

Whistle Blowing Policy

Bata Pakistan Limited

Introduction

Whistle Blowing refers to the disclosure of information by a person usually an employee in a Public or Private Enterprise, to the public or to those in authority, of mismanagement, corruption, illegality or some other wrong doing.

An important aspect of accountability and transparency is a mechanism to enable all individuals to voice their concerns internally in a responsible and effective manner when they discover information which they believe shows serious malpractice.

Consultation goes to the heart of the Company's culture, and avoids an individual having to face/resolve a difficult ethical situation alone. If an employee is uncomfortable about raising the matter through the Company's normal reporting channels, he may seek assistance from this whistle blowing policy.

Bata Pakistan's whistle blowing policy is therefore fundamental to the Company's professional integrity and smooth operation. In addition, it reinforces the value the Company places on staff to be honest and respected members of their individual professions. It provides a method of properly addressing bona fide concerns that individuals within the Company might have, while also offering whistleblowers protection from victimization, harassment or disciplinary proceedings.

It should be emphasized that this policy is intended to assist individuals who believe they have discovered malpractice or impropriety. It is not designed to question financial or business decisions taken by the Company nor should it be used to reconsider any matters which have been investigated under the harassment, grievance or disciplinary policies and procedures.

Whistle blowing is therefore is a confidential disclosure by an individual of any concern encountered in the workplace relating to a perceived wrongdoing. The Company considers such wrongdoing to include: General malpractice – such as immoral, illegal or unethical conduct; (including where someone's health & safety has been put in danger).

What does this policy apply to?

This policy covers situations where an individual (the whistleblower) raises a concern about a risk, malpractice or wrongdoing that affects others such as suppliers, other staff, the company or the public interest.

The policy applies to the following:

- ≈ All permanent and casual employees.
- ≈ Business Associates
- ≈ Agents
- ≈ Contractors and Subcontractors
- ≈ Suppliers
- ≈ Customers

If individuals have any concerns relating to their employment with the Company, these should be raised under the Company's grievance policy & procedures and not the Whistle blowing policy.

Purpose

Bata Pakistan Ltd is committed to high standards of ethical, moral and legal business conduct. In line with this commitment, Bata Pakistan is committed to open communication. This policy aims to provide an avenue for employees or persons dealing with the Company to raise concerns and gives an assurance that they will be protected from victimization for whistle blowing.

This Whistle blowing policy is intended to cover the following areas:

1. Data Manipulation - Incorrect financial reporting.
2. Fraud - Unlawful activities.
3. Theft – Misappropriation of company assets..

4. Damage to Property. – misuse of Company’s assets e.g. vehicles, computers, etc.
5. Criminal Offences – Any person who is involved in criminal activity or who has a criminal record will be dismissed with immediate effect.
6. Wastage of resources – Effective controls over Water, electricity, Stationary etc.
7. Fake expense claims – claiming expenses that have never incurred.
8. Misuse of Authority e.g. a boss utilizing his subordinates for his personal work.
9. Misbehavior of a senior manager with his subordinates.
10. Indiscipline – Disobedience to company rules & procedures.

Anonymous Allegations

This policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be explored appropriately, but consideration will be given to:

1. The seriousness of the issue raised;
2. The credibility of the concern; and
3. The likelihood of confirming the allegation from reliable sources.

How to Blow the Whistle?

Step: 1 - Process for Raising a Concern

Initial Reporting:

First step of whistle blowing is initial reporting. Initial Reporting will be made either through letter or email to GM Human Resources at voice@bata.com with copy at

pk.bata@bata.com to the office of the Company Manager, by giving the details of the complainant such as name, full name, title, telephone etc.

It can be done as follows:

- i. The complaint can be directly made to the G.M Human Resources with a copy to the Company Manager in a sealed envelope.
- ii. If the complaint is about G.M Human Resources, then initial reporting will be made to Company Manager by giving complete details with a copy to Finance Director.
- iii. If complaint is about Company Manager or Finance Director, then initial reporting will be made to Chairman Audit Committee.

Timing:

The earlier a concern is expressed, the easier it is to take action.

Evidence:

Although the employee is not expected to prove the truth of an allegation, the employee should be able to demonstrate that the complaint is being made in good faith and without any malafide intention.

Step: 2 - How the Report of Concern Will be Handled

Initial Inquiry:

In case when initial reporting is made to GM Human Resources with copy to Company Manager, both the executives will decide the final action in case of the matters of nominal concern.

However, if the matter is of great concern, then G.M Human Resources and Company Manager will form a committee of at least three members in which G.M Human Resources will be the head (in case the complaint is not against G.M Human Resources) and two of the Senior Manager preferably one of them should be a female executive.

The matters of serious concern may include but not limited to:

- Taking kick backs from outside parties i.e. suppliers etc.
- Committing frauds by manipulating the facts or figures.
- Misappropriating Company's funds for personal use.
- Criminal Offenses.
- Extravagant living standard not matching with one's income.
- Any other matter which the authorized executive may think fit.

If the complaint is against G.M Human Resources, the initial reporting is made to Company Manager with a copy to Finance Director. The Company Manager and Finance Director will decide the line of action of nominal matters however in case of serious matters; they will bring the matters in the notice of the Committee of which the G.M Human Resources will not be a member.

If complaint is against Company Manager or Finance Director, reporting is made to the Chairman Audit Committee who shall decide the appropriate course of action to investigate the matter.

Final Action

The action taken by the authorized executives/committee in response to a report of concern under this policy will depend on the nature of the concern and will be dealt accordingly.

Rewards

Use of rewards to encourage a strong compliance culture is very effective. Cash prize of ranging from Rs. 10,000/- to Rs. 300,000/- will be offered, depending on the nature of the complaint. The reward can be paid once all information / evidence has been gathered and it has been proved that the allegations/claims are indeed true and legitimate.

Payment of reward would be kept strictly confidential and can also be made through the approval of Managing Director as a special bonus.

Bad Faith Allegations

Allegations in bad faith may result in disciplinary action. Hence whistle blowers must make sure that they are blowing the whistle in good faith keeping in view the interests of Company and / or to defend his own fair rights.

Bad faith allegations may include e.g.

- Stating wrong facts.
- Reporting personal matters of an alleged person which don't relate to the Company's interests.
- Effort of a whistle blower to get undue benefits from whistle blowing.
- Reporting just on the basis of nominal doubts without having sufficient reasons to believe.
- Any other matter which the executive/committee may come to the conclusion.

Disciplinary actions which may be taken against such reporting persons are as under:

- Warning Letters issued by HR Department.
- In case of seriously false allegations, demotion.

Confidentiality

Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality. Employees that whistle blows in good faith will not suffer any sort of detriment or be dismissed as a result of the information given. **SECONDLY THEIR NAME WILL NEVER BE EXPOSED AT ANY COST.**