



The Hills Group Limited Whistleblower Policy & Investigation Procedure

Approved by the Board of The Hills Group Limited on 26 June 2013

A handwritten signature in blue ink, appearing to read "M P Hill".

M P Hill
Chief Executive
Hills Group Limited

1. POLICY STATEMENT

The Hills Group Limited, Hills Waste Solutions limited, Hills Quarry Products Limited and Hills Property Limited, Hills Homes Developments Limited (together the "Hills Group") wish to maintain a work environment in which all workers can raise genuine concerns about poor or unacceptable practices or misconduct without fear of reprisal.

UK Law specifically protects a "whistleblowing" worker against dismissal or other sanctions, provided they reasonably believe that one of the following has or is likely to occur:

- Criminal activity (e.g theft or fraud);
- Failure to comply with a legal obligation (e.g non-compliance with employment law);
- A miscarriage of justice (such as one employee making a false statement alleging wrongdoing by another employee);
- Danger to the health and safety of any individual;
- Damage to the environment;
- Unethical or improper conduct;
- Attempts to conceal any of the above.

This Policy sets out the procedure by which individuals working for f the Hills Group ("workers") can report concerns about workplace practices (a "Disclosure").

For the purpose of this policy worker(s) means:

- Full, part-time or occasional employees
- Agency workers
- People training with the Hills Group, but not employed
- Self employed workers or contractors, if supervised or working off-site.

This Policy is for guidance only and does not form part of an employee's contract of employment.

2. REASON FOR POLICY

For the Hills Group to achieve and maintain its core values, workers must have the ability to raise concerns internally. This Policy is intended to provide workers who believe that they have discovered malpractice or dishonesty in the Group's activities, such as those listed above a method to raise these concerns.

3. LEGISLATIVE FRAMEWORK

Whistleblowing is the disclosure of information by a worker who has experience or knowledge of dangerous activity, fraud or other illegal or unethical conduct occurring in the workplace. The Employment Rights Act 1996 as amended by the Public Interest Disclosure Act 1998 (as amended) governs the disclosure by a worker of unacceptable workplace activities or practices and is intended to protect workers who 'blow the whistle' from being subjected to dismissal or any detriment as a result.

4. RESPONSIBILITIES

This Policy applies to all individuals working for the Hills Group.

- All workers are responsible for raising genuine concerns.
- The Directors of the Hills Group Limited are responsible for ensuring that a procedure is available for genuine concerns to be raised by workers and thoroughly investigated without reprisals or sanctions.
- Line Managers are responsible for implementing and abiding by that procedure.
- The Company Secretary is responsible for the administration, record-keeping and co-ordination of the whistleblowing procedure.

5. POLICY CONTENT

If a worker raises a concern, they will not be expected to produce unquestionable evidence to support their claim - this is the responsibility of the Hills Group once it has been alerted to the potential problem. A worker is only required to have a genuine concern and reasonable believe that the matter is in the public interest.

If a worker raises a concern, even if that concern proves to be unfounded, they will not be regarded detrimentally so long as it was a genuine concern at the time; they reasonable believed the matter to be in the public interest and they have followed the procedure set out in section 8 below.

The Hills Group recognises that a worker may not wish to be identified during the course of an investigation. In such cases, the Hills Group will do everything reasonably and lawfully possible to protect the worker's identity.

If it proves impossible to resolve the matter without revealing a worker's identity, then the nominated Investigating Officer will discuss with the worker whether and, if appropriate, how an investigation is to proceed. In certain circumstances it may subsequently not be possible to maintain complete confidentiality (for example, if legal proceedings take place) but the Hills Group will do everything reasonably possible to support and protect the worker concerned.

Although concerns raised anonymously will be considered, it is much more difficult for these Disclosures to be thoroughly investigated. Workers are encouraged not make Disclosures anonymously.

If following completion of any investigation a worker is not satisfied with the outcome, they can refer the matter to the Chairman of the Hills Group Limited.

6. SANCTIONS

The Hills Group will not tolerate the harassment or victimisation of any worker who raises a genuine concern. Any such occurrences, or failure by Line Managers to maintain confidentiality and apply the procedure set out in Appendix 1, will be dealt with under the disciplinary and/or harassment procedure.

UK law does not provide any protection if a worker commits a criminal offence by disclosing information.

7. RELATED INFORMATION & PROCESS / PROCEDURES

7.1 This Policy and procedure does not cover the following for which separate procedures exist:

- Grievance or disputes by Employees about their terms and conditions of employment or working conditions (*refer to Company Grievance policy and procedure*).
- Complaints involving allegations of harassment or bullying (*refer to the Company Harassment Policy*).

7.2 This Policy makes up part of the Hills Group's overall policy towards Corporate Social Responsibility.

7.3 The Hills Group has appointed Safecall to operate a whistleblower phone line. Safecall is part of the Law Debenture Corporation and is completely independent to the Hills Group.

The Safecall whistleblower phone line operates 24hrs a day: 0800 915 1571

8. PROCEDURE TO MAKE A DISCLOSURE

As stated in Appendix 1 below, the following procedures are in place for a worker to make a disclosure:

- a) The **preferred option** is for a worker to make an informal approach to their Line Manager. The Line Manager will then pass the Disclosure on to their Divisional Group Director who will either: (a) investigate the Disclosure; (b) appoint an appropriate person to investigate the Disclosure; or (c) approach the Company Secretary to investigate and/or appoint the appropriate Investigating Officer;
- b) An **alternative option** to (a) above is for a worker to bypass their Line Manager and make the Disclosure to their Divisional Group Director.
- c) A **second alternative option** to (a) and (b) above is for a worker to bypass both their Line Manager and Divisional Group Director and to take their Disclosure to the Company Secretary or to phone the Safecall whistleblower phone line 0800 915 1571.

The Company Secretary can refer a Disclosure to the worker's Divisional Group Director if he/she believes it will be adequately and independently dealt with, without any conflict of interest arising.

If the Disclosure relates to the Company Secretary the Disclosure should be made to the Chief Executive Officer.

This policy does not preclude a worker from contacting external authorities (a prescribed person or body) such as the Health and Safety Executive, the Commission for Racial Equality, Environment Agency, or other similar public bodies if the worker believes the Hills Group:

- will ignore or cover up the Disclosure;
- treat the worker unfairly for making the Disclosure
- has not acted on a Disclosure already made by the worker.

9. REVIEW ARRANGEMENTS

This policy will be reviewed annually.

APPENDIX 1

THE INVESTIGATION PROCEDURE:

- If a worker's Disclosure relates to harassment or equal opportunities the appropriate Investigating Officer is the Head of Human Resources.
- For the purpose of this procedure "Designated Officer" is either the Divisional Group Director or the Company Secretary depending to whom the Disclosure has been made.

Worker may make a Disclosure as outlined in clause 8 of the Hills Group Whistleblower policy.

Once in receipt of a worker's Disclosure, the appropriate Designated Officer will send a written acknowledgement of the disclosure to the worker's home address and, as soon as practically possible, arrange an initial interview with the worker to ascertain the area of concern.

At this stage the worker will be asked whether they wish for their identity to be disclosed and the worker will be reassured about protection from possible reprisals or victimisation.

The worker will also be asked whether or not they wish to make a written or verbal statement. In either case, the Designated Officer will write a brief summary of the interview, which will be agreed by both the worker and the Designated Officer.

The Designated Officer will then appoint an appropriate Investigating Officer. It is the responsibility of the Designated Officer to ensure that the Investigating Officer appointed will act in an independent and impartial manner when carrying out his/her investigation into the Disclosure.

The investigation may need to be carried out under the terms of strict confidentiality i.e. by not informing the subject of the Disclosure until (or if) it becomes necessary to do so. This may be appropriate in cases of suspected fraud.

If there is evidence of criminal activity, the Investigating Officer should notify the Designated Officer who will notify the Chief Executive Officer. The Hills Group must not take any steps to hinder a police investigation.

The Designated Officer will offer to keep the worker who made the Disclosure informed about the investigation and its outcome.

If the result of the investigation is that there is a case to be answered by any individual against whom a Disclosure has been made, the Disciplinary policy and procedure of the Hills Group will be used.

Where there is no case to answer, and the worker making the Disclosure had done so based on a genuine concern they reasonable believed the matter to be in the public interest and they have followed the procedure set out in section 8, the Designated Officer should ensure that the employee suffers no reprisals.

Only where a worker maliciously makes false allegations or does not follow the procedure set out in section 8, will it be considered appropriate to take action under the terms of the Hills Group Disciplinary policy and procedure against the worker who made the Disclosure.

Due to the varied nature of investigations it is not possible to lay down strict time scales but all investigations will be carried out by the Investigating Officer as quickly as possible.

The Investigating Officer should:

- obtain full details and clarification of a worker's Disclosure in writing;
- inform the worker that any member of staff against whom a Disclosure has been made will, where lawfully possible, be notified as soon as possible*;
- formally notify the member of staff against whom a complaint has been made in writing of the allegation and inviting them to an interview conducted in connection with the investigation. In certain circumstance the member of staff may be placed on cautionary suspension until the interview takes place;
- consider the involvement of the Head of Human Resources in the first instance and, if appropriate, the Hills Group's external auditors and/or the police.
- if the Disclosure concerns either the Chief Executive Officer or the Company Secretary then the Investigating Officer should refer matters to the Chairman;
- fully investigate the Disclosure, carrying out any necessary interviews or reviews of documentation;
- make a judgment concerning the Disclosure and its validity in the form of a written report which will then be passed to the Designated Officer for a decision on what (if any) action needs to be taken; and
- if necessary invoke the Hills Group Disciplinary policy and procedure to deal with the matter and where appropriate bring the matter to the attention of the Directors of the Hills Group Limited.

The Designated Officer who originally dealt with the Disclosure will notify the worker who made the Disclosure about the outcome of any investigation and if appropriate any action to be taken.

* Under Section 333 of, the Proceeds of Crime Act 2002, a person commits a criminal offence if they tip a person off that complaint has been made against them that involves money laundering.