

# WHISTLEBLOWERS POLICY & PROCEDURE

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## PURPOSE:

Whistleblowing is identifying and calling out misconduct and wrongdoing to others. For example, when you suspect dangerous, illegal, harmful or fraudulent activity is taking place, or when you or your colleagues are being treated unfairly.

Whistleblowing policies help deter wrongdoing, promote better compliance with the law and promote a more ethical culture by increasing awareness that there is a high likelihood that wrongdoing will be reported.

The purpose of this policy is to ensure eligible whistleblowers, and those who may be involved in an investigation, understand:

- The ways in which a whistleblower can make a disclosure of information.
- The protections which arise under whistleblower laws.
- Karndean’s process for handling and investigating disclosures.
- Ensuring the fair treatment of the individuals involved.
- How whistleblowers will be supported and protected by Karndean.

## REQUIREMENTS:

The Corporations Act 2001 provides a consolidated whistleblower protection regime for Australia’s corporate sector (Pt 9.4AAA). From 1 January 2020 all public companies and large proprietary companies are required to have a whistleblower policy in place and make their policy available to their officers and employees. Large proprietary companies include those with consolidated revenue for the financial year and any entities it controls of \$50 million or more.

There are civil penalty provisions, and criminal offences, for causing or threatening detriment to (or victimising) a whistleblower and for breaching a whistleblower’s confidentiality.

The Whistleblower policy is required to include:

- The purpose of the policy.
- How the policy will be available and disseminated to Karndean’s officers and employees
- Measures for ensuring the policy is accessible by disclosures within and outside Karndean.
- The types of wrongdoing that can be reported.

- The different types of disclosers within and outside Karndean who can make a disclosure that qualifies for protection under the Corporations Act.
- Types of matters that are not covered by the policy and are therefore do not qualify for protection under the Corporations Act.
- The types of people inside and outside Karndean who can receive a disclosure that qualifies for protection.
- Details of who a discloser can contact to obtain additional information before making a disclosure.
- Measures for supporting disclosers and protecting disclosers from detriment in practice and the protections under the Corporations Act.
- Measures for protecting the confidentiality of a discloser's identity.
- How findings from an investigation will be documented and reported to the discloser and those responsible for oversight of the policy.

## **APPLICABILITY:**

Individuals that are an 'Eligible whistleblower' under this Policy is anyone who performs work in any capacity for Karndean including but not limited to: employees, contractors, labour hire, trainees, apprentices and work experience students.

## **POLICY:**

All staff should have the chance to speak up anonymously when they feel we are not adhering to our corporate values. They should have a place to disclose misconduct, every disclosure will be heard and acted on, and we will investigate and make improvements based on the results and provide feedback when appropriate.

Karndean wants our employees to know they can provide information on any concerns they have, understand where they can disclose their concerns, know what happens after they make a report, and ensure they feel safe in providing a report.

Staff have a right to report anonymously and Karndean will ensure they are not subject to any retaliation or other abuse because of a report.

This Policy is available to all staff on:

- The staff intranet.
- Provided to new staff during induction.

Other Eligible Whistleblowers can access this Policy on the Karndean website. Periodic refresher training will be provided to all employees - every 1-2 years. More detailed training is provided to staff with specific responsibilities under the policy.

Employees can seek confidential information on the operation of this Policy and how a disclosure will be handled, without making a disclosure, by speaking to the Whistleblower Protection Officer. The Karndean Whistleblower Protection Officer is the Human Resources Manager.

If you require legal advice with respect to your obligations under this Policy or the Whistleblower Laws, then you must contact an external lawyer, at your own expense.

## **Disclosable conduct**

It is important that Karndean outlines what behaviour we want to be reported under this policy. Disclosable matters also include conduct that may not involve a contravention of a particular law. We want to hear from you if you witness or know about any behaviour that is:

- Illegal conduct, such as theft, dealing in, or use of illicit drugs, violence or threatened violence, and criminal damage against property.

- Fraud, money laundering or misappropriation of funds.
- Endangering occupational health and safety.
- Offering or accepting a bribe.
- Financial irregularities.
- Failure to comply with, or breach of, legal or regulatory requirements.
- Breaching environmental and/or social practices. Social practices may include inappropriate types of client entertaining.
- Engaging in or threatening to engage in detrimental conduct against a person who has made a disclosure or is believed or suspected to have made, or be planning to make, a disclosure.

### **What is not disclosable conduct**

Personal work-related grievances do not qualify for protection under the Whistleblower Laws or this Policy.

Examples of personal work-related grievances include:

- An interpersonal conflict between you and another Employee.
- A decision relating to your employment or engagement, such as a transfer, promotion, or disciplinary action.

A personal work-related grievance may still qualify for protection if:

- It includes information about misconduct, or information about misconduct includes or is accompanied by a personal work-related grievance.
- Karndean has breached employment or other laws, engaged in conduct that represents a danger to the public, or the disclosure relates to information that suggests misconduct beyond the discloser's personal circumstances.
- The discloser suffers from or is threatened with detriment for making a disclosure.
- The discloser seeks legal advice or legal representation about the operation of the whistleblower protections under the Corporations Act.

Please note that such disclosures may be protected under other legislation, such as the Fair Work Act 2009 (Fair Work Act), please speak with Human Resources for more information.

Please refer to Karndean's Grievance Policy & Procedure for processes in relation to personal work-related grievances.

### **Proper Reporting**

Provided a concern is raised in good faith, the discloser is not at risk of losing their job or suffering form of reprisal for coming forward. It does not matter whether the suspicion proves to be unfounded or real.

### **Improper Reporting**

If it is known that a discloser has made a false report of Reportable Conduct, being one which is raised other than in good faith and which raised a matter which they know or believe to be untrue, then this will be regarded as misconduct by the discloser and will be dealt with through the Grievance Policy and Procedure.

### **RESPONSIBILITIES:**

It is the responsibility of Management (Including Line Managers) to ensure that:

- Employees know and understanding the Whistleblowing process, and there is an easy process of making a report, investigating reports, as well as providing staff with a point of escalation for any concerns or to discuss any retaliation that has taken place.
- View incoming reports, including anonymous reports, if received, and provide these reports to the Whistleblower Protection Officer to have these reports assigned to a Case Manager for investigation.
- Responsible for maintaining the entity's measures for ensuring confidentiality of any discloser's identity.

It is the responsibility of the appointed Case Managers to ensure that:

- They investigate reports, including anonymous reports as assigned. This includes interacting and asking questions of disclosers, as well as using the information provided to investigate the disclosure submitted.
- Their investigation may be internal or external to Karndean depending on what was documented in the report. Their goal is to gather the facts and put forth a final report to management on what happened and what action they feel needs to take place.
- The appointed Case Manager may be internal or external to Karndean as deemed appropriate for the circumstances.

It is the responsibility of Human Resources to ensure that:

- Human Resources may be called upon to provide advice and guidance during any investigation.
- The whistleblowing program leverages their expertise and acumen to ensure Karndean are using best practices during investigations and are treating all employees fairly.

The Whistleblower Protection Officer is responsible for:

- Establishing and maintaining the Whistleblower service.
- Coordinating and supporting any investigations.
- Communicating this Policy and the Whistleblower Service details to staff.
- Otherwise ensuring maintenance and adherence to the Policy.

## **PROCEDURE:**

If an employee or eligible person would like to make a report, they have different channels available where they can do this.

A discloser needs to make a disclosure directly to one of the entity's 'eligible recipients' to be able to qualify for protection as a whistleblower under the Corporations Act (or the Taxation Administration Act, where relevant).

The Whistleblower Protection Officer (Karndean Human Resources Manager) can be contacted on:

- Reporting via mobile 0421 270 076
- Reporting via email [whistleblower@karndean.com.au](mailto:whistleblower@karndean.com.au)

In the event the discloser is not comfortable reporting through internal channels they can:

Make a disclosure through the external hotline, provided by Accounting Firm SW Australia and can be contacted on:

- Reporting via mobile 0419 135 760
- Reporting via email [jthomas@shinewing.com.au](mailto:jthomas@shinewing.com.au) (Jonathan Thomas-Partner).

There are other ways you can make disclosures in limited circumstances, including to a Regulator, or when making an emergency or public interest disclosure. Before you make any such disclosure you should seek independent legal advice, at your own expense, to understand the criteria for making such a disclosure.

Employees can seek confidential information on the operation of this Policy and how a disclosure will be handled, without making a disclosure, by speaking to the Whistleblower Protection Officer.

## **Investigation process**

It is important for Karndean to be transparent with our employees and outline what is the process for us to investigate a disclosure submitted through our whistleblowing channels. Below, we have provided the different steps a Case Manager will go through once a disclosure is received until the case is closed.

- Disclosure (anonymous or otherwise) is received.
- A Case Manager is assigned to the disclosure to assess it and confirm its receipt.
- The Case Manager will do an initial assessment to confirm it is a valid disclosure and request permission to investigate.
- The Case Manager will begin their investigation. This can include corresponding with the discloser if there is a channel to do this.
- The Case Manager will investigate and update management and the discloser per policy guidelines.
- Once the Case Manager has finalised their investigation and report, management and the discloser will be updated.
- At this point, the Case Manager will hand everything over to management for any subsequent action to take place.
- All paper and electronic documents and other materials relating to disclosures will be stored securely and limited to those directly involved in managing and investigating the disclosure.

## **Who is alerted to a disclosure**

Once a disclosure is submitted (anonymous or not), this disclosure goes to the Whistleblower Protection Officer. They will assess the disclosure and assign it to a Case Manager, who will manage the investigation.

In the event of disclosures made to the external hotline the Whistleblower Protection Officer may be involved in a manner that does not identify the discloser.

Senior Managers might be alerted to the disclosure, if appropriate, as part of the reporting process or if they are involved in the investigation in some manner.

Any information that could potentially identify an anonymous discloser will be held in the strictest confidence and will not be shared, unless Karndean is required to by law.

## **Updating the discloser**

As part of our investigative process, Karndean will update the discloser of the progress of the investigation. These updates can include the following:

- Karndean has confirmed the receipt of a disclosure from the discloser.
- Karndean has begun the investigative process.
- The investigation is currently ongoing.
- The investigation has been closed.

Karndean's commitment is that the discloser will be updated at least once a month while the investigation is ongoing. They will then be updated once the investigation has been closed.

Karndean will strive to provide as much feedback on the investigation as possible. However, due to Karndean's privacy guidelines, there may be information that cannot be shared with the discloser.

Updating the discloser may not be possible if adequate contact information is not provided.

### **What if the discloser is not satisfied with the result?**

If, after receiving the summarised feedback of the investigation, the discloser is not satisfied with the result, they can escalate this to the Managing Director. The discloser is recommended to provide this escalation in writing so that a formal review can take place. While the Managing Director commits to review the request, Karndean is under no obligation to reopen the investigation. If the Managing Director concludes that the investigation was conducted properly and no new information exists that would change the results of the investigation, the investigation will be concluded.

### **Record Keeping**

Karndean will establish and maintain a record of all reports of Reportable Conduct received, the investigation process undertaken and any actions taken to resolve the manner through a Whistleblower Register.

All information, documents, records and reports relating to the investigation of reported conduct will be confidentially stored and retained in an appropriate and secure manner.

### **How disclosers are protected**

The discloser can still qualify for protection even if their disclosure turns out to be incorrect.

Karndean respects and protects your identity if you choose to make an anonymous report. You can choose to remain anonymous while making a report, when interacting with Case Managers during an investigation of your report, as well as after your case is closed and still be protected under the Corporations Act.

At any given time, you can identify yourself, but this is your choice and at no point do you need to do this or will you be forced to provide your identity.

If you decide to disclose your identity, Karndean will work to protect your identity and will outline and document who in the organisation will know you submitted your report. Karndean will also take all steps necessary (and outlined in this policy) to ensure you do not suffer any retaliation.

Karndean will make every endeavour possible to investigate your report, but in some cases, there are limitations to the investigation depending on the information available to those investigating.

### **Anonymity**

After submitting a report, the following practices around anonymity are in place to protect a disclosers identity.

The discloser has the right to remain anonymous and does not need to identify themselves at any time during the investigation process.

At no time will Karndean force the discloser to reveal their identity.

A discloser may adopt a pseudonym for the purpose of their disclosure.

The discloser can refuse to answer questions they feel could identify themselves. If the discloser reveals themselves at any time, Karndean will document who will have access to their identity. This may include the Case Manager and the Whistleblower Protection Officer.

## **PROTECTIONS AVAILABLE**

Protections available to disclosers who qualify for protection as whistleblowers are:

- Identity protection (confidentiality).
- Protection from detrimental acts or omissions.
- Compensation and remedies.
- Civil, criminal and administrative liability protection.

Protections are also provided in the tax whistleblowers regime of the Taxation Administration Act 1953 with further details on the Australian Taxation Office (ATO) webpage.

### **Special protections under the Corporations Act**

Refer to Appendix B for further details of protections under the Corporations Act.

### **Protection from detrimental acts or omissions**

After receiving a disclosure, qualified staff will assess the risk of detriment against a discloser and other persons, advise the discloser regarding available support services and propose actions for protecting a discloser from risk detriment. This could include reassigning the discloser to another role at the same level (if possible), or making modifications to the discloser's workplace location or the way they perform their duties.

- If detriment has already occurred, Karndean will investigate and address the detrimental conduct, such as by taking disciplinary action, or allowing the discloser to take leave during the investigation.
- Investigations will be conducted in a timely manner and the process may vary depending on the nature of the disclosure.
- A discloser will be provided with regular updates, if the discloser can be contacted (which may include via anonymous channels). The frequency and timeframe may vary depending on the nature of the disclosure. There may be circumstances where it may not be appropriate to provide details of the outcome to the disclosure.
- A discloser can lodge a complaint about a breach of confidentiality. Refer to the Privacy Policy.

### **Separation of issues**

Karndean is still able to raise with a discloser any issues related to work or performance related issues. While Karndean will protect the discloser from any retaliation, it is also important that they are still effective in their job.

Karndean can still raise any performance or contract issues with the discloser as long as they are kept separate and not influenced at all from any reports that have been made.

## **Legislative/Regulation Protection & Assistance**

If in any jurisdictions or locales where Karndean operates has whistleblowing protection laws that provide a higher level of protection than what is included in this policy, the local legislation will take precedence.

## **Changes to Karndean's Whistleblowing Policy**

From time to time, Karndean's whistleblowing policy will need to change to keep up with our values, best practices, improvements, as well as legislation and regulations. Any changes to our whistleblowing policy will be communicated with all staff and any relevant stakeholders.

Karndean will review its whistleblower policy, processes and procedures on a periodic basis, at least every two years, or as required to reflect changes in operations or legislation requirements. All material changes will be reviewed and approved by the Board of Directors and the Board.

## **Reporting to the Board of Directors**

The Board of Directors is updated every quarter on Karndean's whistleblowing program, inclusive of reports, investigations, and results. Reports or investigations of significance will be reported to the Board of Directors outside of the quarterly updates. The Board of Directors at any time can ask about anonymous reports, investigations, as well as the state of Karndean's whistleblowing program.

The Whistleblower Protection Officer will submit an annual summary report to the Board which provided details of:

- The number of reports received.
- For each report the type of misconduct alleged and the level of seniority of the alleged wrongdoer and the level of perceived risk.
- For each report the time taken to investigate it.
- The conclusion of each investigation (upholding or dismissing the report) and the nature of the action taken, such as disciplinary action.

The Chair of the Board shall periodically review the Whistleblower Register, which captures information on the reports received, to ensure that proper processes are being followed. To protect anonymity it may be appropriate that names are not included.

Karndean's whistleblowing program responsibility resides with the Board of Directors.

## **RELATED DOCUMENTS:**

- Employee Code of Conduct
- Workplace Behaviour Policy
- Privacy Policy
- Grievance Policy and Procedure

## APPENDIX A: DEFINITIONS

Definition	Meaning in this document
ASIC	Australian Securities and Investments Commission
APRA	The Australian Prudential Regulation Authority
Board	Karndean Board
Eligible whistleblower	<p>Individuals that are eligible for protection as a Whistleblower under this Policy. Anyone who performs work in any capacity for Karndean is considered an 'Eligible whistleblower'.</p> <p>This includes, but is not limited to, employees, contractors, labour hire, trainees, apprentices and work experience students.</p>
Eligible Recipient	<p>A discloser must make a disclosure directly to one of our eligible recipients to be able to qualify for protection as a whistleblower under the Corporations Act 2001.</p> <p>A discloser qualifies for protection from the time they make their disclosure, regardless of whether the discloser or recipient recognises that the disclosure qualifies for protection.</p> <p>An eligible recipient includes:</p> <ol style="list-style-type: none"> <li>any officer (Director or Company Secretary) of Karndean</li> <li>Human Resources Manager;</li> <li>Karndean's external auditors</li> <li>Legal practitioners; and</li> <li>Regulatory bodies.</li> </ol>
Emergency disclosure	The disclosure of information to a journalist or parliamentarian, where the disclosure has reasonable grounds to believe that the information concerns a substantial and imminent danger to the health or safety of one or more persons or to the natural environment
Personal information	Information or an opinion about an identified individual, or an individual who is reasonably identifiable, whether: true or not; and recorded in a material form or not.
Personal work-related grievance	A disclosure that relates to the discloser's current or former employment, which has implications for the disclosure personally, but does not have any other significant implications for the entity (or another entity); or relate to conduct, or alleged conduct, about a disclosable matter Note: See s1317AADA(2) of the Corporations Act.
Privacy Act	Privacy Act 1988
Public interest disclosure	The disclosure of information to a journalist or a parliamentarian, where the disclosure has reasonable grounds to believe that making a further disclosure of the information is in the public interest. The disclosure must meet a number of other criteria to qualify. Note: See RG 270.75 and s1317AAD(1) of the Corporations Act.
Whistleblower	A discloser who has made a disclosure that qualifies for protection under the Corporations Act.

Definition	Meaning in this document
Whistleblower investigation officer	The role under an entity's whistleblower policy that is responsible for investigating disclosures.
Whistleblower protection office	The role under an entity's whistleblower policy that is responsible for protecting or safeguarding disclosers and ensuring the integrity of the reporting mechanism.
Whistleblower Protections Bill	Treasury Laws Amendment (Enhancing Whistleblower Protections) Bill 2018.
Whistleblowing	Identifying and calling out misconduct and wrongdoings to others. For example, when you suspect dangerous, illegal, harmful or fraudulent activity is taking place, or when you or your colleagues are being treated unfairly.
We	We means Karndean
You	Reference to 'You', 'you or 'your' refers to a Whistleblower or someone contemplating making a Whistleblower report.

## APPENDIX B: PROTECTIONS UNDER THE CORPORATIONS ACT

The Corporations Act gives special protection to disclosures about any misconduct or improper state of affairs relating to Karndean if the following conditions are satisfied:

1. the whistleblower is or has been:
  - a) an officer or employee of Karndean;
  - b) an individual who supplies goods or services to Karndean or an employee of a person who supplies goods or services to Karndean;
  - c) an individual who is an associate of Karndean; or
  - d) a relative, dependent or dependent of the spouse of any individual referred to at (a) to (c) above;
2. the disclosure is made to:
  - a) an independent third-party, which Karndean has approved for the purpose of receiving a disclosure – in this case, ‘Speak Up’;
  - b) a Protected Disclosure Officer;
  - c) an officer or senior manager of Karndean;
  - d) Karndean' external auditor (or a member of that audit team);
  - e) an actuary of Karndean;
  - f) ASIC;
  - g) APRA; or
  - h) a legal practitioner for the purpose of obtaining legal advice or legal representation in relation to the operation of the whistleblower provisions in the Corporations Act; and
3. the whistleblower has reasonable grounds to suspect that the information being disclosed concerns misconduct, or an improper state of affairs or circumstances in relation to Karndean. This may include a breach of legislation, including the Corporations Act, an offence against the Commonwealth punishable by imprisonment for 12 months or more, or conduct that represents a danger to the public or financial system.

Examples of conduct which may amount to a breach of the Corporations Act include: insider trading, insolvent trading, breach of the continuous disclosure rules, failure to keep accurate financial records, falsification of accounts, failure of a director or other officer of Karndean to act with the care and diligence that a reasonable person would exercise, or to act in good faith in the best interests of the corporation or failure of a director to give notice of any material personal interest in a matter relating to the affairs of the company.

The protections given by the Corporations Act when these conditions are met are:

1. the whistleblower is immune from any civil, criminal or administrative legal action (including disciplinary action) for making the disclosure. However, the discloser can still be pursued for having made a false disclosure and in connection with the discloser's own conduct which is revealed by the matters highlighted in the disclosed information (i.e. the discloser's own conduct in the misconduct, improper affairs or other circumstances which are revealed by the protected disclosure);
2. no contractual or other remedies may be enforced, and no contractual or other right may be exercised, against the whistleblower for making the report;
3. in some circumstances, the reported information is not admissible against the whistleblower in criminal proceedings or in proceedings for the imposition of a penalty;
4. anyone who causes or threatens to cause detriment to a whistleblower or another person in the belief or suspicion that a disclosure has been made, or may have been made, proposes to or could be made, may be guilty of an offence and may be liable for damages;
5. a whistleblower's identity cannot be disclosed to a court or tribunal except where considered necessary; and
6. the person receiving the disclosure commits an offence if they disclose the substance of the disclosure or the whistleblower's identity, without the whistleblower's consent, to anyone except ASIC, APRA, the AFP or a legal practitioner for the purpose of obtaining legal advice or representation in relation to the report.

## **Confidentiality**

If a disclosure is made, the identity of the discloser must be kept confidential unless one of the following exceptions applies:

- a) the discloser consents to the disclosure of their identity;
- b) for the purpose of investigating a matter to which a disclosure relates to, Karndean has taken reasonable steps to reduce the risk that the discloser will be identified as a result of the disclosure;
- c) the concern is reported to ASIC, APRA, or the AFP; or
- d) the concern is raised with a legal practitioner for the purpose of obtaining legal advice or representation.