

Whistleblowing Policy

Preamble

1. The Hong Kong University of Science and Technology (the “University”) strives to be a collegial and transparent organisation which values the active participation of all Stakeholders. The University is committed to achieving high ethical standards that comply with all applicable laws, rules and regulations. It is in the interest of the University to ensure that inappropriate behaviour or organisational malpractice that compromises the interests of its Stakeholders and the wider public does not occur. It is also important for the University to strive to achieve and maintain the highest standards of corporate governance for universities. To this end, the University has updated this Whistleblowing Policy (this “Policy”). Day-to-day operations and monitoring of this Policy are delegated to the Secretary of the Audit Committee of the University Council (“Audit Committee”).
2. The purpose of this Policy is to provide a safe and protected means by which Stakeholders of the University, as defined in paragraph 7 below, can raise concerns with the appropriate University authorities if they have reasonable grounds to believe that there is serious malpractice within the University. The University encourages Stakeholders to raise matters of concern responsibly through the procedures laid down in this Policy, recognizing that such actions may benefit the University.
3. This Policy applies to all units of the University and its joint ventures or companies over which the University has an effective control.

Interpretation

4. Questions on the scope or interpretation of this Policy can be raised with the Secretary of the Audit Committee electronically via a dedicated and confidential email address (whistleblow@ust.hk) or by letter sent to the Internal Audit Office, Room 6555, Academic Building, The University of Science and Technology, Clear Water Bay, Kowloon, Hong Kong.

Policy

5. This Policy is designed to deal with malpractice, misconduct or irregularity issues that fall outside the scope of the University’s other policies and procedures which include, amongst others, procedures in respect of personal grievances concerning an individual’s terms and conditions of employment or student registration status, or other aspects of the working relationship, or disciplinary matters, or complaints or academic appeals by students (“Other Procedures”). This Policy will not apply to or be used to re-open or review decisions made under Other Procedures nor is it designed to be used to question or reconsider financial or non-financial decisions taken by the University. Matters raised through this Policy that are considered by the Secretary of the Audit Committee as falling under Other Procedures will be directed by the Secretary of the Audit Committee to the appropriate University unit to follow up.

6. Whistleblowing matters *may* include (but are not confined to) the following allegations:

- a possible criminal offence;
- a failure to comply with legal obligations or with any law (including, without limitation, the Ordinance, Statutes and Regulations of the University);
- misconduct, malpractice or irregularities that place private interests above the University's and/or public interests, including, without limitation:
 - (a) fraudulent activities that may result in financial losses to the University;
 - (b) unethical conduct in staff or student recruitment or selection;
 - (c) corruption or bribery conduct;
 - (d) actual or potential illegal or unethical conduct in the implementation of Other Procedures
- deliberate acts that may pose a risk to the health or safety of any individual and/or cause damage to the environment; and/or
- any attempt to suppress or conceal any information relating to any of the above.

Applicability

7. Stakeholders, including current and former employees, students and other persons who deal with the University (e.g. business partners, contractors, suppliers, volunteers and visitors), who have legitimate concerns under this Policy may report, in writing, to the Secretary or Chairman of the Audit Committee via dedicated and confidential e-mail addresses (whistleblow@ust.hk or acchairman@ust.hk, respectively). In exceptional circumstances, the Secretary of the Audit Committee may accept an oral report. Reports made should contain as much specific information as possible, and include any supporting evidence. Whistleblowing allegations received elsewhere within the University should be forwarded immediately to the Secretary of the Audit Committee, for handling under this Policy.
8. Any whistleblowing report received relating to the President will be forwarded to the Chairman of the University Council.

Protection and Good Faith

9. The University expects all reports are made in good faith and without malice, and Whistleblowers must reasonably believe that the information disclosed, and any allegations contained therein, are substantially true. A report must not be made for the purpose of personal gain; and in all circumstances, reports must be substantiated with facts. The University will not tolerate any form of retaliation against Stakeholders who report in good faith.

10. The University fully expects that all individuals lodging a report will act responsibly, collegially and in good faith, but should the Policy be misused (e.g. maliciously, for personal gain, vexatiously), appropriate action (including disciplinary action for employees) will be taken against the relevant individual.

Confidentiality

11. The University will make every effort to keep the identity of Whistleblowers confidential after duly considering the Whistleblowers' rights and University's legal duties. Whistleblowers should also keep the facts of their reports, the nature of their concerns and the identities of those involved confidential in order not to jeopardise an investigation.
12. Whistleblowers are expected to identify themselves in making a report. Reports lodged anonymously are not encouraged but may be considered in exceptional cases at the discretion of the Audit Committee. An anonymous report could be considered after a review of the seriousness of the issue and the credibility and objectivity of the evidence.

Initial Review and Investigation

13. On receipt of a report, the Secretary of the Audit Committee shall proceed with an initial review to determine whether there is *prima facie* evidence of misconduct or malpractice as illustrated in paragraph 6 above. With reference to the context of the complaint and the domain knowledge entailed, the Secretary of the Audit Committee will consult the President/Provost/Vice-President(s), as appropriate, on the approach of the initial review and the personnel with appropriate domain knowledge to assist the Secretary of the Audit Committee in the initial review.
14. The Secretary of the Audit Committee will present to the Audit Committee for approval the results of the initial review, including any recommendation that an investigation should be undertaken after the consultation referred to in paragraph 13; and, in cases which may amount to regulatory breach or criminal offences, to decide, after consulting with the Legal Office as necessary, if the matter should be referred to the appropriate regulatory or law enforcement authority, as required.
15. The format and the length of an initial review and investigation may vary depending on its nature and circumstances. Every whistleblowing report received will be handled expeditiously. The Secretary of the Audit Committee may coordinate with other office(s) or personnel including the Internal Audit Office, Legal Office or together with a co-sourced internal auditor or an external forensic auditor to conduct the initial review and investigation.

16. The Secretary of the Audit Committee will write to the Whistleblower, as appropriate:

- to acknowledge that a report has been received;
- to advise if the matter is to be investigated after initial review;
- to advise when the investigation is concluded and/or considered to be closed.

Investigation Findings and Recommendations

17. Upon conclusion of the investigation as approved by the Audit Committee in paragraph 14, the Secretary of the Audit Committee will, in consultation with the President/Provost/Vice-President(s), compile an investigation report setting out the investigation findings and recommendations which may include, without limitation:

- the issue of a warning letter or imposition of disciplinary action for non-compliance with the University's policies, rules or regulations;
- the report of the matter to the appropriate regulatory or law enforcement authority in case of possible regulatory breach or criminal offence;
- the review of internal controls or management processes;
- the referral of the report to the appropriate University unit when the allegations fall under the University's Other Procedures;
- the dismissal of the report where the allegations are unfounded.

18. The Secretary of the Audit Committee will submit the investigation report to the Audit Committee for approval.

19. The Audit Committee's decision is final.

Report to the University Council

20. A summary report of the investigation findings and recommendations of all whistleblowing reports will be reported periodically to the University Council, for information.