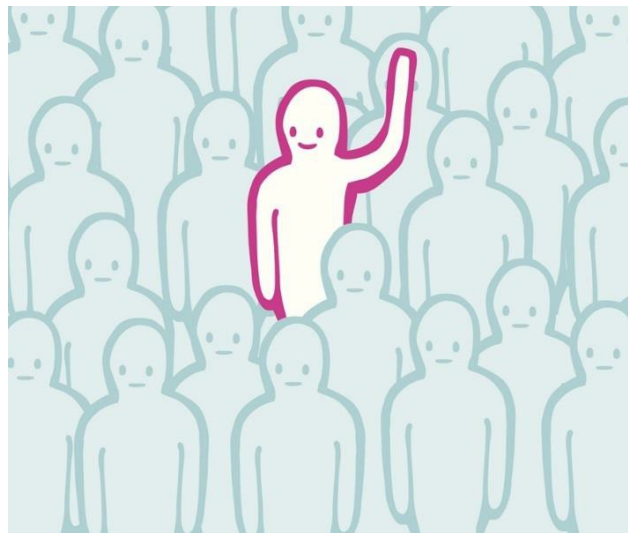


# Policy and Procedure for Reporting Irregularities



*“Employees are usually the first to recognise wrongdoing in the workplace, so empowering them to speak up without fear of reprisal can help authorities both detect and deter violations.”*

OECD, Whistleblower Protection

November 2017

## WHISTLEBLOWING POLICY AND PROCEDURES

### ***INTRODUCTION***

Plus Felt is committed to legal and ethical behaviour in all its activities and requires that the manager and all their employees and others involved in their business activity, act in accordance with all laws, regulations, policies and standards of business and personal ethics in the performance of their duties and responsibilities.

This Policy describes a procedure for management, directors, employees, and other stakeholders to report actions which they believe are violating a law or regulation, or that constitute accounting fraud or other fraudulent practices. This Policy applies to any matter that is related to Plus Felt's business.

## WHISTLEBLOWING POLICY AND PROCEDURES

**DEFINITIONS**

*Good faith:* this is evident when a report is made without malice or without the consideration of personal benefit and when the employee has a reasonable basis to believe that the report is true; however, a report doesn't have to be proven to be true for it to be considered being made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.

*Misconduct:* the failure of a member, belonging to the company's personnel or other relevant stakeholder, with regard to the rules of conduct or standards of conduct prescribed by the organisation.

*Complaint:* the act of reporting observed/perceived unethical conduct of employees, managers, directors and other stakeholders of an institution by an employee or other person to the appropriate authority. It is an early warning system that allows the organisation to investigate when something is wrong in order to take the necessary corrective action in time.

*Whistleblower:* any person/people, including employees, management, directors, service providers and other stakeholders of an institution, who report(s) any form of unethical or dishonest behaviour to the appropriate authority.

*Retaliation:* victimisation of the whistleblower or retaliation that is carried out by one or a combination of the following actions: dismissal, coercion, undue influence, withholding of benefits and/or rights, or any other act that has a negative impact on the whistleblower.

*Investigation:* this is a process designed to collect and analyse information to determine if misconduct has occurred and, if so, to find the responsible parties.

*Complaint:* an allegation or irregularity that is subject to investigation by the appropriate authority.

*Suspect:* a person who has allegedly committed the misconduct and is the subject of the investigation.

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## WHISTLEBLOWING POLICY AND PROCEDURES

### ***OBJECTIVES***

The objectives of this Whistleblowing Policy are to:

- Prevent or detect and correct inappropriate activities.
- Encourage the Director, each manager, employee, or person linked to the company to report (Individual Reports) what they believe, in good faith, is a material violation of the law or policy or a questionable audit or accounting matter carried out by Plus Felt or any other stakeholder.
- Ensure the receipt, documentation, record retention and the resolution of reports received under this policy.
- Protect whistleblowers from retaliation.

## WHISTLEBLOWING POLICY AND PROCEDURES

***SCOPE OF THE POLICY***

This policy and procedure are designed to enable employees and other relevant stakeholders to report any acts they perceive as being incorrect, which must not be based on mere speculation or rumours, but rather on knowledge of the facts. The reportable inappropriate behaviours covered include:

- All forms of financial malpractice or improper acts such as fraud, corruption, bribery, theft and the concealing of anomalies.
- Failure to comply with legal obligations, statutes and regulatory guidelines.
- Actions which are harmful to health and safety or the working environment.
- Any form of criminal activity.
- Insider trading.
- The violation of political, social, cultural and economic rights set forth in the Universal Declaration of Human Rights.
- Inappropriate or unethical conduct that undermines universal and basic ethical values such as integrity, respect, honesty, responsibility and fairness.
- Any discrimination for any reason at any stage of the business. Harassment can include physical, psychological, and verbal abuse.
- The attempt to hide any of the aforementioned actions.

The misconduct or irregularities listed above are not exhaustive. However, discretion and good judgement are required to determine whether the misconduct must be reported under this policy.

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## WHISTLEBLOWING POLICY AND PROCEDURES

**ROLES AND RESPONSIBILITIES**

The table below describes the roles and responsibilities of the key people involved in the whistleblowing process:

No.	Responsible person	Responsibilities
1	Whistleblower	The whistleblowers are expected to act in good faith and refrain from making false accusations when they report the irregularity/ies, and also provide all the evidence at their disposal to assist with the investigation of the reported problems.
2	Suspect	The suspect has a duty to cooperate with investigators during the investigation period which includes the provision of relevant information, documents or other materials that the investigator may need.
3	Investigator	Management assumes the role of the investigator. The investigator is expected to handle all matters in a highly professional and timely way, ensuring confidentiality. The Manager shall be independent and impartial in conducting the investigation. It is the investigator's responsibility to acknowledge all reported irregularities and to inform the whistleblower on the investigation process.
4	Evaluation Committee	Management and PRL (an external company) form the evaluation committee, whose role is to evaluate all the cases and submit the results of the investigation. It is also the duty of the evaluation committee to review and update the Whistleblowing Policy and Procedures.

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## WHISTLEBLOWING POLICY AND PROCEDURES

**WHISTLEBLOWING PROCEDURES**

This procedure provides a guide to the whistleblowing process, describing the steps the whistleblower must take when reporting misconduct, as well as the steps necessary for the investigation of the said misconduct.

The procedure is valid for reports of irregularities both internally in Plus Felt, as well as externally.

Step	Action
<p><b>Step 1</b> Scope of irregularity/ies reported by the whistleblower – medium and format</p>	<p>A whistleblower may report irregularities by any of the following means (it is lawful to do so anonymously):</p> <ul style="list-style-type: none"> <li>• Formal letter to Plus Felt’s Director at: C/Tordera Manager s/n. Pol. Ind. Gaserans 17451 St Feliu de Buixalleu</li> <li>• By telephone: (+34 ) 972 86 50 55</li> <li>• E-mail: <a href="mailto:info@plusfelt.com">info@plusfelt.com</a></li> </ul> <p>The reported irregularity/ies must be presented in the following format:</p> <ul style="list-style-type: none"> <li>• Background of the irregularities (with relevant dates).</li> <li>• Reason(s) why the whistleblower is particularly concerned.</li> </ul> <p>The employee’s anonymity and the confidentiality of the topics covered must be absolutely guaranteed.</p> <p>Disciplinary action will be taken against any person who receives a report of an irregularity and does not report it to the investigator. Disciplinary action will also be taken against the whistleblower(s) acting in malice.</p>

<p><b>Step 2</b> Investigation of irregularities and updating the investigation process</p>	<p>The investigator must confirm the receipt of the irregularity report within a period of 5 working days from it being received and immediately after initiation of the investigation.</p> <p>The purposes of the investigation are to:</p> <ul style="list-style-type: none"> <li>• Determine whether an offence has been committed based on the irregularity/ies reported, and if so to what extent; and</li> <li>• Minimise the risk of any further misdemeanours, prevent any other loss of assets, damage to the company's reputation and, to the extent possible, protect all sources of evidence.</li> </ul> <p>Where appropriate, the investigator shall report the progress of the investigation to the whistleblower.</p>
<p><b>Step 3</b> Dissatisfaction with the outcome of the investigation / action</p>	<p>In the event that the whistleblower is not satisfied with the outcome of the investigation and/or action(s) taken, the said whistleblower is free to transmit it to the evaluation committee.</p>
<p><b>Step 4</b> Resolution of the investigation</p>	<p>Management and PRL (an external company) form the evaluation committee, whose role is to evaluate all the cases and submit the results of the investigation.</p> <p>Detailed records of all reports and investigations should be kept in order to ensure traceability.</p> <p>It is also the evaluation committee's duty to review and update the Whistleblowing Policy and Procedure.</p>

Any whistleblower who feels victimised may report their complaint(s) to the evaluation committee. This is without prejudice to the whistleblower's fundamental right to take the matter to a court of law.

It is Plus Felt's policy to manage investigations immediately and in the fairest way possible. However, a specific time frame for the conclusion of the investigation cannot be established, due to the varied nature of the potential irregularities that may be reported. The investigator shall endeavour to resolve all irregularities within four weeks. If for any reason, a resolution cannot be achieved within this time frame, the investigator will request assistance from the appropriate PRL department.

## WHISTLEBLOWING POLICY AND PROCEDURES

***PROTECTION OF WHISTLEBLOWERS***

Plus Felt's policy must protect whistleblowers from irregularities, whenever a report is lodged:

- with the reasonable belief that misconduct is intended,
- to an appropriate person or authority; and
- it is made in good faith, without malice.

All disclosures resulting from reporting irregularities must be treated with a high level of confidentiality, thus personnel and other relevant stakeholders are encouraged to reveal their name to make the report more credible.

Under no circumstances shall any retaliatory action be taken against whistleblowers who have reported an irregularity in good faith. This guarantee must be clearly communicated to all employees in order to generate confidence in the procedure.

WHISTLEBLOWING POLICY AND PROCEDURES

***TRAINING***

The Whistleblowing Procedure must be accessible to all the people who make up the Plus Felt team as well as other stakeholders such as customers, suppliers, etc.

All Plus Felt workers receive training to explain how the procedure is used and how they can access it. Similarly, in this training course, employees must be informed that under no circumstances will any retaliatory action be taken against whistleblowers who have reported an irregularity in good faith.

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WHISTLEBLOWING POLICY AND PROCEDURES

***PERFORMANCE OF THE PROCEDURE***

The performance and usage indicators of the procedure should be established, such as the number of reports received.