

Challenger Limited

Whistleblower Policy

This version: Version 1.3
Jurisdiction: All
Date of version: August 2020
Review of policy due by: May 2021
Policy owners: Chief Risk Officer
Prepared by: Risk and Compliance
Authorised by: Group Risk Committee

Summary

Why is this policy required?

The purpose of this policy is to encourage employees and other eligible person(s) to disclose wrongdoing safely and securely, and provide transparency around Challenger's framework for receiving, handling and investigating disclosures.

Key Information

A 'Whistleblower' is an eligible person who makes a disclosure in accordance with this policy that qualifies for protection under the Corporations Act.

A disclosure made under these conditions is eligible for the protections under the Corporations Act. Correspondingly, a disclosure made outside of these conditions will still be treated confidentially and seriously, however the Whistleblower may not have the benefit of these protections.

In order to protect anonymity (where required) and uphold integrity in the whistleblowing process, Challenger uses the whistleblower portal which is managed entirely by a third-party service provider comprised of experienced staff.

Who does this policy apply to?

This policy applies to all legal entities, business divisions, support units and employees or service providers of Challenger, regardless of division or geographical location.

It applies to any person who is, or has been, in relation to any legal entity within Challenger:

- (a) an officer or employee (e.g. current and former who are permanent, part-time, fixed-term or temporary, interns, secondees, managers and directors);
- (b) a supplier of services or goods to the entity (whether paid or unpaid) including their employees (e.g. current and former contractors, consultants, service providers and business partners);
- (c) an associate of the entity and / or;
- (d) a relative, dependent or spouse of an individual described in section (a), (b) or (c) above.

The policy applies to behaviour:

- (a) in the workplace, including when working outside normal working hours;
- (b) while undertaking work activities including interaction with third parties and working away from Challenger's premises;
- (c) at work-related events, e.g. conferences and social functions; and
- (d) outside of work hours, if that interaction involves other employees, including where the interaction is through social media.

Key Terms

Appointed Actuary	Appointed Actuary of Challenger Life Company Limited
APRA	Australian Prudential Regulation Authority
ASIC	Australian Securities and Investments Commission
Challenger	Challenger Limited and its wholly owned entities and subsidiaries
CEP	Chief Executive, People, Corporate Affairs and Sustainability
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
CRO	Chief Risk Officer
Eligible Person	<p>In relation to Challenger:</p> <ul style="list-style-type: none">• An officer or employee (current and former, who are permanent, part-time, fixed-term or temporary, interns, secondees, managers and directors);• A supplier of services or goods to the entity, including their employees (e.g. current and former contractors, consultants, service providers and business partners);• An associate of the entity; or• A relative, dependent or spouse of the individuals listed above.
Eligible Recipient	<p>An eligible recipient for Challenger is:</p> <ul style="list-style-type: none">• a member of the Challenger's Leadership team;• a director or a company secretary;• the Challenger Life Company Appointed Actuary;• an auditor, or an audit team member conducting an audit of Challenger; and• an independent third-party whistleblower service provider authorised by Challenger (YourCall).
Leadership Team	The Chief Executive Officer and direct reports to the Chief Executive Officer.
Policy	This Whistleblower policy
Protected Disclosure	A disclosure made to an eligible person in accordance with this policy that qualifies for protection under the Corporations Act.
Reportable Conduct	<p>Misconduct, or an improper state of affairs or circumstances, in relation to Challenger including conduct or a state of affairs which is:</p> <ul style="list-style-type: none">• dishonest;• fraudulent;• corrupt;• illegal;• in breach of legal obligation (e.g. legislation);• in serious breach of internal policy;• unethical;• improper;• bullying and harassment;• unsafe; or• any other conduct which may cause financial or non-financial loss to Challenger or be otherwise detrimental to the interests of Challenger and its customers, including environmentally unsound practices <p>subject to Section 3.1 below.</p>
Whistleblower	An eligible person who makes a disclosure about 'reportable conduct'.
Whistleblower Portal	An online platform managed by a third-party service provider (YourCall).
WIO	Whistleblower Investigation Officer. This will be the CRO or CEP based on the nature of the disclosure.

1. Objectives

This policy forms part of Challenger's commitment to ethical and honest business practices. The purpose of this policy is to outline the principles and processes supporting eligible persons to safely disclose reportable conduct. Specifically, the policy aims to:

- encourage and facilitate disclosure of reportable conduct;
- provide a clear framework and set out avenues to make a disclosure;
- ensure that the matters disclosed are properly investigated and any wrongdoing is corrected;
- provide anonymity (where sought) and protection for the eligible person(s) who make these disclosures;

Challenger's whistleblower provisions are central to our commitment to an open culture in which concerns and issues are disclosed in a supportive environment.

2. Scope

This policy applies to all legal entities, business divisions, support units, employees and service providers of Challenger, regardless of geographical location, and covers a disclosure in relation to Challenger made by any of the following eligible person(s):

- An officer or employee (current and former, who are permanent, part-time, fixed-term or temporary, interns, secondees, managers and directors);
- A supplier of services or goods to the entity, including their employees (e.g. current and former contractors, consultants, service providers and business partners);
- An associate of the entity; or
- A relative, dependent or spouse of the individuals listed above.

Entities and divisions that have operations in jurisdictions other than Australia must consider local rules and regulations that may be stricter than the practices set out in this policy. Where local rules are more stringent than those outlined in this policy, the local regulations will always prevail. If there is a direct conflict between local laws and the requirements under this policy, management must notify the policy owner prior to implementing any local policies or procedures.

3. Whistleblower process

The following sections outline matters that can be disclosed using whistleblower channels, how to make a disclosure, the investigation process, and protection of Whistleblowers.

3.1 Matters that can be reported

Misconduct, or an improper state of affairs or circumstances, in relation to Challenger including conduct or a state of affairs which is:

- dishonest;
- fraudulent;
- corrupt;
- illegal;
- in breach of legal obligation (e.g. legislation);
- in serious breach of internal policy;
- unethical, improper or unsafe
- bullying and harassment; or
- any other conduct which may cause financial or non-financial loss to Challenger or be otherwise detrimental to the interests of Challenger and its customers, including environmentally unsound practices of a material nature.

Examples of types of reportable conduct include:

- illegal conduct, such as theft, dealing in, or use of illicit drugs, violence or threatened violence, and criminal damage against property;
- fraud, money laundering or misappropriation of funds;
- offering or accepting a bribe;

- financial irregularities;
- failure to comply with, or breach of, legal or regulatory requirements; and
- engaging in or threatening to engage in detrimental conduct against a person who has made a disclosure or is believed or suspected to have made, or be planning to make, a disclosure.

Reportable conduct applies to behaviour which occurs:

- in the workplace, including when working outside normal working hours;
- while undertaking work activities including interaction with third parties and working away from Challenger's premises;
- at work-related events, e.g. conferences and social functions; and
- outside of work hours, if that interaction involves other employees, including where the interaction is through social media.

If there are reasonable grounds to suspect any reportable conduct in relation to any legal entity within Challenger, an eligible person can make a disclosure as described in Section 3.2 and may qualify for protection under the Corporations Act even if that disclosure turns out to be incorrect.

Control failures and operational incidents (not involving deliberate employee misconduct) should be reported to Risk and Compliance in accordance with the Incident Management Policy.

3.1.1 Treatment of personal work-related grievances

Disclosures that relate solely to personal work-related grievances, and that do not relate to detriment or threat of detriment to the eligible person, or have any other significant implications for Challenger, do not qualify for protection under the Corporations Act. Under these circumstances, personal work-related grievances may be reported through to Human Resources.

A personal work-related grievance may still qualify for protection if:

- (a) it includes information about misconduct, or information about misconduct includes or is accompanied by a personal work-related grievance (mixed report);
- (b) Challenger has breached employment or other laws punishable by imprisonment for a period of 12 months or more, engaged in conduct that represents a danger to the public, or the disclosure relates to information that suggests misconduct beyond eligible person's personal circumstances;
- (c) the eligible person suffers from or is threatened with detriment for making a disclosure; or
- (d) the eligible person seeks legal advice or legal representation about the operation of the whistleblower protections under the Corporations Act.

Nothing in this policy limits the ability of Challenger to manage performance or misconduct issues related to an employee or service provider, including where the relevant individual has made a disclosure of reportable conduct.

3.2 How to make a disclosure

A disclosure of reportable conduct can be made through whichever mechanism feels most comfortable to the Whistleblower, which can depend on the nature and sensitivity of the reportable conduct, and/or relationships with other employees. Challenger offers multiple options for disclosing reportable conduct, including:

- Directly reporting to a member of the Challenger Leadership team such as the CRO or CEP in person, or by email or postal service;
- Directly reporting to a director or a company secretary in person, or by email or postal service;
- Directly reporting to the Appointed Actuary of Challenger Life Company in person, or by email or postal service;
- Directly reporting to an auditor or an audit team member conducting an audit of Challenger in person, or by email or postal service and;
- Directly reporting to an authorised third-party service provider (YourCall):
 - Visit <http://www.yourcall.com.au/report> and enter **CGF** as the organisation code
 - Call 1300790228 (free call) or +61 3 9895 0012 (from overseas)
 - Mail to: Locked Bag 7777, Malvern, VIC, 3144
 - Anonymous reporting is available via any of YourCall's communication methods and will still be protected under the Corporations Act

If the eligible person is unclear or uncomfortable on any aspect of the whistleblowing process or prefers to discuss matters informally before formally making their disclosure, discussions can be held directly with a member of the Leadership Team, the Appointed Actuary, an auditor or audit team member conducting an audit of Challenger. At all times, these discussions will remain confidential.

Challenger respects the right to make an anonymous disclosure and will protect a Whistleblower's identity throughout the process. Whistleblowers can opt for anonymity at any point during the process, including while making a disclosure, interacting with an eligible recipient, as well as after a case has closed. Where this occurs, Challenger will work to protect the Whistleblower's identity and explicitly outline who in the organisation will have knowledge of the disclosure (outlined in Section 3.4.1 of this policy). Challenger will also take all steps necessary (see Section 3.4 in this policy) to ensure a Whistleblower does not suffer any detriment and is able to continue to fulfil their role whether internal or external to Challenger.

Challenger will make every endeavour to investigate whistleblower disclosures, but in some cases, there are limitations to what can be achieved if a Whistleblower decides to remain anonymous.

At any given time, Whistleblowers can also identify themselves, however this is entirely at the discretion of the Whistleblower and at no point is this required.

3.2.1 Reporting to a legal practitioner

An eligible person may engage a legal practitioner for the purposes of obtaining legal advice or legal representation in relation to the operation of the whistleblower provisions under the Corporations Act. This disclosure will qualify the eligible person for protection under the Corporations Act.

3.2.2 Public interest and emergency disclosures

An eligible person has the right to make a public interest disclosure or emergency disclosure to a member of Parliament or a journalist that qualifies for protection under the Corporations Act if specific conditions found in Section 1317AAD of the Corporations Act are met.

3.2.2 Reporting to Regulators

Nothing in this policy is intended to restrict an eligible person from disclosing reportable conduct, providing information to, or communicating with a government agency, law enforcement body or a regulator such as ASIC or APRA or another Commonwealth body in accordance with any relevant law or regulatory guidance applicable in a jurisdiction in which Challenger operates. A disclosure made by an eligible person that relates to reportable conduct qualifies for protection under the Corporations Act if the disclosure has been made to ASIC, APRA or another Commonwealth body prescribed by regulation.

3.3 Investigation Process

3.3.1 Investigation

Outlined below are the end-to-end process steps to investigate a disclosure made by an eligible person to an eligible recipient:

- The disclosure will be received by an eligible recipient, who will gather the information necessary to determine next steps, which could include contacting the eligible person via the whistleblower portal.
- Unless the eligible recipient mentioned above is a WIO, the disclosure will then be referred to the CRO and CEP, otherwise known as WIOs. If a disclosure is referred to the WIOs via the whistleblower portal, and the eligible person has elected to remain anonymous as part of that process, the third-party service provider (YourCall) will not disclose the identity of the eligible person to the WIOs. Similarly, when an eligible recipient makes the disclosure to a WIO, it will be treated as anonymous unless the eligible person provides a written consent to share their identity.
- The WIOs will perform a preliminary review of the disclosure and determine the appropriate investigation approach and whether the disclosure qualifies as a Protected Disclosure or not. This investigation may be conducted by one of the WIOs, a delegated staff member or through an external investigator to determine whether the disclosure is substantiated.
- Within five working days of receipt of the disclosure made by the eligible person, the eligible person will receive an acknowledgement – either directly (if contact details have been provided) or via the whistleblower portal if the eligible person has chosen to remain anonymous.

- Investigations will be performed independently of the Whistleblower, the subject of the allegations and any business unit concerned. However, where it is appropriate, the subject of the allegations may be informed of the allegations and provided with an opportunity to respond.
- Timing for each investigation may vary due to the nature of the disclosure and information available. An update will be provided to the Whistleblower on a regular basis.
- Once the investigation is finalised, findings from the investigation will be shared with the Whistleblower (subject to privacy or legal restrictions) and with the Board of Directors of the relevant legal entity within Challenger whilst ensuring the confidentiality of the eligible person's identity in accordance with the law.
- The Whistleblower will be able to provide feedback as to whether the response has addressed the concerns raised in their disclosure.

All disclosures made via the options provided by Challenger will be taken seriously. The investigation will be thorough, objective, and fair, and action will be taken as appropriate and may vary from case to case.

If the whistleblower is not comfortable for either of the WIOs to investigate the disclosure, or they otherwise unavailable to receive a time-critical disclosure, an alternate officer (General Manager, Risk and Compliance) is available.

3.3.2 Communication with the Whistleblower

As part of the investigation process, Challenger will update the Whistleblower on the progress of the investigation. These updates can include the following:

- Confirming receipt of the disclosure;
- Confirming commencement of the investigation process;
- Explicitly outlining who in the organisation will have knowledge of the disclosure;
- Requests for additional information from the Whistleblower; and
- Completion and outcomes of the investigation.

At a minimum, Challenger will commit to providing an update to the Whistleblower once a month during the investigation. While Challenger strives to provide as much feedback on the investigation as possible, privacy and legal restrictions may restrict the level and content of information shared with the Whistleblower.

3.3.3 If the Whistleblower is not satisfied with the result

If, after receiving the outcomes of the investigation, the Whistleblower is not satisfied with the result, the Whistleblower can request a formal review of the investigation, including consideration of any additional evidence. This review will be performed by the CRO or CEP who did not conduct or lead the original investigation. The Whistleblower must provide this escalation request in writing such that a formal review can take place. A written request can be made directly to the CRO or CEP or anonymously via YourCall. While Challenger commits to review the request, Challenger is under no obligation to reopen the investigation. If the CRO or CEP concludes that the investigation was conducted properly and no new information exists that would change the results of the investigation, the matter will be concluded.

3.4 Whistleblower protection

A disclosure made within the scope of this policy (e.g. reportable conduct disclosed by an eligible person to an eligible recipient) qualifies the Whistleblower for protection under law, including:

- protection of identity (confidentiality);
- protection from detrimental conduct against the Whistleblower;
- compensation and other remedies; and
- protection from civil, criminal and administrative liability.

3.4.1 Protection of identity

Challenger has a legal obligation to protect the confidentiality of an eligible person's identity or any information that is likely to lead to the identification of the eligible person. It is illegal for a person to disclose an eligible person's identity or any information that is likely to lead to the identification of the eligible person, outside of the exceptions listed below.

The eligible person's identity may be disclosed if the identity is disclosed to:

- to ASIC, APRA, or a member of the Australian Federal Police (within the meaning of the Australian Federal Police Act 1979);
- to a legal practitioner (for the purposes of obtaining legal advice or legal representation about the whistleblower provisions in the Corporations Act);
- to a person or body prescribed by regulations; or
- with the consent of the eligible person.

The information contained in the disclosure may be disclosed with or without the eligible person's consent if:

- the information does not include the eligible person's identity;
- the entity has taken all reasonable steps to reduce the risk that the eligible person will be identified from the information; and
- it is reasonably necessary for investigating the issues raised in the disclosure.

However, where the eligible person provides consent to share their identity, a register with the names of all those who are aware of the disclosure or eligible-person's identity will be maintained within the whistleblower platform.

Third party service providers are also used as part of our whistleblowing program to protect anonymity and confidentiality. Specifically, this includes:

- *Anonymous disclosure*: Eligible persons can disclose to our third-party provider (YourCall) and ensure their identity is not inadvertently compromised (e.g. through identification of voice);
- *Anonymous, two-way communication*: Where a Whistleblower opts to remain anonymous, the Whistleblower will be assigned a pseudo-name and case ID to communicate and receive updates; and
- *External investigation*: Where there is a risk that the Whistleblower's identity or protection may be compromised by an internal investigation, an external party will be engaged to investigate the allegations.

3.4.2 Protection from detrimental conduct

Engaging in detrimental conduct towards, or making a threat to cause detriment to, an eligible person or any other person in relation to a disclosure, is an offence. Challenger does not tolerate any attempts to retaliate against an eligible person who has made a disclosure or any other person in relation to a disclosure.

Detrimental conduct (as a result of a disclosure) includes any of the following:

- dismissal of an employee;
- injury of an employee in his or her employment;
- alteration of an employee's position or duties to his or her disadvantage;
- discrimination between an employee and other employees of the same employer;
- harassment or intimidation of a person;
- harm or injury to a person, including psychological harm;
- damage to a person's property, reputation or business / financial position; and
- any other damage to a person.

This includes detrimental conduct made on the belief that an eligible person may or may not make a disclosure.

Any employee or associated person found to have instigated (or threatened to cause) detriment will face disciplinary action, including the potential to be terminated from their roles. If the eligible person feels they have been the subject of detrimental conduct, or if there is a reasonable possibility that detriment is near or imminent, they can report this immediately to any of the eligible recipients. The eligible recipient will take action(s) as appropriate, including providing recommendations as to how the situation should be resolved. Some of the examples of how Challenger will support and protect eligible persons from detriment are providing options to work remotely and switch team or roles.

3.4.3 Compensation and other remedies

Under Section 1317 AD and 1317 AE of the Corporations Act, an eligible person (or any other employee or person) can seek compensation and other remedies through the courts if:

they suffer loss, damage or injury because of a disclosure; and Challenger fails to take reasonable precautions and exercise due diligence to prevent the detrimental conduct.

3.4.4 Civil, criminal and administrative liability protection

If an eligible person makes a disclosure that qualifies for protection under the Corporations Act:

- the eligible person is not subject to any civil, criminal or administrative liability (including disciplinary action) for making the disclosure;
- no contractual or other remedy may be enforced, and no contractual or other right may be exercised, against the eligible person on the basis of the disclosure; and
- if the disclosure qualifies for protection under section 1317AA(1) or section 1317AAD of the Corporations Act - the information is not admissible in evidence against the eligible person in criminal proceedings or in proceedings for the imposition of a penalty, other than proceedings in respect of the falsity of the information.

The protections do not grant immunity for any misconduct of the eligible person that is revealed by the disclosure has engaged in, that was revealed in their disclosure.

3.4.5 Fair treatment and protection of employees to whom disclosures relate

Challenger management and its employees are bound by the Corporate Code of Conduct (**the Code**). The Code documents the standard of behaviour required of Challenger employees and correspondingly, Challenger will ensure a Whistleblower, any subjects of the disclosure and those involved in the investigation are treated fairly.

As noted in Section 3.3.1 of this policy, investigations will be performed independent of the Whistleblower, the subject of the disclosure and which business unit is concerned. Where it is appropriate, the subject of the disclosure may be informed of the allegations and provided with an opportunity to respond.

4. Governance

4.1 Reporting to Board of Directors

The Board of Directors are updated on a quarterly basis on Challenger's whistleblowing program, inclusive of broader trends, themes, emerging risk from disclosures made and how those risk were mitigated, other reports, investigations, and results. Any reports or investigations carrying an undue amount of risk will be reported to the Board of Directors outside of the quarterly updates. At any time, the Board of Directors can ask about disclosures made, investigations being conducted, investigation outcomes and the state of Challenger's whistleblowing program.

4.2 Training and Awareness

The Risk and Compliance team is responsible for ensuring general awareness of this policy as part of the induction and online training provided to Challenger's officers, employees and onboarding communication with the suppliers of services and products.

This policy is publicly available on the Challenger website and on Connect for internal employees.

4.3 Review Cycle

This policy will be reviewed at least every two years or as required if there are material changes in the regulatory framework or business activities.

4.4 Point of Contact

The key point of contact for this policy is the CRO.