



WHISTLE-BLOWING POLICY AND PROCEDURE

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14 November 2019	05		This Policy version is the 5 th Whistle Blowing Policy and Procedure.

CHANGE RECORD

Modified Date	Author	Version	Description of Changes
06/11/2019			Alignment to updated international food and safety standards

DOCUMENT APPROVAL

Approved by	Date	Comments
Board	14 November 2019	Approved at the Board meeting held on 14 November 2019 as referenced in the minutes.

WHISTLE BLOWING POLICY AND PROCEDURE

1. PREAMBLE

- 1.1. The Protected Disclosures Act, No. 26 of 2000 ("the Act") provides protection to employees for disclosures made without malice and in good faith ("*bona fide*"), in defined circumstances. In terms of the Act employees, among others, can blow the whistle on fraud and corruption in the working environment without fear of suffering an occupational detriment as defined by the Act. This has been entrenched in Section 159(7) of the Companies Act, No. 71 of 2008, as amended ("the Companies Act"), making it obligatory for every company to have a Whistle-Blowing Policy ("Policy").
- 1.2. Given the board of directors ("the Board") supporting the need for an approved procedure to enable individuals to exercise their rights in terms of the Act, Pioneer Food Group Limited ("PFG") herewith encourages all staff members to raise matters of concern responsibly through the procedures laid down in this Policy.
- 1.3. As part of the legal compliance process, the King IV Report on Corporate Governance for South Africa (2016) also recommends the implementation of a protected disclosure and whistle-blowing mechanism to *inter alia* detect breaches of ethical standards dealing with such disclosures appropriately.

2. PURPOSE OF THIS POLICY

- 2.1 This Policy is a formal representation of PFG's commitment to the highest standards of professional integrity, ethical behaviour, transparency and fair dealing in the conduct of its business.
- 2.2 It aims to provide a method of properly addressing *bona fide* concerns that individuals within the PFG group of companies ("Group") might have, whilst offering them the necessary protection from victimisation, harassment and/or disciplinary proceedings.
- 2.3 It should, however, be emphasised that this Policy is intended to assist individuals who reasonably and in good faith, believe that they have discovered malpractice or impropriety. It is hence not designed to question financial or business decisions taken by PFG, nor should it be used to reconsider any matters which have been investigated under the Group's harassment, grievance or disciplinary policies and procedures.
- 2.4 The purpose of this Policy is, furthermore, to provide a means by which employees, in particular, are able to raise legitimate concerns with the appropriate line management representative/s, or specific appointed persons, where they have reasonable grounds for believing that there is fraud and/or corruption within PFG.
- 2.5 This Policy is consistent with and aligned to PFG's corporate values and its Code of Conduct. The process is hence intended to address organisational accountability, transparency and individual responsibility by encouraging individuals to report crime and irregularities in the workplace in a responsible and ethical manner.
- 2.6 In developing this Policy, cognisance was taken of the PFG's decentralised business model as well as the diverse focus areas and respective management practices at operational level.

3. SCOPE OF THE APPLICATION

- 3.1 This Policy applies to all legal entities within the Group, all subsidiaries and business divisions, operations as well as everyone who carries out work for the Group, including:
- All Employees;
 - Business Partners;
 - Contractors and Sub-contractors;
 - Agency Staff and/or representatives; and
 - Consultants.
- 3.2 The Policy is designed to deal with *bona fide* concerns raised in relation to issues relating to fraud, corruption, misconduct and malpractice within PFG.
- 3.3 The Policy will, however, not apply to personal grievances, which will be dealt with under existing procedures on grievances, discipline and misconduct, i.e. details of which can be obtained from the Corporate and/or divisional Human Resources department/s.
- 3.4 The Policy covers all legitimate concerns raised in good faith, in connection with:
- any unlawful civil or criminal offence;
 - failure to comply with any statutory and/or other legal obligations/ requirements;
 - financial or non-financial mismanagement, fraud and corruption, blackmail, and miscarriage of justice, including money laundering and bribery;
 - any risk or potential risk to the environment, or to the health and safety of any individual;
 - improper conduct or unethical behaviour;
 - concerns relating to product safety, integrity and quality;
 - failure to comply with company policies and procedures; or
 - concealment of any of the above.

4. WHO CAN RAISE A CONCERN OR MAKE A DISCLOSURE?

- 4.1 Any individual who has a reasonable belief that there is serious misconduct relating to any of the protected matters specified above ("the Reporter"), may raise a concern or make a disclosure under the procedure set out below.
- 4.2 All concerns must be raised without malice, in good faith and not for personal gain.
- 4.3 The Reporter making the disclosure, must reasonably believe that the information and the allegations contained therein are substantially true.
- 4.4 The issues raised may relate to a director, manager, another member/s of staff and/or any operation within the Group. For this reason, the alleged perpetrator can be an employee, a manager, a director, a customer, a supplier, an ex-employee or any other third party.

5. CONFIDENTIALITY

- 5.1 All individuals involved in any disclosure made in terms of this Policy, will be cognisant of the need for confidentiality and will deal with each matter on this basis as far as reasonably possible, within the provisions of this Policy.
- 5.2 In addition to paragraph 5.1, matters disclosed in terms of this Policy, will at all times be dealt with in a sensitive and speedy manner.

6. REPORTING PROTOCOL

- 6.1 Any concern about misconduct, as referred to above, should preferably first be raised with the Reporter's line manager/supervisor; and verbally or in writing.
- 6.2 Should the Reporter feel uncomfortable to raise the matter as envisaged in clause 6.1 above, for whatever reason, it should be raised with either:
- The Group Chief Executive Officer ("CEO"); or
 - The Group Financial Director; or

- The Group Company Secretary; or
- The Group Compliance Officer; or
- The Divisional Business Executive; or
- The Divisional Human Resources Executive; or
- The Group Internal Audit Manager.

6.3 Should the above channels have been exhausted and the Reporter still has concerns, or should the Reporter be of the opinion that the matter is so serious that it cannot be discussed with any of the above, he/she should liaise with the chairperson of the audit committee of the Group.

Contact details for the chairperson of the Group Audit Committee, can be obtained from the office of the Group Company Secretary.

6.4 Should the Reporter be concerned about speaking to another member of staff, he/she can also liaise with an independent third party, in confidence, by contacting the "*Tip-Offs Anonymous*" hotline (i.e. an independent reporting service currently being administered by an external service provider, 24 hours per day, 365 days a year).

The contact details of "*Tip-Offs Anonymous*" are:

Tip-Offs Anonymous	
• Toll Free no:	0800 00 59 09
• Landline:	+27 31 571-5386
• Free Fax:	0800 00 77 88
• Email:	pioneerfoods@tip-offs.com
• Website:	www.tip-offs.com
• Free Post:	P O Box 138 Umhlanga Rocks 4320, RSA

6.5 The following details should be provided:

- A description of the incident;
- Who was involved in the incident;
- How often does the incident happen;
- Where did the incident happen; and
- When did the incident happen.

7. THE REPORTING PROCEDURE

7.1 The person to whom a report is made as envisaged above, will notify the Group's CEO, the Chief Financial Director or the chairperson of the Group Audit Committee ("the Responsible Person"), i.e. depending on the seriousness of the report, who in turn will then make a decision as to whether there is a *prima facie* case to respond to the concern raised.

7.2 An investigation may be recommended by the Responsible Person and depending on the nature and materiality of the matter, it can be dealt with by way of an internal investigation, interviews, a forensic investigation and/or by referral to the external auditors. Alternatively, it could also be the subject of an independent enquiry.

7.3 In dealing with the matter, the Responsible Person may consult with any member of the executive management team of PFG, as he/she deems appropriate.

7.4 If, in the course of the investigation of any report being made in terms of this Policy, the Responsible Person is of the opinion that the matter is of a grievance or disciplinary nature, the appropriate procedures as referred to in paragraph 3.2 above will be invoked.

- 7.5 The decision of the Responsible Person as to whether there is a *prima facie* case to respond to and, if so, what the nature of the investigation will be or whether the matter should be dealt with as envisaged in paragraph 7.4 herein, will be communicated to the Reporter in such manner as the Responsible Person deems appropriate.
- 7.6 A Reporter who is dissatisfied with the outcome of the response and who reasonably believes that the information disclosed and the allegations contained therein are substantially true, is at liberty to take the matter further by reporting the matter to his/her own legal representative.
- 7.7 The Responsible Person will be obliged to document the report brought under his/her attention by the Reporter as well as subsequently submitting a written report to the Group Audit Committee on all matters brought to his/her attention, in terms of this Policy.

8. ANONYMITY OF THE REPORTER

- 8.1 In view of the protection afforded to individuals raising a *bona fide* concern, it is preferable that the Reporter puts his/her name to the report.
- 8.2 PFG will not tolerate and/or entertain the harassment or victimisation of anyone raising a legitimate concern. The latter would equally apply where the Reporter is mistaken, as to the true nature of the issue raised and/or reported.
- 8.3 It is, however, recognised that a Reporter may wish to raise a concern in confidence under this Policy and, in such instance, the identity of the Reporter will not be disclosed without his/her consent.
- 8.4 A Reporter who wishes his/her identity to remain confidential must specifically inform the the Responsible Person, in terms of paragraph 7, of this fact.
- 8.5 If the situation arises where the matter cannot be resolved without revealing the identity of the Reporter, this will be discussed with the Reporter and the best way forward will be agreed.

9. PROTECTION OF THE REPORTER

- 9.1 PFG acknowledges that the protection of a Reporter is fundamental to the success of the whistleblowing process as well as ensuring compliance with the applicable statutory duties imposed on the Group.
- 9.2 No Reporter who makes a disclosure in good faith, reasonably believing it to be true, will as a consequence of making the disclosure, be:
 - subjected to any disciplinary action;
 - dismissed, suspended, demoted, victimised, harassed or intimidated;
 - transferred against his/her will;
 - refused a transfer or a promotion;
 - refused a reference or provided with an adverse reference;
 - threatened with any of the above; or
 - otherwise adversely affected in his/her employment, including employment opportunities and work security.
- 9.3 The above protection is, however, not afforded to a Reporter who has made a disclosure concerning his/her own misconduct.
- 9.4 Deliberate reporting of false information equates to misconduct and is not protected by this Policy or the law.

10. POLICY IMPLEMENTATION

- 10.1 PFG recognises that, to ensure the effective implementation of this Policy, it should be communicated and fully understood by all employees and stakeholders. The associated

awareness campaigns and training initiatives that the Group invest in are, therefore, fundamental to this understanding.

10.2 Management and supervisory staff, at all levels of PFG, are responsible for ensuring that adequate awareness is created internally pertaining to the scope and objective of this Policy, including the platforms created for disclosure.

11. NON-COMPLIANCE

11.1 Employees and representatives who violate relevant aspects of this Policy will be subject to disciplinary action up to, and including, termination of employment or engagement as the case may be.

11.2 Any disciplinary decision applied by PFG within its discretion in any situation, shall be without prejudice to any civil and/or criminal consequences that the violation may give rise to.

12. POLICY REVIEW

12.1 This Policy is administered by the Group's Legal and Compliance department and will be reviewed annually.

12.2 Upon review, all proposed amendments will come into effect if the following transpired:

- Management was consulted in reviewing the content and agreed to amend this Policy;
- The Group Audit Committee as well as the Group Social and Ethics Committee, recommended the proposed amendments to the Board; and
- The Board supported, endorsed and approved the proposed amendments.

12.3 This Policy was approved by the Board on **14 November 2019**.