



**CONSTRUCTION
INDUSTRY COUNCIL**
建造業議會

WHISTLEBLOWING POLICY

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This Whistleblowing Policy has been translated into Chinese. If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

Document Properties

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WHISTLEBLOWING POLICY

1. Introduction

1.1 The Construction Industry Council (“**CIC**”) is committed to high standards of corporate governance and promotes accountability, integrity and transparency. In line with its commitment, CIC encourages its employees and third parties dealing with CIC to report any actual and/or suspected misconduct or malpractice related to employees and members of CIC through its established whistleblowing channels. CIC will endeavour to handle all whistleblowing reports fairly and properly.

2. Definition and Scope

2.1 “**CIC**” refers to Construction Industry Council

2.2 “**Whistleblowing**” refers to a situation where a person decides to report serious concerns about any impropriety that he/she has become aware of or has genuine reason to suspect such impropriety involving employees or members of the CIC.

2.3 “**Whistleblower**” refers to the person who makes the Whistleblowing.

2.4 The improprieties may include but is not limited to:

- (a) breach of laws or regulatory requirements;
- (b) misconduct, malpractices, corruption (including bribery) or fraudulent activities including but not limited to accounting or financial matters;
- (c) violation of the CIC’s Code of Conduct;
- (d) unethical behavior that may damage the CIC’s reputation; or
- (e) concealment of any of the above.

2.5 This Whistleblowing Policy is not designed to raise or address work-related grievances or issues. These grievances may be raised and handled as appropriate through the applicable channels pursuant to CIC’s Grievance Handling Policy contained the Staff Handbook of CIC.

3. Roles and Responsibilities

3.1 The Whistleblowing team (“**Whistleblowing Team**”) is a designated independent team of employees of CIC involved in the handling and investigation of Whistleblowing reports. The Whistleblowing Team should be independent from CIC’s business operations and does not report to the head of business, i.e. Executive Director, but reports directly to the Audit Committee instead. A delegate of Internal Audit

Department shall lead the Whistleblowing Team which members shall consist of a delegate of Legal and Compliance Department and a delegate of Human Resources Department, as approved by the Audit Committee from time to time. The Whistleblowing Team is primarily responsible for:

- (a) maintaining the Whistleblowing channel;
- (b) managing reports received via the Whistleblowing channel;
- (c) assessing if reports received fall within the ambit of this Whistleblowing Policy;
and
- (d) gathering information and conducting investigations into relevant Whistleblowing report.

3.2 Where the Whistleblowing reports involve a member of the Whistleblowing Team or the Investigation Panel, or the Executive Director or the Chairman of CIC, the Chairman of Audit Committee shall lead the investigation process below and designate such persons as he thinks appropriate for taking up the roles and responsibilities of the Whistleblowing Team.

3.3 The investigation panel (“**Investigation Panel**”) is a designated group of CIC’s senior management staff, consists of Department Heads from Internal Audit Department, Legal and Compliance Department and Human Resources Department, responsible for determining whether to initiate an investigation based on allegations raised and evidence provided by Whistleblowers and disciplinary actions to be taken against relevant individuals upon completing an investigation. The Head of Internal Audit Department shall lead the Investigation Panel. The Heads of the relevant Departments above may appoint suitable delegates of the grade of senior manager or above for acting his/her function on the Investigation Panel. The Investigation Panel may invite any management staff of any functional unit of CIC to participate in its investigation and approval process as and when required in the process. For the avoidance of doubt, such invitees would not have approval role notwithstanding such participation.

3.4 Without prejudice to the arrangement in paragraph 3.2, if there is a conflict of interest (e.g. the person subject to investigation is the line manager of a member of the Whistleblowing Team or the Investigation Panel, if applicable), such conflict must be disclosed and documented, and such interested party must be excused from being involved in the investigation. The remaining members of such team or panel shall continue the investigation.

3.5 All department heads are responsible for directing any reports received relating to impropriety as set out in **Section 2** of this Whistleblowing Policy to the Whistleblowing Team or Chairman of Audit Committee, as appropriate.

4. Protection to Whistleblowers

4.1 Protection against retaliation

4.1.1 It is CIC's policy to ensure protection to Whistleblowers against any retaliation including unfair dismissal, victimization or unwarranted disciplinary action even if the report is ultimately found to be unsubstantiated. The protection to Whistleblowers is subject to:

(a) the report being made in good faith (i.e. he/she has genuine reason to believe that the allegations made therein are true); and

(b) the Whistleblower is not significantly involved in the allegations made.

4.1.2 Any person who does not act in good faith or raises false allegations for personal gain or for malicious intent may be subject to disciplinary actions with reference to the Policy on Disciplinary Actions in the Staff Handbook of CIC.

4.2 Confidentiality

4.2.1 CIC commits to keep the Whistleblower's identity and the report confidential unless consent is provided by the Whistleblower.

4.2.2 It is CIC's policy that all reports will be handled with strict confidence. All information related to any reports received including the Whistleblower's identity will be kept in confidence and will only be disclosed to persons designated to handle the report.

4.2.3 Whistleblowers are strongly encouraged to provide contact details such that the Whistleblowing Team may reach out for follow-up actions such as obtaining further information and details to support the allegations raised or the subsequent investigation. Whistleblower can choose to raise his/her concern anonymously, without giving anyone his/her name, but that may make it more difficult for the Whistleblowing Team to validate and investigate thoroughly without obtaining sufficient information from the Whistleblower or give the Whistleblower feedback about the result, where deemed appropriate.

4.2.4 In circumstances where disclosure is required (whether by law or otherwise), CIC will, subject to any legal obligations and duties of CIC and the compliance of the relevant laws and regulations, and at its discretion, seek to inform the Whistleblower about such circumstance before the disclosure is made.

5. Whistleblowing Reporting Channels

5.1 Any person who wishes to make a Whistleblowing may do so via the following channels and modes to the dedicated Whistleblowing Team:

a) By hotline

Please contact Tel. No. 2100 9377

b) By email

Please address email to *whistleblowing@cic.hk*

c) By post*

The Construction Industry Council
38/F COS Centre,
56 Tsun Yip Street, Kwun Tong,
Kowloon, Hong Kong
Attention: Whistleblowing Team

*(*A postal address, email address, or phone number is required to be provided for Whistleblowing Team's reply. It should also be marked "Strictly Private and Confidential" and sent in a sealed envelope.)*

5.2 Alternatively, if the concern involves a member of the Whistleblowing Team or the Investigation Panel, or the Executive Director or the Chairman of CIC, the Whistleblowing report may be made through the following channels and modes to the Chairman of the Audit Committee:

a) By hotline

Please contact Tel. No. 2100 9185

b) By email

Please address email to *AC_Chairman@cic.hk*

c) By post*

The Construction Industry Council
38/F COS Centre,
56 Tsun Yip Street, Kwun Tong,
Kowloon, Hong Kong
Attention: Chairman of Audit Committee

*(*A postal address, email address, or phone number is required to be provided for Chairman of the Audit Committee's reply. It should be marked "Strictly Private and Confidential" and sent in a sealed envelope.)*

6. Reporting Procedures

6.1 All Whistleblowing reports submitted should include as much as possible relevant details of the alleged impropriety and alleged wrongdoer. While CIC does not expect the Whistleblower to have absolute proof or evidence of the alleged impropriety, the report should state the reason(s) and basis of such concerns, and should include full disclosure of the relevant details and supporting documentations, if any. Where practical, it is expected that Whistleblower will provide the below information, to the extent applicable, as part of the report submission.

- (a) Descriptions of what has happened, regarding the current situation or specific issue.
- (b) How did the Whistleblower become aware of the matter?
- (c) Who was involved (i.e. persons/ departments)?
- (d) When did it take place (date, time, etc.)?
- (e) Where did it take place?
- (f) Why did it happen?
- (g) How many times has it occurred so far?
- (h) How long has it been going on? Is it still ongoing?
- (i) Who else is aware of the matter (i.e. names/ designations)?
- (j) If the matter has financial implications, what is the estimate of value of the loss?
- (k) What evidence is available?
- (l) Is the matter previously reported to anyone and what was the outcome?
- (m) If the Whistleblowing Team has any further questions or need to provide any feedback on the matter, may the member of the Whistleblowing Team contact the Whistleblower directly?

7. Investigation Procedures

7.1 Every report received will be preliminary assessed and evaluated by the Whistleblowing Team to determine if the concern falls within the ambit of this Whistleblowing Policy, and whether there are sufficient details to initiate an investigation. If so, the Whistleblowing Team, upon endorsement from the Investigation Panel, shall initiate to the formal investigation of the matter. The Investigation Panel shall conclude the case after receipt of an investigation report from the Whistleblowing Team within a reasonable timescale.

- 7.2 In the event that a member of the Whistleblowing Team or the Investigation Panel, or the Executive Director or the Chairman of CIC is the person of interest in the report, the report will be dealt with and the investigation process shall be led by the Chairman of the Audit Committee directly in accordance with paragraph **3.2** above.
- 7.3 If the subject matter of the concern of a Whistleblowing report is already being handled by legal and/or compliance team(s) of CIC, it will not be considered as a separate report and will be handled in the existing format.
- 7.4 CIC has established a protocol which Whistleblowing Team follows as part of the report handling and investigation process. For more details, please refer to the **Annex - Whistleblowing Handling and Investigation Protocol**.

8. Communication with the Whistleblower

- 8.1 After a report is preliminary assessed and evaluated, the Whistleblowing Team will write back to or contact the reporting Whistleblower to acknowledge receipt of the disclosure via the contact details provided (e.g. phone number, email address or postal address). Subsequently, the Whistleblowing Team will inform the Whistleblower, where deemed appropriate and practicable, of the final resolution and results of the investigation.

9. Training and awareness of the policy

- 9.1 All staff are required to complete Code of Conduct or Ethics and Integrity training, in which Whistleblowing Policy and procedures (including definitions of Whistleblowing, types of issues that the policy aims to capture, the steps of the Whistleblowing and handling process) would be covered, during their onboarding process. When required, a refresher training on the Whistleblowing Policy and procedures would be provided to all staff.
- 9.2 If the Investigation Panel and the Audit Committee consider that training to staff is appropriate for improvement after completion of investigation of any Whistleblowing report, training would be provided to the relevant categories of staff.

10. Record Retention

- 10.1 All records relating to reports received and corresponding investigations will be stored securely and confidentially. Records shall be kept for seven years from the closing date of the case concluded, unless otherwise required by law to keep the records for a longer period of time.

11. Monitoring compliance with this policy and Periodic review

11.1 The implementation of this Whistleblowing Policy will be monitored to ensure it is effective in operation and compliance.

Element to be monitored	Lead	Tool	Frequency of Report	Accountable Body
Consideration and approval of Investigation report	Lead of Whistleblowing Team, Investigation Panel	Report	When required	Audit Committee
Summary of case facts (subject to confidentiality) and the corresponding status, and statistics of case categories (substantiated or unsubstantiated)	Lead of Whistleblowing Team	Report	Bi-annual	Audit Committee
Completion rate on training covering Whistleblowing Policy and improvement	Head of Human Resources and Administration	Report	Bi-annual	Executive Committee

11.2 This Whistleblowing Policy should be approved by the Council every two years. Any amendment to the policy should be approved by the Council or its delegated committee and it shall be subject to regular review, at least on a biennial basis.

Annex

Whistleblowing Handling and Investigation Protocol

1. Purpose

- 1.1 Suspected or genuine impropriety may be detected via multiple channels, including the Whistleblowing channels as set out in the Whistleblowing Policy. In line with CIC's commitment to high standards of corporate governance, accountability, integrity and transparency, all reports submitted by Whistleblowers must be assessed and investigated as appropriate.
- 1.2 This whistleblowing handling and investigation protocol ("**Protocol**") aims to set out the main process and expectations for conducting investigations on reports received through the Whistleblowing channels.
- 1.3 A flowchart depicting the main steps of the end-to-end process for assessing and investigating reports received through the Whistleblowing channels is appended as the **Appendix** to this Protocol, and is for reference only.
- 1.4 This Protocol is supplemental to the Whistleblowing Policy of CIC. Unless otherwise stated, the terms used in this Protocol shall have the same meanings defined in the Whistleblowing Policy.

2. Preliminary Assessment

- 2.1 The preliminary assessment shall include the following steps:
 - (a) Once a report is received, the Whistleblowing Team shall first conduct a preliminary assessment to determine if the allegation in the report falls within the ambit of the Whistleblowing Policy.
 - (b) The Whistleblowing Team shall, if possible and practicable, notify the Whistleblower of such receipt via the contact details provided.
 - (c) If the report does not fall within the ambit of the Whistleblowing Policy, the Whistleblowing Team shall direct such report to the relevant report handling department. The Whistleblowing Team shall also, as practicable as possible, inform the Whistleblower of such redirection of the report, with the support of the legal team of the CIC ("**Legal Team**"). The relevant report handling department shall then be responsible for guiding the appropriate handling of the matter, including any investigations and follow-up actions until closure of such matter in accordance with the applicable policies.

- (d) If the report falls within the ambit of the Whistleblowing Policy, the Whistleblowing Team shall determine if there is sufficient basis to initiate an investigation. In doing so, the following factors should be taken into consideration:
- i. nature of the allegation;
 - ii. credibility of the allegation and the Whistleblower (if known);
 - iii. potential consequences (e.g. financial, reputational, regulatory, environmental or social impact) of the allegation, if it were to stand true and accurate; and
 - iv. facts and evidence that will be needed to support the allegation.
- (e) If there is insufficient information to initiate an investigation, the Whistleblowing Team shall, as practicable as possible, reach out to the Whistleblower for more information and details (e.g. via phone calls) with the support of the Legal Team.
- (f) If no further information may be obtained to initiate an investigation, the Whistleblowing Team shall document the reason and mark the report as “closed with no substantial information” upon approval from the Investigation Panel on such decision. The Whistleblowing Team shall, as practicable as deemed appropriate, inform the Whistleblower of such outcome with the support of the Legal Team.
- (g) If the Whistleblowing Team is satisfied that a case has sufficient basis for initiation of investigation, the matter shall be referred to the Investigation Panel for approval of commencement of investigation.

3. Disclosure to External Parties

3.1 For each case which has sufficient basis for investigation, the Whistleblowing Team shall consider whether CIC has legal obligations or duties to disclose the matter to any third parties before commencing an investigation. These third parties may include but not limited to:

- (a) Regulatory or public bodies, including Law Enforcement Agencies (“LEAs”)
- (b) Legal advisors or other professional advisors (for advice on obligations or duties of disclosure)
- (c) Suppliers affected
- (d) Customers affected
- (e) Insurers; or
- (f) Statutory auditors.

- 3.2 In the event that disclosure shall be made, the Whistleblowing Team shall inform the Executive Director and seek his prior approval before such disclosure.
- 3.3 Where the disclosable matter is not falling in one or more of the categories set out in the non-exhaustive schedule approved by the Audit Committee from time to time (under which Chairman of Audit Committee needs not be involved) and such matter would in the view of the Executive Director involves significant risk to CIC, the Whistleblowing Team shall also immediately inform the Chairman of the Audit Committee and seek his prior approval before such disclosure. The Chairman of the Audit Committee may on the recommendation of the Legal Team approve obtaining of legal advice from external legal advisor for ascertaining the legal obligations or duties on disclosure before giving approval of disclosure.
- 3.4 The Executive Director shall inform the Chairman of CIC from time to time upon such disclosure.
- 3.5 The consideration factors in determining whether disclosure is required to external parties includes but not limited to:
- (a) the nature of the impropriety /incident, e.g. possible criminal case;
 - (b) its financial impact;
 - (c) the reputation risk potentially associated with the impropriety /incident; and
 - (d) the need for external expertise (e.g. legal advice).
- 3.6 If a case has been disclosed and referred to the relevant regulatory or public body, including LEAs, the Whistleblowing Team may, subject to the prior approval from the Investigation Panel, suspend the internal investigation by the Whistleblowing Team and wait for the result / outcome of the investigation conducted by the relevant regulatory or public body or the relevant LEAs. The Whistleblowing Team may render assistance to the relevant regulatory or public body or the relevant LEAs during their investigation when required. Unless not permissible or inappropriate under the applicable laws and regulations, the Investigation Panel may approve commencement of the investigation by the Whistleblowing Team notwithstanding the disclosure above.

4. Investigation Procedures

- 4.1 Upon approval of investigation by the Investigation Panel, the allegation(s) will be investigated with reference to the below:

- (a) The Lead of Whistleblowing Team or the Chairman of the Audit Committee, as appropriate in leading the investigation, must ensure that the investigation should not be carried out or influenced by any party who is the subject of the allegation, or is involved with the subject matter of the allegation. If there is a conflict of interest, such conflict must be disclosed and documented, and such interested party must be excused from being involved in the investigation. The remaining members of the Whistleblowing Team or the Investigation Panel shall continue the investigation accordingly.
- (b) Upon commencement of an investigation, the Whistleblowing Team shall assess, considering the duration and complexity of the investigation, whether it is adequately resourced with the appropriate manpower, knowledge and expertise internally in CIC to conduct an investigation around the subject area of the allegation(s). In the event of deficiency, the Whistleblowing Team shall consult the Executive Director and/or the Chairman of the Audit Committee. On the approval of the Chairman of the Audit Committee, external consultants (including, but not limited to, external accountants and/or external lawyers) may be engaged to assist the investigation process.
- (c) For carrying out the investigation, the Whistleblowing Team shall draft the investigation steps and actions to be taken, and consult with and get endorsement from the Investigation Panel to proceed with the investigation.
- (d) The Whistleblowing Team shall have the necessary authority to have access to all records that are within the scope of the investigation and require participation and complete cooperation from relevant department(s) to support, provide resource and requested information related to the investigation. Any employee failing to cooperate in the investigation may render him/herself liable to disciplinary action and any person who willfully or knowingly omits any information or states anything which he/she knows to be false or does not believe to be true may potentially be held legally liable under criminal or civil law.
- (e) All information relating to the investigation must be treated confidentially, and should not be disclosed or discussed with any person(s) other than those who have a legitimate right to such information. As part of the investigation, the Whistleblowing Team may need to disclose the nature and details of the Whistleblowing report. The Whistleblowing Team shall make its best effort to anonymize information and details as best as possible, and protect the identity of

the Whistleblower at all times, unless disclosure is required (whether by law or otherwise).

- (f) The format and length of an investigation may vary depending upon the nature and particular circumstances of the report made. However, the investigation should, at the very least, identify the nature of the allegation and all relevant parties involved, and facilitate resolution of the matter within a reasonable period.

5. Outcome of Investigations

- 5.1 The Whistleblowing Team will keep the Investigation Panel, and if deemed necessary and appropriate, the Executive Director and/or the Chairman of the Audit Committee, informed of the progress of the investigation.
- 5.2 Upon completion of the investigation, the Whistleblowing Team shall prepare a report (“**Investigation Report**”) which documents the investigation background, steps, supporting document and evidence, outcome and recommendations.
- 5.3 The Investigation Report shall be submitted to the Investigation Panel for consideration and endorsement. The possible outcomes of the investigation include:
- (a) allegation is not substantiated and no further action is required; or
 - (b) allegation is partially or fully substantiated and further action is required.
- 5.4 Where the allegation is substantiated or partially substantiated, the Whistleblowing Team shall clearly indicate the severity of such allegations, the root cause(s), the potential losses, whether any other misconduct is found, and suggestion to make disclosure to LEA (when necessary), if it was not done so if the findings warrant such disclosure.
- 5.5 If the allegation is substantiated or partially substantiated, the Investigation Panel shall, in consultation with Audit Committee and relevant persons / advisors as appropriate, approve the further action(s) to be taken. This may include:
- (a) corrective or remediation steps to address the control loopholes identified and ensure that such matter will not occur again;
 - (b) disciplinary action against the wrongdoer;
 - (c) disclosure to LEA, if appropriate; and/or
 - (d) Arrangement of training to the relevant categories of staff of CIC for improvement and prevention of repetition of issues identified.
- 5.6 Where disciplinary action is involved, the CIC’s Policy on Disciplinary Action shall be referred to.

5.7 The investigation is completed upon issuance of the final Investigation Report, documenting details of the investigation including the outcome and follow-up actions required upon consulting the Audit Committee.

5.8 Where deemed appropriate and practicable, the Whistleblowing Team shall inform the Whistleblower of the investigation outcome with the support of the Legal Team.

6. Monitoring and Review

6.1 The Whistleblowing Team shall keep a register of all Whistleblowing reports received, investigations conducted and the follow-up actions required arising from the investigations.

6.2 Control gaps may be identified as part of the investigation process which require remediations to be implemented to address the loophole identified. The Whistleblowing Team shall periodically monitor the follow-up actions required and ensure that such follow-up actions are implemented and/or carried out within the stipulated timeline.

6.3 The Lead of Whistleblowing Team shall provide regular updates to the Audit Committee in respect of summary of case facts (subject to confidentiality) and the corresponding status, and statistics of case categories (substantiated or unsubstantiated) of Whistleblowing cases, without compromising the integrity and confidentiality.

6.4 If the further actions include training for improvement, the Whistleblowing Team shall make alignment with the relevant department for the arrangement of such training and keep record of the training so provided.

7. Record Retention

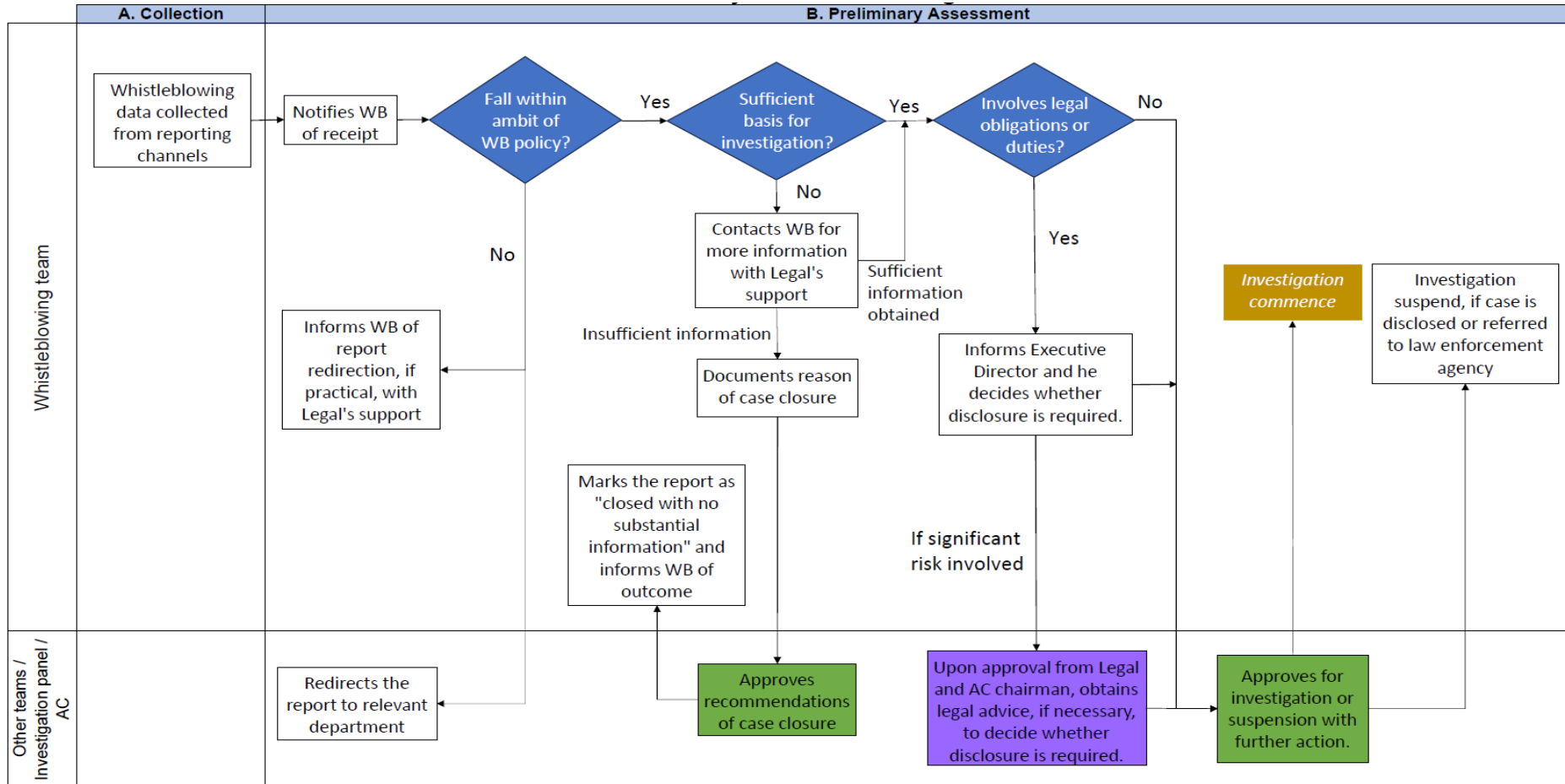
7.1 All records relating to reports received and corresponding investigations will be stored securely and confidentially. Records shall be kept for seven years from the closing date of the case concluded, unless otherwise required by law to keep the records for a longer period of time.

8. Periodic Review

8.1 This Protocol should be approved by the Council every two years. Any amendment to this Protocol should be approved by the Council or its delegated committee and it shall be subject to regular review, at least on a biennial basis.

Appendix

Preliminary Assessment Stage



Tag
 Investigation panel
 Audit Committee

Formal Investigation Stage

