

POLICY NUMBER : 2025-001

SUBJECT : **WHISTLEBLOWING POLICY**

EFFECTIVE DATE : April 23, 2025

APPROVED BY : The Executive Committee

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## **I. OBJECTIVES:**

1. To encourage employees and other stakeholders to raise complaints or report an information on any misconduct or fraud committed by company employees and officers, customers, vendors, investors and other persons with their identities properly protected.
2. To aid in the discovery of evidence that threaten and impede the company's compliance with laws, rules, regulations and standards related to financial statements and associated disclosures, regulatory filings and other public purposes.
3. To reinforce ethical behavior, and encourage proper conduct by officers and employees in the course of business.
4. To identify and resolve complaint cases with the greatest potential to harm the Company's reputation and bottom line.

## **II. SCOPE:**

This policy shall apply to Solid Group Inc. (SGI) and all its subsidiaries and affiliates (herein referred as "The Group"), its officers and employees including agency staff and consultant working under a contract of service. It shall provide guidance to suppliers, customers, investors and other concerned parties in filing a complaint or reporting information relative to the objectives of this Policy.

## **III. POLICY PROVISIONS:**

1. The Group shall encourage all forms of complaints, with or without merit, form within or outside the organization concerning potential misconduct or fraud committed by company employees, officers, and directors against the company, or probable non-compliance with laws, rules, regulations, and standards related to financial reporting, disclosures, regulatory filings, and other public purposes.

The names, hotlines, e-mail address, office address of the Whistle Blowing Committee (WBC) permanent members (IV.A.4) who are authorized to initially entertain and receive complaints from whistleblower - shall be posted in the bulletin boards of all SGI member companies and affiliates, branches, and departments / units.

2. Any complaint/information received under this policy shall be carefully evaluated and properly resolved. In each evaluation, the following shall be considered:

**a. Reliability of the Source**

At the minimum, answers to the following shall be obtained:

1. Who is the informer?
2. What motivated him/her in making such report or complaint?
3. What is his/her relationship with the accused party?
4. When and how the matter being reported happened?
5. Is it first hand information?

**b. Anonymity**

The Whistleblower's unwillingness to divulge his/her identity shall be asked and evaluated for reasonableness. It should be noted however that complaints expressed anonymously are much less powerful and less effective of being addressed.

**c. Corroboration**

The Whistleblower's claim can be verified through or authenticated by other sources like co-employee or another witness.

**d. Estimate of Potential Loss**

The extent of loss or actual damage shall be quantified as to how much a complaint could affect the company in all aspects (e.g. monetary, reputation, employee morale, internal control and operation).

**e. Probability of Mistake or Error**

The complaint might be a mistake or error only, and without bad intent on the part of the accused party. It might also be hearsay.

**f. Persons Involved**

The person or group being accused including their designation (e.g. staff, manager, senior management, department, division etc.) shall be identified. There might be collusion between or among employees, officers, and / or outsiders.

**g. Evidence to Support the Allegation**

The whistleblower may present documents, if any, to support a claim or provide information on the whereabouts of documents which should have merit and relevance to an investigation.



3. In resolving an issue, all claims shall be handled expeditiously and the privacy of the party subject of the complaint shall be guaranteed and protected.

All employees and officers of The Group shall be well informed of the profile of the WB Committee, the complaint-handling process, conduct of investigations, and the protection and incentive to whistleblowers in order to gain confidence and trust of all stakeholders.

4. The accused party/ies shall be given due process and protection from unmerited personal and professional harm.
5. No action shall be taken by The Group against an employee who files a complaint in good faith, unless this complaint is found to have been malicious or made for personal gain.
6. The Executive Committee (EXCOM) shall have the final decision in the resolution of complaints under this Policy.

#### **IV. IMPLEMENTING GUIDELINES**

##### **A. Creation of a Whistle Blowing Committee (WBC)**

1. A WBC is created primarily to oversee the operational implementation of this Policy.
2. The WBC shall report directly to the EXCOM of the Board of Directors of SGI.
3. The composition of the WBC shall be determined by the EXCOM who shall have the exclusive appointing power to membership in the Committee.
4. The WBC shall consist of any number of members, as the EXCOM shall see fit. However, to ensure continuity of the work of the WBC, the following shall be permanent members of the WBC: the SGI Chief Financial Officer (CFO) who shall act as Chairman of the WBC; the SGI Chief Internal Auditor; and the Head of SGI-HRD. Nevertheless, the EXCOM, as the appointing authority, can change, add or reduce committee membership at any time.
5. The concerned Human Resources Head of an affiliate/non-affiliate company may be appointed as a member of the WBC on an ad hoc basis whenever an accused comes from that particular company.
6. The WBC may, with prior approval of the EXCOM, obtain the services of a Legal Counsel to participate in the investigation and ensure legal compliance.
7. The WBC shall act as a collegial body in carrying out its tasks.

8. All complaints that are filed with the WBC must be reported to the EXCOM within the month the complaint is received by the WBC.

## **B. Functions of the WBC**

The WB Committee shall:

1. Entertain and receive complaints from whistleblowers.
2. Conduct screening and evaluation of the complaints.
3. Document all complaints.
4. Conduct investigations on their own efforts or appoint Investigation Team to look into a complaint.
5. Identify the courses of action/s to be taken.
6. Prepare and submit reports to the EXCOM.
7. Protect and guarantee the confidentiality of reports, evidences, and anonymity of persons involved in a case especially the whistleblowers.
8. Exercise other duties and responsibilities, which are necessary or incidental to carrying-out the objectives of this policy.
9. Appoint a Secretariat under its Supervision and control.
10. Recommend to EXCOM the granting of a token of appreciation, either in monetary or non-monetary form to whistleblowers.

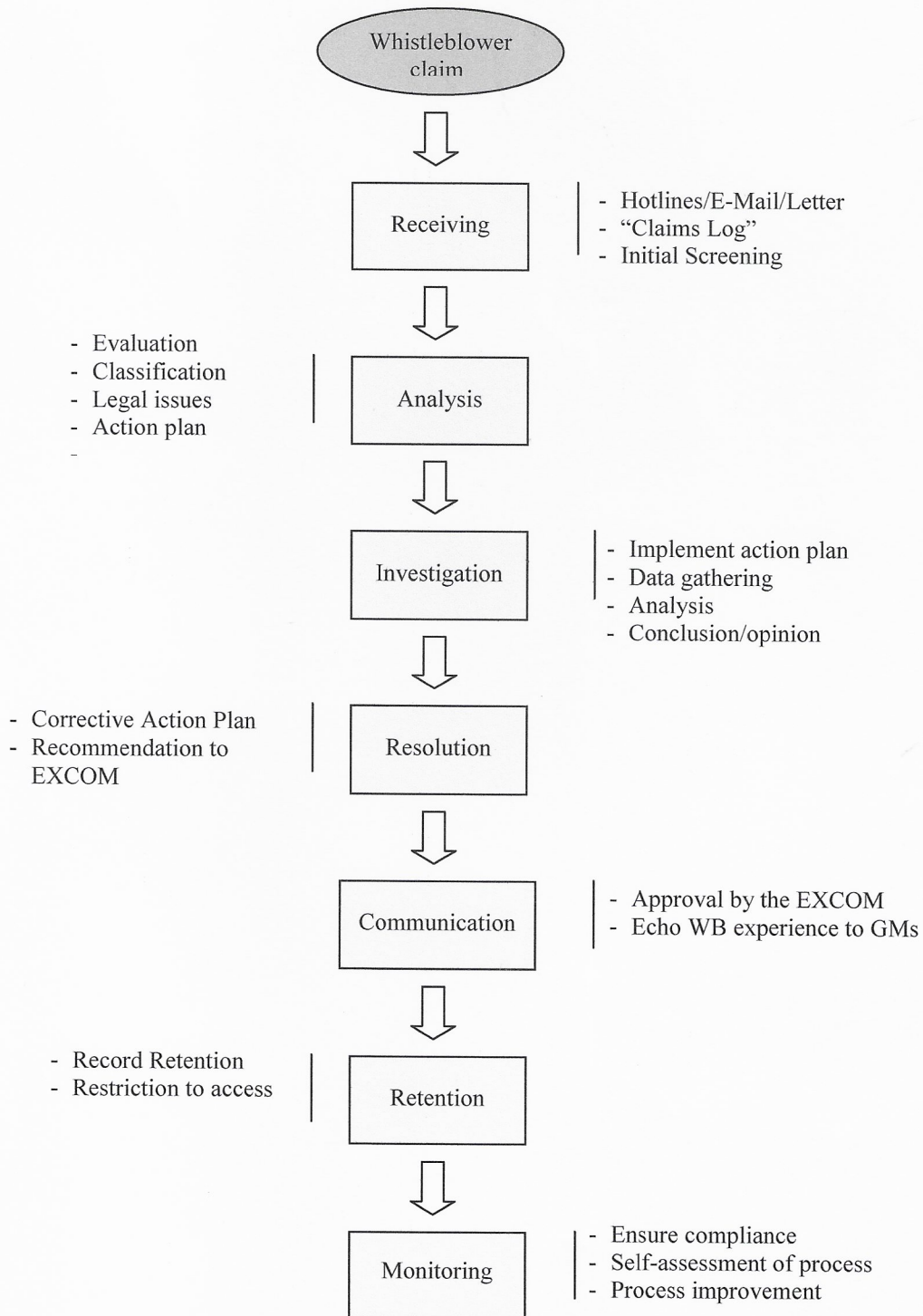
## **C. Functions of the WBC Secretariat**

The Secretariat shall:

1. Maintain complaints logbook where all reported complaints shall be recorded.
2. Prepare complaint reports under the guidance and supervision of the WB Committee.
3. Preserve, protect, and guarantee the confidentiality of reports, evidences, documents, and anonymity of persons involved in a case especially the whistleblowers.

## V. COMPLAINT-HANDLING PROCESS

Figure 1: Flowchart





## **A. Procedures for Receiving Information/Complaint**

### **1. Phone Call**

- a. Take note of the complaints or information as provided by the caller.
- b. As much as possible, the WB Committee member receiving the call should request for an appointment at a place and time most convenient to the caller/whistleblower. If the caller/whistleblower does not agree to a personal meeting, the Committee Member should request for an on the spot interview to further obtain relevant and credible information
- c. Encourage the whistleblower to divulge his/her identity and allow direct access of the Investigation Team with him/her.
- d. Inform the whistleblower that his/her identity and rights will be guaranteed and protected.

### **2. E-mail /Text Message**

- a. Make preliminary evaluation of the information received.
- b. Coordinate with the other WBC members if they received the same information/complaint and agree on who should reply to the whistleblower.
- c. Request for an appointment with the whistleblower at a place and time convenient to the whistleblower.
- d. If the whistleblower does not agree to a personal meeting, conduct an e-mail or text-messaging interview to further obtain relevant and credible information.
- e. Encourage the whistle-blower to divulge his/her identity and allow direct access of the Investigation Team to him/her.
- f. Inform the whistleblower that his/her identity and rights will be guaranteed and protected.

### **3. Anonymous Letter**

- a. Make preliminary evaluation of the information received.
- b. Determine if there is sufficient reason to pursue the complaint and initiate an investigation to gather additional information or evidence.

#### **4. Personal Meeting**

- a. Personally meet with the caller/whistleblower at the place and time previously agreed through phone, e-mail or text message.
  - b. Interview the whistleblower to obtain more information or validate those previously given.
  - c. Request the whistleblower to allow direct access of the Investigation Team, which may come later, for further inquiries and to resolve the issue expeditiously.
  - d. Inform the whistleblower that his/her identity and rights will be guaranteed and protected.
5. After an initial communication with the Whistleblower through any of the means above, the WB Committee member who received the complaint should give the details of whistleblower's claims to the Secretariat.
  6. The Secretariat shall fill up the Claims Log (*Annex A*) to ensure that all reported complaints, with or without merit, are documented. Each Claims Log entry shall be assigned a unique number (e.g. 08-001) for tracking and control purposes, and to preserve anonymity of the whistleblower (e.g. during discussions wherein the name of the whistleblower need not be mentioned).
  7. With assistance of concerned WB Committee Member, the Secretariat should prepare Claims Report based on Claims Log and interview(s) conducted.
  8. The Secretariat shall be responsible in monitoring complaints and issuing updates to the WB Committee.

#### **B. Analysis**

1. Upon request by the WB Committee Chairman, the Secretariat should call for a committee meeting (including concerned ad hoc member) to discuss the complaints received.
2. The WB Committee should perform an in-depth analysis of the complaint in accordance with the evaluation criteria under Policy Provision 111.2.
3. The WB Committee should classify complaints based on sensitivity and materiality considering the following factors:
  - a. Misconduct / Fraud involvement of the company' officers and employees.
  - b. Violation of company policies
  - c. Violation of government laws and regulations

- d. Material weaknesses in internal controls
  - e. Potential loss in peso amount
  - f. Potential for adverse public press
4. The WB Committee should identify complaints that need formal investigation without the accused being aware, or to invite the accused for an inquiry, interview or confrontation.
  5. The Legal Counsel shall be consulted to clarify certain legal implications of labor, human rights and other issues to the company and the best way to deal with them.
  6. The WB Committee should plan the alternative courses of actions to be taken to serve as guide in the conduct of investigation.
  7. The Secretariat should prepare minutes of every meeting for monitoring purposes.

### **C. Investigation**

1. The WB Committee should create Investigation Team (i.e., Internal Auditors, HR, Legal Counsel etc.) to carry out an action plan.
2. Based on the sensitivity of a complaint, the Investigation Team should carry out a thorough investigation, interview of the accused and/or inquiry with the advisor/legal counsel.
3. The Accused Party should be placed on administrative leave or temporarily assigned to another office, whichever is appropriate, to avoid interference in investigation.
4. The Investigation Team should prepare and submit the Investigation Report containing the details, analysis of investigation, and recommendation to the WB Committee.

### **D. Resolution**

1. The WB Committee, at their option, may call for a meeting with the Investigation Team to discuss/clarify certain issues.
2. Based on the result of investigation, the WB Committee should formulate Corrective Action Plan -- procedures to be performed and actions to be followed -- to address and resolve a whistleblower complaint.



## **E. Communication**

1. The Investigation Report and Corrective Action Plan including resource requirement and cost involved should be referred by the WB Committee to the EXCOM for approval.
2. To yield best practices on future decision making and enhance employees'/officers' awareness, the lessons learned in handling and resolving whistleblowers' complaints shall be shared by the WB Committee to the General Managers of The Group, while the General Managers shall echo the same to their respective Local Management Committees (MANCOM). In doing this, the anonymity of the persons involved shall always be maintained.

## **F. Retention of Records**

The WB Committee shall ensure that all evidences, reports and documents will be preserved, protected and retained in accordance with the company's Record Retention Policy. Similarly, due care must be taken in storing, securing and restricting access to hard and soft copies of whistle blowing documents.

## **G. Monitoring**

1. The Claims Log shall be regularly reconciled with Claims Reports and the WB Committees' Corrective Action Plan to ensure that all whistleblower's claims referred to are appropriately addressed.
2. The WB Committee shall monitor compliance with the objectives and standards of this policy and conduct an annual self-assessment of their effectiveness in order to identify opportunities for improvements of the whistle blowing process.

# **VI. GUIDELINES FOR THE WHISTLE-BLOWER**

## **A. Who to Report**

A person with concern may report wrongdoing or business misconduct of but not limited to the following:

1. Employees
2. Management
3. Directors or Officers
4. Customers
5. Vendors
6. Suppliers
7. Contractors

8. Others (e.g. competitors)

## **B. What to Report**

1. Complaints to be reported pursuant to this policy include but not limited to the following:
  - a. Criminal offense;
  - b. Fraud;
  - c. Illegal or improper use of company funds or property;
  - d. Tampering or destruction of company records or documents except as otherwise required by the company in accordance with the Records Retention Policy;
  - e. Intentional or deliberate misrepresentation of a Senior Officer or Accountant affecting/involving the company's financial statements.
  - f. Violation or non-compliance with the company's Internal Control Policies;
  - g. Serious non-professional or non-ethical behavior including harassment;
  - h. Any effort to mislead, deceive, manipulate, coerce or fraudulently influence any internal or external auditor in connection with the conduct of audit or review of the company's internal controls and financial statements; and
  - i. Attempts to conceal any of the above.
2. Complaints shall at least contain:
  - a. The alleged event, matter or issue that is the subject of the complaint;
  - b. Name of the person / group involved;
  - c. If the complaint involves a specific event(s), the approximate time and location of each event; and
  - d. Any additional information, documentation or other evidence available to support the complaint.

## **C. How to Report**

An individual with concern may submit a report/complaint by using any of the means as detailed in V.A (personal meeting, phone call, email, text message, anonymous letter). The report or complaint should be addressed/directed to any or all of the WB Committee Permanent Members (Chief Financial Officer, Chief Internal Auditor & Human Resources Head of SGI: refer to your company bulletin boards for their names, hotlines and addresses).

## **D. When to Report**

Personal meeting or direct telephone communications with any of the permanent members of WB Committee (IV.A.4) could be made during office hours while letters and electronic mails could be sent anytime.

## V. DEFINITION OF TERMS

*Accused Party* - an individual, group (e.g. departments, collusion etc.) or company that is/are the focus of a complaint.

*Anonymity* – the state of being unknown or unacknowledged.

*Claims Log* – a standard format used to capture basic information as soon as it is received (Annex A).

*Claims Report* - a detailed version of Claims Log and other documents based on initial discussion/interview conducted by a WB Committee member with the whistleblower.

*Corrective Action Plan* - a set of anticipated procedures to be performed and actions to be followed to address and resolve a whistleblower complaint.

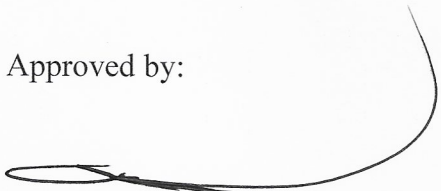
*Stakeholder* - a party or person who affects, or can be affected by the organization's actions (e.g. employees, customers, suppliers, officers)

*Whistleblower* - an employee/former employee of The Group, or member of an outside organization, especially a business, who reports misconduct or fraud to the WB Committee.

*Whistle Blowing* - an act of exposing fraud and/or abuse by an employee, officers and other stakeholders.

The foregoing Financial Policy shall take effect on the date hereinabove stated and shall remain in full force effect until modified, altered or revoked by a written instruction/memorandum from the Executive Committee.

Approved by:



JASON S. LIM  
*Chairperson*



DAVID S. LIM  
*EVP & CSO*



SUSAN L. TAN  
*President*



VINCENT S. LIM  
*SVP & CFO*