



شركة اسمنت الهلال ش.م.ك.ع
Hilal Cement Company K.S.C.P

Hilal Cement Company K.S.C.P And its Subsidiaries

Whistleblowing Policy

Name of Person Making Change	Role of Person Making Change	Date of Change	Version

1. Introduction

Hilal Cement Company's K.S.C.P (the "Company") and its Subsidiaries (collectively, the "Group") are committed to the highest standards of ethical and legal conduct.

In line with this commitment and in order to enhance good governance, openness, integrity and transparency, the Group sets its Whistleblowing Policy (the "Policy") to enable its employees to report concerns internally in a responsible and effective manner when they discover information which they believe shows serious malpractice without having fear that their action may have adverse consequences.

The Group recognizes that its employees will usually be the first to know when someone inside or connected with the Group is doing something illegal, dishonest or improper. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the organization, they may also fear loss of their job or loss of expected promotions/increments. Therefore, it requires the active support and cooperation of all employees to report irregularities. The Group provides assurance to those employees acting in good faith of affording them with utmost confidentiality and the greatest degree of protection possible against retaliation, victimization, discrimination or disadvantage.

2. Objective of the Policy

It should be emphasized that this Policy is intended to assist employees who believe they have discovered malpractice or impropriety. The objective of this Policy is to make it easier for employees to be able to report irregularities in good faith, without having to fear that their action may have adverse consequences.

Accordingly, this Policy aims to provide an avenue for employees to raise their concerns. By creating an environment of trust and maximum protection for the employees, the Group intends to encourage them to co-operate in full. It is putting in place arrangements that will ensure that employees who report irregularities in good faith are afforded the utmost confidentiality and protection against any possible retaliation or reprisals, whether actual or threatened, as a result of their whistleblowing.

3. Ownership and Approval of the Policy

The ownership of the Policy rests with the Executive Management. The Policy and any upcoming changes should be approved by the Board of Directors.

4. Scope

This Policy applies to all permanent and temporary employees, Directors and any other person working for the Group or providing services including agents, consultants, auditors, suppliers and other service providers under contract with the Group (grouped together for the purpose of this Policy under the term "employee(s)"). The Policy applies whenever the employee is employed or engaged by the Group.

5. What is Whistleblowing?

Whistleblowing is a term used when someone raises a concern about a possible fraud, crime or other serious malpractice that could threaten customers, employees, shareholders or the Group's own reputation.

The following examples demonstrate what is meant by serious malpractice:

- Conduct which is unethical, illegal, dishonest, and fraudulent or corrupt.
- Acting outside proper financial accounting, reporting and auditing standards.
- Bribery.
- Intentional breach of or non-compliance with legal, regulatory and internal policies and procedures requirements.
- Intentional negligence or non-compliance with the Group's internal controls and checks which results or facilitates fraudulent act.
- Misrepresentation of financial reports.
- A material or persistent breach of the Group's Code of Conduct or internal policies.
- Unauthorized use of the Group's fund or use of funds or resources for illegal or unethical purpose.
- A deliberate concealment of information tending to show any of the above.

6. Fundamental Elements of this Policy

- Employees can have a choice between a number of channels for whistle blowing and communication; in certain circumstances, they can bypass the main channels for whistleblowing if these prove inappropriate.
- Employees will not lose any of their employment rights as a result of any disclosure, where the disclosure is made in good faith and is not made maliciously or for personal gain.
- All disclosures will be investigated and interviews with witnesses and other parties involved will be conducted.
- The Group expects that the whistleblower maintains high level of confidentiality.
- Breach of any confidentiality requirement under this Policy by any party involved in the investigation process of the allegation reported will impose that party to disciplinary action decided by the Audit Committee of the Group.

7. Designated Officers

- General Manager
- Financial Controller

8. Mechanism of Raising a Concern

It is expected that the concerned person should report their concern in writing or verbally. The report should include minimum information about the background and history of the malpractice, the names of the persons involved, and date of the submission of the report and the supporting evidence and documents whenever applicable.

Normally, the concern person should raise the report to their immediate line manager who should forward it to his/her line Executive Manager. The report will then be forwarded to the "Designated Officer(s)" Department.

Whilst we would hope the concerned person could always be able to raise concerns internally with their line manager, if they do not know what to do and wish to discuss their alternatives, may contact any of the Designated Officers through any of the alternative options available to them as mentioned below and, it is up to the employee / concerned person to select which option he / she would like to opt for.

- a) Call and report to the Designated Officer
- b) Send an email to Email (Whistleblowing@hilalcement.com) of the Designated Officer/s (which is only accessible to the Designated Officers)
- c) Send by post to the office address of the Group addressed to the Designated Officers.

9. Information to be produced for raising a concern

The concerned person can raise their concerns in writing or verbally, stating that they are referring to the Whistle Blowing Policy.

We request that, where possible, the concerned person include the information below in case they wish to raise their concern in writing:

- An outline of the known or suspected wrongdoing.
- Details, to the best of their knowledge, about when, where and how it occurred.
- A list of the names of those suspected of being involved (both within the Group and externally).
- A list of the names of anyone who may have relevant information.
- Details of how they came to know about the suspected activities.
- An estimate value of the loss to the Group or other parties if any.
- Breaches of internal controls, policy, procedure or other requirements if they believe that took place.
- Any specific recommendations they have for actions.
- The names of anyone who they have discussed or reported this incident to.
- The concerned person name and contact details.
- Date and time of making the report.

It will not be expected to prove the wrongdoing that the concerned person believes have witnessed or suspect. However, they will need to be able to explain the reasons for their concern.

10. Processing of the Concern Raised

The Designated Officers' will follow-up after receiving whistleblowing report. The Whistle Blower will receive an acknowledgement receipt for report within 10 days from the receipt of the report by the Designated Officers.

Preliminary enquiries will then be made as confidentially as possible. If the whistle blower is required to attend, he or she may be accompanied by a fellow employee who knows about the case. If it is determined that a fuller investigation is necessary, this will be proceeded either with further internal investigations or by referral to the appropriate external body dependent upon the nature and the seriousness of the report.

The final investigation report shall be placed before the Audit Committee. The Audit Committee may decide on placing any investigation report before the Board of Directors depending on the gravity and magnitude of the violation.

11. Outcome of an Investigation

Subject to any legal constraints, the Group will communicate the findings of the investigation to:

- a) The person who raised the report.
- b) The individual(s) under investigation.
- c) The members of the Audit Committee.
- d) If appropriate, the members of the Group's management or external authorities who need to consider whether any further action should be taken on the basis of the findings.

Where an employee is found to be involved in wrongdoing, they will be dealt with in accordance with the labor law, or any other applicable law and the contract of employment with the Group.

The Designated Officers shall maintain a log of all complaints, tracking their receipt, investigation, reports and all relevant documents thereof.

All documents produced during the process represent evidence that should be preserved, protected and retained in accordance with the Group's record retention policy and applicable local law.

As these may pertain to confidential matters reported by whistle blowers afforded anonymity, care must be taken to restrict access to hard-copy documents and to store and secure electronic data.

12. Dealing with Unsatisfying Outcomes

Where an employee who raised the report is unsatisfied with the outcome of the investigation, he/she may appeal against the decision to the Audit Committee. An appeal should be made within 10 days of receipt of the outcome letter.

The Executive Management Committee and/or Human Resources Committee will decide whether the case should be investigated again and by whom. The appeal process should be completed as soon as possible.

13. Maintaining Confidentiality

It is understood that disclosures made under this Policy may involve highly confidential and sensitive matters and that they may prefer to make an anonymous disclosure. When this is the case, the Group will endeavor to investigate the concerned person's concern fully, although a full investigation may be impeded if the Group cannot obtain further information from the concerned person.

The Group actively encourages the employee to put his/her name and contact details when he/she makes a report. This is because anonymity makes it difficult to investigate the concern and impossible to liaise with the concerned person to seek clarification or more information, or to assure them or to provide feedback.

Although reports raised anonymously are much less powerful, however, will be accepted but will be considered for investigation at the discretion of the Group's Designated officers. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issue under consideration.
- The credibility of the concerned.
- The likelihood of confirming the allegation from attributable sources.

14. Protecting the Whistleblower

Any individual who in good faith reports any violation of the code of conduct, non-compliance of legal requirements and/or policies, or financial misrepresentation and misappropriation, will be protected by the Group. The Group will not discharge, demote, threaten, harass or retaliate against such individual and will take appropriate action to protect him/her. If the whistleblower noticed that it has affected them adversely in any way, he/she has the right to make representation to the Group's Board of Directors who will consider the claim and make a determination on a case-by-case basis. Each decision will be deemed to be final.

However, the Group may take appropriate disciplinary action against a person, at its sole discretion, if upon investigation, the reported allegations are confirmed to have been of malicious nature and without any factual substance. Disciplinary action may be taken against him / her as advised by the General Manager.

In making a report the whistle blower should take every care to ensure the accuracy of the information and ensure that they have understood the facts thoroughly. Even disproven allegations may carry with them a degree of reputational damage for the person to whom the allegations relate and this can be difficult to reverse. Employees are encouraged therefore to be as certain as they can be, before making an allegation.



15. Identity of the Reporter

The Group will protect the employee's identity. For this mechanism to be effective, the concerned parties must adequately be assured that the information given will be treated in a confidential manner and above all, they will be protected against retaliation from within and outside the Group.

The Group maintains as confidential, the employee identity unless (i) such person agrees to be identified, (ii) it is a statutory requirement {particularly if it is essential to ensure that the right of the persons implicated to be given a fair hearing is upheld} (iii) identification is necessary to allow the Group or the appropriate law enforcement officials to investigate or respond effectively to the disclosure, (iv) identification is required by law or under the Group's rules and regulations, where a false accusation has been maliciously made, or (v) the person accused is entitled to the information as a matter of legal right or under the Group's rules and regulations in the disciplinary proceedings. In such a situation, the Group's Designated Officer will inform the employee prior to revealing his or her identity. Notwithstanding this, however, the whistle blower shall at all times continue to be protected as described in (13) above.

16. Monitoring

This Policy must be monitored for compliance with the objectives and standards established by the Board. The successful implementation of the Policy would be monitored by the Designated Officers through some performance measurement schemes like the number of reports received, number of investigations, and time to resolve a complaint and corrective actions taken or otherwise.

17. Communication of the Whistleblowing Policy

This Policy will be delivered by the following means of communication:

- Placing it on the Group's intranet for information of all staff of the Group.
- Publishing on Group's website to make it accessible to all external parties to whom this Policy applies.
- Board Secretary should ensure circulation of this Policy to all members of the Board of Directors.

18. Policy Review

The ownership of this policy is with the Board of Directors. The Board of Directors shall review this policy at least annually and shall make amendments, if deemed necessary.

19. Copyright Statement

The Group has a proprietary right over this Policy and its contents. No part of the Policy should be copied nor is to be removed from Hilal Group premises without the express written permission of the Policy Owner.

The content of the Policy is to be treated as confidential and is not to be shown nor distributed to any unauthorized persons or customers, inside or outside the Group.

20. Policy Administration

All Policy administration requirements like access, review, update, approval authority for review, and amendments of the Policy and the register of amendments will be as per the Authority Matrix of the Group.

For and on behalf of the Board of Directors;

Basel Saud Abdul Aziz Al Zamel
Chairman

