



# NETWORK OF ASIA PACIFIC PRODUCERS WHISTLE BLOWER POLICY

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			-	NAPP Chair & NAPP CEO

Policy Author: Network of Asia and Pacific Producers

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## PREFACE

Network of Asia Pacific Producers (“FT NAPP”) has adopted the Code of Ethics & Business Conduct (“Code”), which lays down the principles and standards that should govern the actions of its board/ Producers/employees/contractors/consultants. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for FT NAPP. The role of employees/ contractors/consultants in pointing out such violations of the Code cannot be undermined. Accordingly, this Whistle Blower Policy (“the Policy”) has been formulated with a view to provide a mechanism for employees/contractors/consultants of FT NAPP to raise concerns on any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

## 1. INTRODUCTION

All Board/Producer organizations/ employees/contractors/consultants are encouraged to raise genuine concerns about possible improprieties in matters of financial reporting and other malpractices at the earliest opportunity, and in an appropriate way.

FT NAPP Employees/contractors/consultants may be fearful that raising an alarm will lead to retribution from their colleagues or indeed their employer who may ‘shoot the messenger’, but we encourage our staff/personnel to voice their concerns over malpractice and act against any employee/contractors/consultants who would try to hinder them from doing so. There are several reasons why implementing a whistleblowing policy is beneficial:

Having such a policy would enable FT NAPP to deal with a concern internally and in an appropriate manner, rather than publicly. Publicity about a malpractice can severely harm FT NAPP reputation and funding potential and have a similar impact on other Stakes of FT NAPP.

Whistleblowing policy will encourage a climate of open communication in FT NAPP that enables staff to voice concerns at the earliest opportunity and thus averts a larger issue in future. Also, if any complaint is found to be frivolous / vexatious, the same can be addressed accordingly with the FT NAPP organization.

Knowing that FT NAPP has a clear policy on whistleblowing and is serious about dealing with malpractice, the Policy shall act as a deterrent to those who may be considering an illegal, improper or unethical practice.



## 2. DEFINITIONS

**“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

**“Disclosure”** means an allegation or complaint made by a whistle blower of any actual or suspected unethical or improper practice that has been observed

**“Employee”** means every employee, consultant, contractor, agent or other intermediaries of FT NAPP (whether working across Asia Pacific Region)

**“Good Faith”** means a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge on a factual basis for the communication or where the such person knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.

**“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.

**“Retaliation”** means any direct or indirect detrimental action recommended, threatened, or taken toward an individual who has reported misconduct or provided information concerning the same. When established, retaliation constitutes misconduct, for which appropriate action shall be taken.

**“Subject”** means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation under this Policy.

**Whistle-blower” or “Whistle Blower”** means a person or entity making a Disclosure of any actual or suspected unethical or improper practice that has been observed by such person. Whistle-blower shall include, but not limited to, directors, Producer organisations, employees, contractors, consultants, and employees of consultants, internal or external auditors.

Policy shall **cover all possible improprieties in matters of financial reporting**, including but not limited to, as mentioned herein-below:

- a) fraud;
- b) corruption, bribery or blackmail;
- c) any unlawful act whether Criminal/ Civil;
- d) failure to comply with a legal or regulatory obligation;
- e) pilferage of confidential/propriety information;
- f) endangering the health and safety of an individual;
- g) abuse of authority;
- h) breach of contract;
- i) manipulation of FT NAPP data/records;
- j) wastage / misappropriation of FT NAPP funds/assets;
- k) deliberate violation of law/regulation;
- l) bribery or corruption;
- m) sexual Harassment;
- n) breach of IT Security and data privacy;
- o) social media misuse;
- p) concealment of any of the above
- q) Sabotage
- r) Harassment
- s) Discrimination.

### 3. PURPOSE

Fairtrade – FT NAPP, Network for Asia Pacific Producers (the “Organization”) is committed to high standards of ethical, moral, and legal business conduct. In line with this commitment, and Fairtrade - FT NAPP ’s commitment to open communication, this policy aims to provide an avenue for the Board, Producers organizations, employees, consultants, and third parties to raise concerns and complaints. The policy is intended as assurance that complainants shall be protected from Retaliations or victimization for whistleblowing.



#### 4. NEED OF THE POLICY

The Whistle Blower policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of FT NAPP. The policy neither releases Employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

Policy is designed to:

- a) support the values of FT NAPP;
- b) ensure that Employees can raise concerns without fear of suffering retribution; and
- c) provide a transparent and confidential process for dealing with concerns.
- d) create a window for any person, whether an Employee who observes an unethical behaviour, actual or suspected fraud or violation of FT NAPP's Code of Conduct and Ethics Policy, either organisationally or individually, to be able to raise a complaint.
- e) encourage timely, safe and open reporting of alleged wrong doings or suspected impropriety.
- f) ensure consistent and timely institutional response.
- g) encourage ethical and lawful conduct.
- h) provide adequate safeguards against victimisation of persons.

#### 5. POLICY Access

Fairtrade – FT NAPP, shall provide an avenue for Board of Directors, Executive Director , Employees, consultants and third parties to raise concerns / complaints.

The Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

Policy can be accessed :

#### 6. POLICY PRINCIPLES

All concerns raised shall be treated fairly and properly.

FT NAPP shall ensure that any individual raising a concern is aware of who is handling the matter.

FT NAPP shall ensure that no one is at a risk of suffering any form of retribution as a result of raising a concern even if they are mistaken. We do not however extend this assurance to someone who maliciously raises a matter they know to be untrue.

#### 7. ANONYMOUS DISCLOSURES

Whistle blowers shall mention their names in their complaints / Disclosures; however, FT NAPP shall conceal the identity of the Whistle blowers / complainant at all times, unless the Whistle blower / complainant himself/herself discloses his/ her identity.

In matters where the whistle blowers have chosen to identify themselves in their complaints, FT NAPP shall not disclose the identity of the Whistle blower / complainant.

FT NAPP shall, while taking up complaints raised by Whistle blowers on the following factors:

- The seriousness of the issue raised;

- The credibility of the concern; and

- The likelihood of confirming the allegation from attributable sources. Whistle blowers are, therefore, strongly encouraged to share their identity when making the Disclosure.

## **8. PROTECTION TO WHISTLE BLOWER**

In the event any concern is raised under this Policy, he/she shall not be at risk of suffering any form of reprisal or Retaliation. Retaliation shall mean and include discrimination, reprisal, harassment or vengeance in any manner.

The complaint/ Whistle blower, whether an Employee of FT NAPP, shall not be at the risk of losing her/ his job or suffer loss in any manner, such as transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the complainant / Whistle blowers' right to continue to perform his/her duties/functions including making further Protected Disclosure, as a result of reporting under this Policy.

The protection is available provided that:

- a) the Whistle blower has chosen to identify themselves;
- b) the communication/ Disclosure is made in good faith;
- c) the Whistle blower reasonably believes that information and any allegation(s) contained in it, are substantially true; and
- d) the Whistle blower is not acting for personal gain.

Anyone who abuses the procedure (for example by maliciously raising a concern knowing it to be untrue) shall be subject to strict Disciplinary Action, as shall anyone who victimizes a colleague by raising a concern through this procedure.

If considered appropriate or necessary, suitable legal actions may also be taken against such individuals abusing the provisions of this Policy. However, no action shall be taken against anyone who makes an allegation in good faith, reasonably believing it to be true, even if such allegation is subsequently dismissed after conducting investigation.

As a matter of general deterrence, FT NAPP shall publicly inform its Employees of the penalty imposed and Disciplinary Action that may be taken against any person for misconduct arising from Retaliation. Any investigation into the allegations of potential



misconduct shall not influence or be influenced by any disciplinary or redundancy procedures already taking place concerning an Employee/consultant reporting a matter under this policy. Any other Employee/ business associate assisting in the said investigation shall also be protected to the same extent as the Whistle blower.

#### **9. ACCOUNTABILITIES – WHISTLE BLOWERS**

- The Whistle Blower must bring any improper practice to the attention of FT NAPP. Although it is not mandatory to produce proof, there must be sufficient cause for concern.
- The Whistle Blower must avoid delay in reporting any improper practice as this may lead to loss of evidence and also financial loss for FT NAPP.
- The Whistle Blower must avoid anonymity when raising a concern.
- The Whistle Blower must follow the procedures prescribed in this policy while making a Disclosure.
- The Whistle Blower must co-operate with investigating authorities, while maintaining full confidentiality.
  - The intent of the policy is to bring genuine and serious issues to the fore and it is not intended for petty Disclosures. Employees are expected to avoid invoking their rights under this Policy to settle personal scores or to give vent to their malicious intentions. Malicious allegations by Employees may attract Disciplinary Action.
- A Whistleblower shall have the right to be protected from Retaliation. But this does not extend to immunity for involvement in the matters that are the subject of the allegations and investigation.
- The Whistle Blower must maintain confidentiality of the subject matter of the Disclosure and the identity of the persons involved in the alleged malpractice, as it may forewarn the Subject and important evidence is likely to be destroyed.
- In exceptional cases, where the whistle blower is not satisfied with the outcome of the investigation carried out by the Protection Operational committee, he/she can make a direct appeal to the chairman of FT NAPP

#### **10. ACCOUNTABILITIES – HEAD – CHIEF EXECUTIVE OFFICER/ CHIEF OPERATIONAL OFFICER, FT NAPP CHAIR, SOCIAL PROTECTION COMPLIANCE COMMITTEE of the FT NAPP BOARD COMPLIANCE OFFICER AND PROTECTION OPERATIONAL COMMITTEE**

##### **Name of the Focal person and details**

The persons in charge of receiving Disclosures and conducting investigation shall

- conduct the enquiry in a fair, unbiased manner;
- ensure complete fact-finding;
- maintain strict confidentiality, especially of the whistle blower's identity (if available);

- decide on the outcome of the investigation, whether an improper practice has been committed and if so by whom: including dismissal, and preventive measure
- record Committee deliberations and document the final report
- recommend an appropriate course of action - suggested Disciplinary Action,

#### **11. RIGHTS OF A SUBJECT**

- Subjects shall have the right to be heard and the Committee shall give adequate time and opportunity to Subjects to present their statements on the matter
- Subjects shall have the right to be informed of the outcome of the investigation and shall be so informed in writing by FT NAPP, after the completion of the inquiry/ investigation process.
- Subjects shall have no right to ask for or be given information about the identity of the whistle blower, even if it is available.

#### **12. MANAGEMENT ACTION ON FALSE DISCLOSURES**

- An Employee/consultant who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to Disciplinary Action, up to and including termination of employment, in accordance with FT NAPP rules, policies and procedures.
- This policy may not be used as a defence by an Employee/consultant, against whom an adverse personnel action has been taken independent of any Disclosure made by him/her and for legitimate reasons or cause under FT NAPP rules and policies

#### **13. PROCEDURE FOR REPORTING DISPOSING OF DISCLOSURES**

- a) The procedure for reporting & dealing with Disclosures are provided in Annexure A.
- b) The representation of the process flow is provided in Annexure B

#### **14. ACCESS TO REPORTS AND DOCUMENTS**

All reports and records associated with Disclosures are considered confidential information and access to such information shall be restricted to, the Whistle Committee, FT NAPP Chair, Chief Executive Officer and Compliance officer. Disclosures and any resulting investigations or reports shall generally not be disclosed to the public except as required by any legal requirements or regulations or by any corporate policy in place at that time.

#### **15. RETENTION OF DOCUMENTS**



All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by FT NAPP for a minimum period of 07 years.

## 16. REPORTS

A quarterly status report on the total number of complaints received during the period, with summary of the findings of the Whistle Committee and the corrective actions taken shall be sent to the chairman of FT NAPP .

## 17. GUIDELINES FOR INQUIRY

- The Protection Operational committee shall acknowledge receipt of the Disclosure at the earliest (preferably within 07 days of receipt of a Disclosure), where the Whistle blower has provided his/her contact details.
- The Chief Executive officer along with SPCC and compliance officer shall jointly examine the allegations to determine whether the allegations (assuming them to be true only for the purpose of this determination) made in the Disclosure constitute a Malpractice..
- If the allegations do not constitute a Malpractice, the compliance Officer shall record his finding with reasons and communicate the same to the Whistle blower.
- If the allegations constitute a Malpractice, The Protection Operational committee will lead the first level/ fact finding report shall proceed to investigate the Disclosure, as he/she deems necessary or as per the process defined under the relevant Policy. If the alleged Malpractice is required by law to be dealt with under any other mechanism, the protection operational committee shall refer the Disclosure to the appropriate authority under such mandated mechanism and shall seek a report on the findings from such authority.
- Subjects shall generally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- The investigation may involve study of documents and interviews with various individuals. Any person required to provide documents, access to systems and other information by the Protection operational Committee for the purpose of such investigation shall do so. Individuals with whom the Protection Operational Committee or SPSC committee requests an interview for the purposes of such investigation shall make themselves available for such interview at reasonable times and shall provide the necessary cooperation for such purpose.
- If the Malpractice constitutes a criminal offence, the Protection Operational committee shall bring it to the notice of the FT NAPP Chair and take appropriate action including reporting the matter to the police.
- The Executive Director of FT NAPP may, at his/her discretion, participate in the

investigations of any Disclosure.

- The Committee / appropriate committee shall conduct such investigations in a timely manner and shall submit a written report containing the findings and recommendations to the FT NAPP Protection committee of the board at the earliest and in any case, not later than 90 days from the date of receipt of the Disclosure. The FT NAPP board protection committee may allow additional time for submission of the report based on the circumstances of the case.
- Whilst it may be difficult for the Protection operational committee to keep the Whistleblower regularly updated on the progress of the investigations, he/she shall keep the Whistle blower informed of the result of the investigations and its recommendations subject to any obligations of confidentiality.
- The FT NAPP protection committee of the board, Executive Director and FT NAPP Chairman shall jointly take a decision on the action to be taken on the recommendations of the FT NAPP board Committee and keep the Whistle blower informed of the same. Though no timeframe is being specified for such action, FT NAPP shall endeavor to act swiftly in cases of proven Malpractice.

## 18. Appeal

- If the complainant or the subject of the complainant if filed on behalf of this person and/or the alleged perpetrator are not satisfied with the outcome of the investigation, they may appeal in writing to the FT NAPP PSCC of the Board stating the full grounds of appeal, within one week of the date on which the decision was sent to them.
- The FT NAPP PSCC with three members of the FT NAPP board will hold an appeal meeting, normally within one week of receiving the written appeal. This will be dealt with impartially by members who have not previously been involved in the case (although they may ask anyone previously involved to be present). Either party can bring a representative for this meeting.
- The FT NAPP Board Chair and Executive Director will confirm the final decision in writing, usually within one week of the appeal hearing.

This is the end of the procedure and there is no further appeal

## 19. Review of this Policy and Procedures

This Policy will be reviewed three years after it has been signed and approved by the FT NAPP board.

Approved:

Date: 05.04.2023





*Pravakar Meher*

Chair of FT NAPP Board: Mr. Pravakar Meher

*Sanjeet Singh Khurana*

FT NAPP Executive Director: Mr. Sanjeet Singh Khurana

**FT NAPP Personal Declaration**

I \_\_\_\_\_ acknowledge that I have read and understand FT NAPP's Protection of Children and Vulnerable Adults, and agree that in the course of my association with FT NAPP.

## Annexure A

### PROCEDURE FOR REPORTING & DEALING WITH DISCLOSURES

1. How should a Disclosure be made and to whom?

A Disclosure should be made in writing. Letters may be submitted by hand-delivery, courier or by post addressed to the Protection Operational Committee of FT NAPP. Emails may be sent to the email id: [compliance@fairtradenapp.com](mailto:compliance@fairtradenapp.com). may also be submitted directly to the FT NAPP - Chairman (via email at the email id: [chair@fairtradenapp.com](mailto:chair@fairtradenapp.com), if necessary under specific circumstances.

Disclosures against any employee/consultant in Strategic Job Responsibility Band (or equivalent) or the Manager should be sent directly to the Chief Executive Officer of the Company.

2. Any specific format for submitting the disclosure?

The following details must be mentioned while submitting the disclosure:

(a) Name, address and contact details of the Whistle blower (including Salary Code, if the Whistle blower is an Employee). Employees wishing to make anonymous disclosures need not give details regarding their identity.

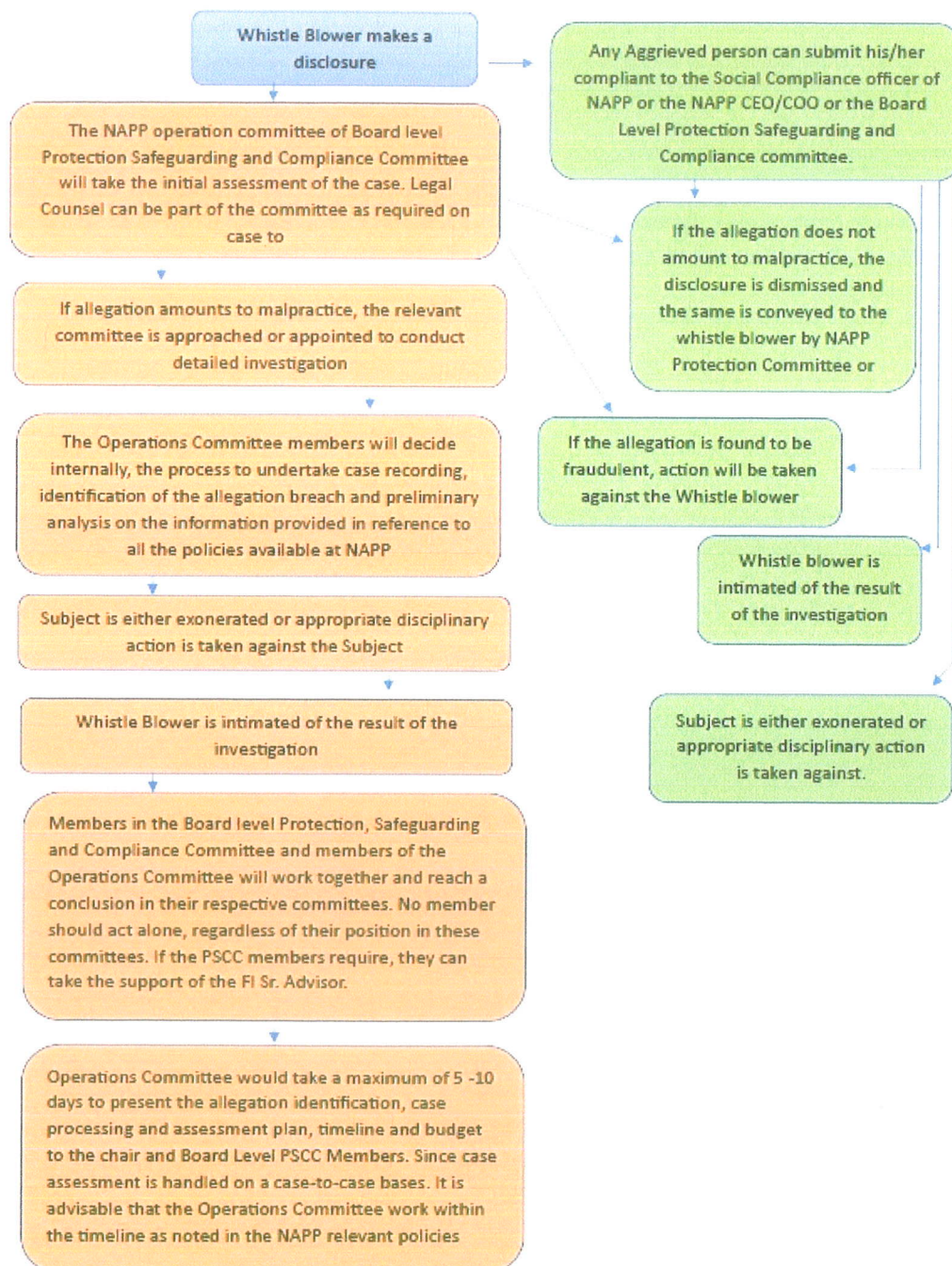
(b) Brief description of the Malpractice, giving the names of those alleged to have committed or about to commit a Malpractice. Specific details such as time and place of occurrence are also important.

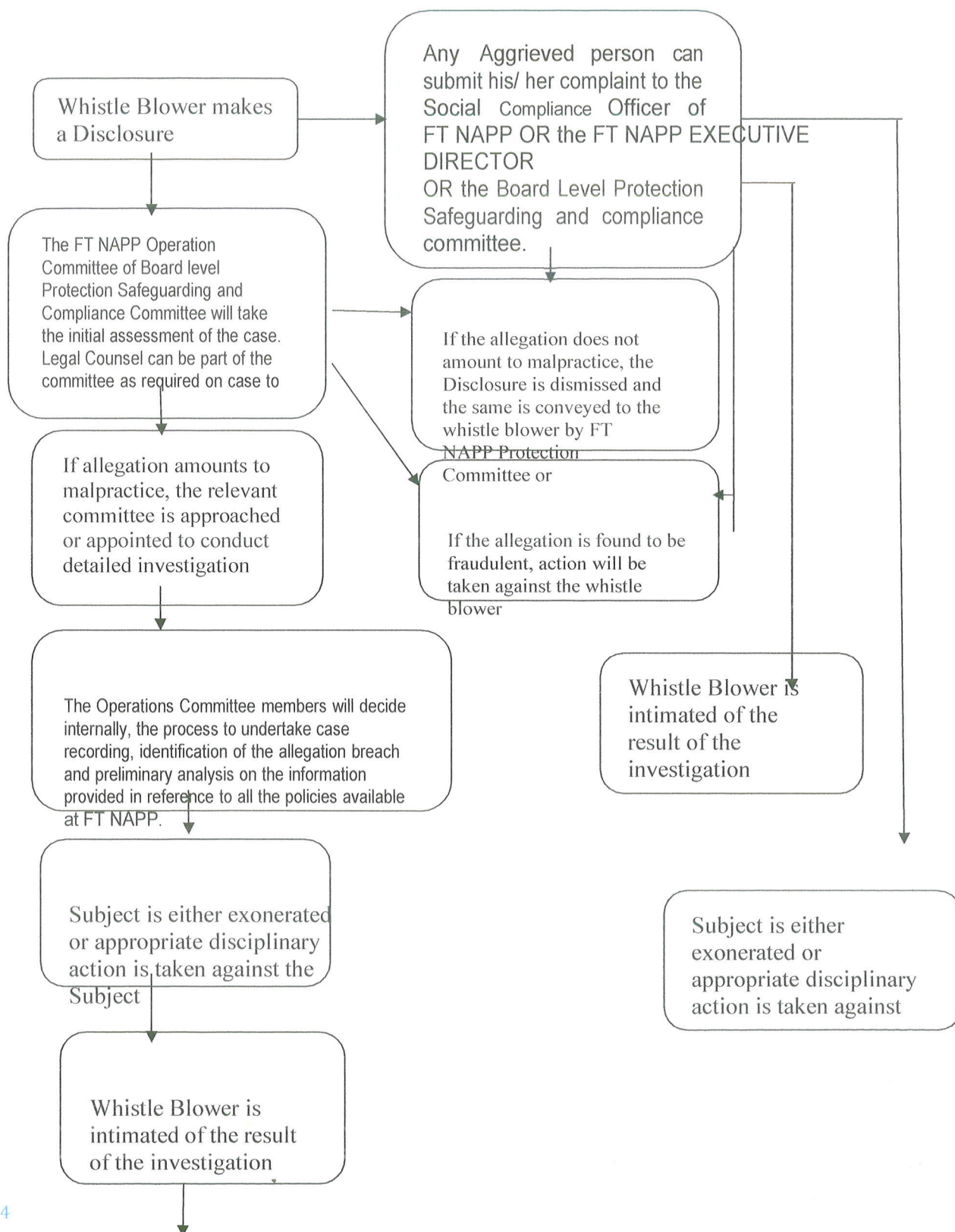
(c) In case of letters, the Disclosure must be sealed in an envelope marked "Whistle Blower" and addressed to the Chief Executive officer, depending on the position of the person against whom a Disclosure is made.



## Annexure B – Process Flow

### ANNEXURE B – PROCESS FLOW







## FAQ (Frequently asked Questions)

1. What statutory mandates, in Asia Pacific, prompt the need for a whistle blower policy/mechanism?

Section 177 of the Companies Act, 2013 in India requires companies to establish a vigil mechanism through a whistle blower's policy for directors and Employees to report genuine concerns of unethical behaviour, actual or suspected fraud of the organisation's code of conduct. Even though FT NAPP does not have a company structure in India, as per FT NAPP's 'Code of Conduct' and other global policies, it is advisable to establish a mechanism to address Disclosures regarding FT NAPP, by Employees or other entities.

2. What types of concerns can be reported through a Whistleblowing channel?

A well-designed whistleblowing system can encourage the reporting of certain types of issues and concerns, which can include, but are not limited to:

- Allegations of fraud, corruption, unethical behaviour or misconduct
- Concerns regarding questionable business practices or plans
- Warnings about particular risk areas going unchecked
- Non-compliance observed – with regard to company policy or the law of fraudulent risks that can be identified using a whistleblowing program.

3. Can the nomenclature of a whistleblowing program make a significant difference to the impact it has on stakeholders?

There are also instances where "hotline" is substituted with "helpline" to position the mechanism as two-way communication rather than just a channel to report. We have seen all of the mentioned terminologies work effectively for companies. The key success factor being the communication and clarity around what the mechanism stands for.

4. Should a whistleblowing program be extended to vendors, customers, business partners and third parties?

While many companies have focused on providing a whistleblower reporting system just for employees, issues of significant importance are often highlighted by external stakeholders such as vendors, suppliers, customers etc. It is important to encourage these other stakeholders to use the system to uncover issues such as those of collusion and employee led frauds being detected that involve customers and other third parties.

5. Should anonymity of complaints be allowed in whistleblower programs?

Anonymity is a powerful tool in ensuring success of a whistleblower mechanism. In our experience, allowing anonymity helps build confidence among users to report concerns. However, to ensure that frivolous/ irrelevant issues are not reported via the whistleblowing program, FT NAPP board encourages/ insist users to provide specific and credible information that supports the complaint, such as – alleged perpetrators, location and type of incident, names of other personnel aware of the issue, specific evidences, amounts involved etc., Having a policy that reiterates this message, can help improve the effectiveness of anonymous complaints. We have also observed that companies insisting on complainants disclosing their identity, either do not receive complaints, or start receiving anonymous complaints outside of the formal reporting channel. In these instances, it is difficult to track such complaints as they may be received by different individuals in the company and in many cases the company is forced on take cognizance of the more serious allegations and act on them. It is therefore in the interest of the company to permit anonymous reporting and at the same time create awareness of what the responsibilities of a complainant may be in terms of providing information etc.

6. Who should drive the whistleblower program in an organization?

In most large multinational companies, the entire whistleblower program is driven by the Compliance teams.

In India, these have been traditionally driven by Internal Audit or Human Resources. However, since the enactment of the Companies Act 2013 we have seen increased ownership by the Legal & Secretarial Function. The Companies Act 2013 prescribes that this should be driven by the Audit/compliance Committee and Independent Directors, however, the day to day administration of the mechanism continues to be managed by senior personnel in the company. Any risk perceived by the Audit/compliance Committee or Independent Directors is mitigated by the provision of direct access to the Chairman of the Audit Committee to complainants.

7. Is it necessary to report whistleblower complaints to the Committee?

The number of complaints/ concerns reported through the whistleblowing mechanism and its status should to be reported to the Committee members on a regular basis. This reporting should provide details such as, the nature and type of complaint, hierarchical levels of personnel involved, status of the investigation, its impact (financial or other loss) and corresponding action taken by the company.



8. If a whistleblower complaint is received on regulatory non-compliance, how should the regulatory team review the incident and be objective?

Independence and objectivity is paramount for any successful investigation. Therefore, any regulatory non-compliance, if reported, has to be investigated by an independent team in order to maintain objectivity of the investigation. The same would apply to any allegation of fraud reported that may involve any other business function or area.

9. How should complaints by ex-employees/ employees on notice period be handled?

Complaints received from ex-employees or employees on notice should be handled in a manner that is consistent with handling other complaints. It should be based on the severity of the case and the information provided.

It is observed that former employees are often more vocal in their complaints and provide more information without fear of Retaliation. This also helps the Chair/CEO and compliance officers to evaluate the impact of the complaint, in terms of financial or other losses incurred and gaps in anti-fraud controls that led to the situation.

10. How should organizations deal with false complaints?

In our experience, complaints that are not duly supported with facts and appear to be ambiguous are generally found to be false complaints. To discourage such complaints, organizations must build awareness amongst employees around the objective and purpose of using the whistleblower program. The communication to employees must also emphasize on providing specific and credible information that supports complaints. In the absence of such credible information, the company may not investigate the complaint.