employee of SHDS or any auditing firm providing external audit services to SHDS relating to accounting, internal controls or internal accounting controls that are questionable or not in accordance with generally accepted accounting practices or not in line with the established SHDS Code of Ethics shall be deemed as possible improprieties.
- 2.2 This will include but not limited to:
- Fraud or suspected fraud, thefts and dishonest acts
  - Profiteering as a result of insider knowledge
  - Accepting or giving bribes
  - Intimidation, discrimination or harassment of staff and other person during the course of work in the capacity as a SHDS employee
  - Misappropriation of funds
  - Disclosure of confidential information to outside parties
  - Conflict of interest in business dealing with external parties or involved in prohibited activities (refer to SHDS Code of Ethics)

#### **3.0 Definition of Whistleblower**

- 3.1 A person or entity making a protected disclosure about improper or illegal activities is commonly referred to as a Whistleblower. Whistleblowers may be SHDS employees, applicants for employment, vendors, contractors, customers or the 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.

#### **4.0 Channels of Communication**

- 4.1 The company will provide independent channels of communication via email address and correspondence address of the independent third party by which employees or others can report confidentially on non-compliance with the laws or fact of criminal acts.
- 4.2 The email address and correspondence address of the independent third party by which employees or others can report confidentially on non-compliance with the laws or fact of criminal acts should be stated clearly in the employee’s handbook and accessible easily via an internal website to employees. In case of reports sent through e-mail, it is recommended to mark the subject as ‘SHDS Whistleblower’ for ease of identification.

- 4.3 All reports are encouraged to be made in writing, so as to assure a clear understanding of the issues raised. The format provided in **Appendix 1** may be used for reporting purposes.
- 4.4 Individuals are recommended to self-identify, though it is not a requirement of the policy.

## **5.0 Measures That Should Be Taken**

- 5.1 Upon receipt of writing by a Whistleblower, the independent third party will notify the sender and acknowledge receipt of the reported violation within seven (7) business days.
- 5.2 The independent third party shall inform the Whistleblower Committee, consisting of the Plant Manager, the Senior Vice President and Ethics Office, which shall discuss the action/investigation on the reports received from whistleblowers. The Whistleblower Committee may also exclude from its meetings any persons it deems appropriate, depending on the nature of the complaint. If any member of the Whistleblower Committee is a subject of the report, the independent third party shall inform only the Managing Director of the alleged violation.
- 5.3 The Whistleblower Committee has the responsibility to conduct investigations. Additionally, other parties may also be involved in the investigations.
- 5.4 The Whistleblower Committee will ensure investigations are carried out using appropriate channels, resources and expertise.
- 5.5 Some concerns may be resolved by agreed action without the need for an investigation.
- 5.6 Should the reported violation involve potentially criminal acts, the reporting procedure as provided for under the Code of Criminal Procedure shall apply.

## **6.0 Notification Procedures**

- 6.1 Any Whistleblowing made in writing shall be evaluated by the Whistleblower Committee to determine which of the three options below is to be adopted (see Appendix 2 - Flow Chart Process)
- i. Close & resolve issues with no investigation as no conflict of interest arises
  - ii. Proceed with investigation process on the reported issues
  - iii. Keep In View – KIV - postpone the review of the issues in light of the lack of evidence at this stage.
- 6.2 All reports and issues need to be properly documented and feedback given to related party as appropriate.

## **7.0 Confidentiality of Whistleblower & Whistleblower Identity**

- 7.1 The whistleblower's identity will be kept confidential.
- 7.2 The number of staff involved in the investigation will be kept to a minimum so as to ensure that confidentiality of the case and the whistleblower are maintained.
- 7.3 The identity of the whistleblowee will be kept confidential until there is sufficient evidence to support that it is a genuine case.

## **8.0 Protection for Whistleblower**

- 8.1 The company assures that the whistleblower's identity will be kept confidential unless required by the court or other regulatory authorities to disclose the identity.
- 8.2 The company will not condone retaliation in any form against the whistleblower or adverse action for raising concerns or reporting improper, unethical or inappropriate behaviour.
- 8.3 Disciplinary action will be taken against those who take any reprisal actions against the whistleblower in any form.
- 8.4 The company assures that the employment of the whistleblower will be protected even if the report proved to be unfounded, provided that the report has been made in good faith. However, reporting with malicious intent will not be tolerated. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to disciplinary procedures, which may include termination.

## 9.0 Roles and Responsibilities

- 9.1 Whistleblowers should act in good faith and should not make false accusations when reporting of misconduct.
- 9.2 Suspects have a duty to cooperate with investigators. The identity of the suspect shall remain confidential.
- 9.3 All investigators derive the authority to handle all matters seriously, confidentially and promptly. All investigators shall be independent and unbiased both in fact and appearance.
- 9.4 Employees who are interviewed or asked to provide information have a duty to fully cooperate with the investigators. Participants should refrain from discussing or disclosing matters concerning the investigations.

## 10.0 Annual Review

- 10.1 The whistle-blowing policy will be reviewed on an annual basis by Ethics Office.

## End of Document

