



## Whistle-Blowing Policy

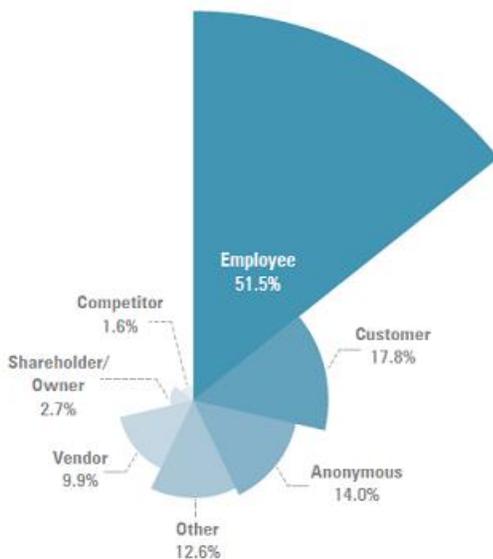
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## 1. POLICY STATEMENT

The 2016 Global Report to the Nations on Occupational Fraud and Abuse as compiled by the Association of Certified Fraud Examiners (ACFE) identified Tip Offs (Whistle-Blowing) as the most common and effective occupational fraud detection method at 39% with other detection methods ranging from 1.3% to 16.5%.



Employees were identified as the most likely Source of Tips at 51.5% amongst other sources. This confirms that employees are a strategic partner to organisations in the combat against occupational fraud. Famous Brands recognises that whilst employees are the most likely Source of Tips, we also recognise that employees may be reluctant to report their concerns since they may feel that disclosing such misconduct could be seen as disloyal to their colleagues or may fear harassment, victimisation or any other form of discrimination. Famous Brands is committed to fight against occupational fraud and improper conduct within its control environment and is committed to creating a

conducive and safe environment in which employees can report such practices without fear of victimisation or any other form of discrimination. We therefore adopt a **Whistle-Blowing Policy** endorsed by the Leadership of Famous Brands to:

- assist in establishing a culture of disclosure or “speaking out” to prevent and encourage early detection of occupational fraud or improper conduct;
- make provision for procedures under which employees can safely, and free from fear of victimisation or any other form of discrimination, disclose information about occupational fraud or improper conduct;
- protect and support employees against occupational detriments when protected disclosures have been made in good faith; and
- commit to investigating every genuine disclosure of occupational fraud or improper conduct promptly and thoroughly and take appropriate action against any person found to have engaged in the conduct without regard to their length of service, position, or relationship to Famous Brands.

## 2. DEFINITIONS

The following definitions apply to this policy:

- **Occupational Fraud** – The use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of Famous Brands resources or assets.
- **Whistle-Blowing** – The act of informing someone in a position of authority about an alleged occupational fraud or improper conduct occurring in the workplace.
- **Anonymous** – The ability to inform someone in a position of authority about an alleged occupational fraud or improper conduct occurring in the workplace without your identity being discovered or known.
- **Employee** – Any person under the employ of Famous Brands or its subsidiaries on a permanent or contractual basis.
- **Improper Conduct** – Any conduct that is deemed improper under Famous Brands policies and procedures, including but not limited to any of the following to the extent that they might impact on the ability of any employee to perform his or her obligations:
  - committing a criminal offence;
  - failing to comply with a material contractual obligation to Famous Brands;
  - behaving improperly including, but not limited to, financial or non-financial mismanagement;
  - engaging in or being complicit in fraud, bribery or corruption; or behaving unethically;
  - materially endangering the health and/or safety of any person; and
  - failure to comply with the Famous Brands Code of Ethics.
- **Ethics** – Refers to standards of conduct as prescribed in the Famous Brands Code of Ethics, which indicate how a person should behave based on moral duties and virtues arising from the principles of right and wrong.
- **Occupational Detriment** – occurs in relation to the workplace, where an employee is, as a result of disclosing any improper conduct is subjected to disciplinary action, dismissed, suspended, harassed, intimidated, demoted, refused a transfer or promotion and discriminated against.
- **Acts** – Refers to any South African laws or regulations that make provision for procedures in terms of which employees may disclose information regarding unlawful or improper conduct by their employers or other employees; and/or which provide for the protection of employees who make a protected disclosure, including but not limited to Protected Disclosures Act, 26 of 2000 and Companies Act No.71 of 2008.
- **Protected Disclosure** – In accordance to the Protected Disclosures Act, 26 of 2000, protected disclosure means a disclosure made to a legal adviser, an employer, a person or body in accordance to section 8 or any other person or body in accordance to section 9, but does not include a disclosure - (i) in respect of which the employee concerned commits an offence making that disclosure; or (ii) made by a legal adviser to whom the information concerned was disclosed in the course of obtaining legal advice in accordance to section 5.

### 3. SCOPE OF POLICY

This policy applies to disclosures made in good faith, irrespective of whether the relevant occupational fraud or improper conduct took place before or after the effective date of this policy. This policy will not apply to personal grievances which will be dealt with under the existing procedures on grievances.

### 4. LEGISLATIVE INSTRUMENTS

Famous Brands recognises the following legislative instruments that make provision for procedures in terms of which employees may disclose information regarding occupational fraud or improper conduct, but not limited to:

#### 4.1 Companies Act No.71 of 2008

Section 159 of the Companies Act is aimed at the protection of whistle-blowers. The Act states that a public company or a state-owned company must directly or indirectly -

- Establish and maintain a system to receive disclosures contemplated in this section confidentially, and act on them; and
- Routinely publicise the availability of that system to the shareholder, director, company secretary, prescribed officer or employee of a company, a registered trade union that represents employees of the company or another representative of the employees of that company, a supplier of goods or services to a company, or an employee of such a supplier, who makes a disclosure contemplated in this section has qualified privilege in respect of the disclosure; and is immune from any civil, criminal or administrative liability for that disclosure.

#### 4.2 Protected Disclosures Act No.26 of 2000

The Act was promulgated to facilitate reporting by employees of fraud, corruption or other unlawful or irregular actions by their employer(s) or co-employees without fear of any discrimination or reprisal by their employers or co-employees. Any employee who has information of fraud, corruption or other unlawful or irregular action(s) by his/her employer(s) or co-employees can report such actions, provided that he/she has information that:

- A crime has been, is being, or is likely to be committed by the employer or employee(s);
- The employer or employees has/have failed to comply with an obligation imposed by law;
- A miscarriage of justice has or will likely occur because of the employer's or employee(s) actions;
- The health or safety of an individual has been, is being, or is likely to be endangered;
- The environment has been, is being or is likely to be endangered;
- Unfair discrimination has been or is being practiced; or
- Any of the above has been, is being, or is likely to be concealed.

## 5. MAKING A DISCLOSURE

### 5.1 Who Can Blow The Whistle?

Any employee who has reasonable belief that there is occupational fraud or improper conduct relating to any of the protected disclosures. Concerns must be raised without malice, in good faith and not for personal gain and the employee must reasonably believe that the information disclosed regarding the allegation requires an investigation. The concerns raised may relate to a shareholder, director, executive, manager, another employee, ex-employee, a group of employees, an outsider, and customer.

### 5.2 What Assurance Is Given To Whistle-Blowers?

- a) The Leadership of Famous Brands is committed to this policy and will ensure that any employee who makes a disclosure will not be penalised or suffer any occupational detriment.
- b) If an employee makes a disclosure in good faith in terms of this policy, an employee will not be at risk of losing his/her job or suffering any form of retribution as a result.
- c) Assurance is not extended to employees who maliciously raise matters they know to be untrue. An employee who does not act in good faith or who makes an allegation without having reasonable grounds for believing it to be substantially true, or who makes it maliciously may be subject to disciplinary proceedings as per the Labour Relations Act.
- d) All employees will be informed or trained about the contents of this policy and what constitutes occupational fraud or improper conduct and its effect on the sustainability of the company.

### 5.3 Who Do You Blow The Whistle To?

To facilitate prompt, impartial and independent handling of all disclosures of occupational fraud or improper conduct, employees are encouraged to make disclosures through the following channels:

**5.3.1 The Anonymous Anti-Fraud & Ethics Action Line** – The Anonymous Anti-Fraud & Ethics Action Line is managed by an experienced and independent service provider who is certified by the Ethics Institute of South Africa and guarantees anonymity of the identity of whistle-blowers from anyone outside of their company (this does not exclude shareholders, directors, executives, managers and other employees of Famous Brands). Employees are strongly encouraged to use this facility as the main source of “Speaking Out”.

**5.3.2 Internal Audit Department** – The Internal Audit Department is commissioned by the Audit and Risk Committee of the Board of Directors through the Internal Audit Charter to provide an independent and objective service to Famous Brands. This office is governed by the International Standards and Code of Ethics of the Institute of Internal Auditors. Employees are encouraged to use this channel as the second most preferred channel for “Speaking Out”. Internal Audit will log

every disclosure through the Anonymous Anti-Fraud & Ethics Action Line to ensure the disclosure is traceable for follow-up purposes.

- 5.3.3 **Management** – An employee can make a disclosure to any manager or executive whom they trust and believe has the ability to attend to the disclosure impartially and without fear or favour. The relevant employee is encouraged through the relevant manager to log a call through the Anonymous Anti-Fraud & Ethics Action Line to ensure the disclosure is traceable for follow-up purposes.

#### 5.4 How Do You Blow The Whistle?

- a) As allegations based on rumours without corroborating evidence may affect the reputations of innocent people, and in order to investigate effectively the alleged occupational fraud or improper conduct, a disclosing employee will, to the extent that the employee is in possession of such information, be required to submit comprehensive information on aspects such as who, what, when, where, how and why (if known), regarding the alleged occupational fraud or improper conduct, as well as provide all available supporting evidence. Through use of the Anonymous Anti-Fraud & Ethics Action Line, an employee can disclose such information to Call Centre Operators in any of the 11 official languages who are available 24 hours a day and seven days a week or alternatively through email, post, fax or web-based reporting.
- b) When an employee discloses the information to Internal Audit or Management, the employee must indicate whether they wish to make the disclosure in writing or verbally. In either case, the person to whom the information is disclosed must write a brief summary of the interview, the content of which must be agreed upon by the employee and the person to whom the disclosure was made.

#### 5.5 How Will The Disclosure Be Handled?

- a) Once a Whistle-Blower has disclosed all the relevant information, a report will be issued to the Internal Audit Manager, Commercial Executive & Group Financial Director and an initial assessment to ascertain what action should be taken will be undertaken. This may depending on the nature of the matter, result in an internal inquiry or a more formal investigation carried by Internal Audit or through services of an external forensic investigation team. The duration of the investigation will vary based on the nature of the disclosure and evidence available. In the event that the disclosure involves persons above, the report will be issued directly to the Chairperson of the Audit and Risk Committee of the Board of Directors and the Group Chief Executive Officer to avoid any potential conflict of interest.
- b) The disclosure raised by a Whistle-Blower will be acknowledged within seven working days or alternatively if the Whistle-Blower chose to be anonymous, the Whistle Blower can follow-up with the

Anonymous Anti-Fraud & Ethics Action Line service provider using the allocated “reference” to confirm that the disclosure has been reported to the relevant investigating office.

- c) If a decision is made not to investigate the matter, reasons for such a decision will be provided to the Whistle-Blower through the relevant channel. Otherwise an employee will be informed of which office will handle the matter and how the Whistle-Blower if deemed necessary can contact the office and whether further assistance may be required from the Whistle-Blower.
- d) While the purpose of this policy is to enable the company to investigate occupational fraud or improper conduct, the Whistle-Blower will be given feedback as much as practically possible to avoid damaging the reputations of suspected persons who are subsequently found innocent of the alleged conduct. Investigations will therefore be dealt with in a confidential manner and will not be disclosed or discussed with any persons other than those who have a legitimate right to such information. To the same effect it is expected of employees to also have regard to the confidentiality of these matters.
- e) Should an employee, following the disclosure of occupational fraud or improper conduct, experience any form of occupational detriment, the employee may disclose the information using the allocated “reference” through the channel with which the disclosure was initially made. Appropriate action will be taken by the relevant office to address the occupational detriment. Any employee who has been adversely affected by the disclosure of protected information may:
  - Approach any court having jurisdiction, including the Labour Court established by section 115 of the Labour Relations Act for appropriate relief; and
  - Pursue any other process allowed or prescribed by law.

## **6. ACCOUNTABILITY**

- a) Head of Departments and Executives across the regions are charged with the responsibility of communicating this policy to all employees (including new appointments) to ensure proper awareness. This policy is to be promoted through all necessary internal communications.
- b) To promote accountability and transparency, the Head of Internal Audit will report to the Audit and Risk Committee of the Board of Directors on material disclosures made in terms of this policy which have been found to be substantially true after investigation, and on the subsequent actions taken.

## **7. CONFIDENTIALITY**

All information relating to occupational fraud or improper conduct that is received and investigated will be treated with the required confidentiality. The progression of investigations will be handled in a confidential manner and will not be disclosed or discussed with any person(s) other than those who have a legitimate

right to such information. This is important to avoid harming the integrity or reputations of suspected persons who are subsequently found innocent of wrongful conduct, and also the safety or security of the Whistle-Blower who supplied the company with the allegation(s).

## **8. ADMINISTRATION**

The custodian of this policy is the Anti-Fraud Steering Group<sup>1</sup> which is supported by all Directors and Executives of Famous Brands. The Anti-Fraud Steering Group is responsible for the administration, revision and interpretation of this policy. The policy will be reviewed annually and revised as needed.

### **Effective Date**

This policy was approved by the Audit & Risk Committee on 27 May 2016 and will be effective on date of issue.

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<sup>1</sup> The group will be established and will include members of EXCO, Legal, Loss Prevention & Internal Audit