



**GRAND CEREALS LIMITED**  
**Whistleblowing Policy**

# GRAND CEREALS LIMITED – WHISTLEBLOWING POLICY

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Policy	Risk and Compliance	Unclassified

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Approved By	Date
Board Risk Management Committee	
Board of Directors	

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## 1 POLICY STATEMENT

The Board and Management of Grand Cereals Limited ("**GCL**" or the "**Company**") is committed to ensuring openness and clear communication in all dealings with its officers, employees, contractors, vendors, service providers, job applicants, suppliers, shareholders, and other stakeholders with whom it engages. GCL recognizes that effective and honest communication is essential in upholding its core values and ensuring that negative business practices are detected and addressed promptly with a view to preserving the reputation and integrity of the Company.

Based on the foregoing, and GCL's understanding of the importance of implementing effective controls to prevent and detect fraudulent activities and misconduct, the Executive Committee, and the Board of Directors of the Company (the "**Board**") have reviewed and approved this Whistleblowing Policy. This Policy is in line with Principle 19 of the Nigeria Code of Corporate Governance 2018 which in essence stipulates that companies have a whistleblowing Policy that is communicated with stakeholders.

## 2 APPLICATION

A report can be made under this policy by, or in respect of, any employee, job applicant, vendor, service provider, customer, or contractor. This Policy is effective from the date it is approved by the Board.

## 3 OBJECTIVE AND PURPOSE

- a) To build a work environment in which concerns relating to malpractice, irregularities, unethical conduct, illegal behavior, or misconduct can be reported by employees; job applicants; contractors; staff of vendors or service providers; customers; and other stakeholders, without the fear of victimization, and with the assurance that such concerns will be addressed seriously and investigated as appropriate with utmost confidentiality.
- b) To reassure whistleblowers that genuine concerns can be reported without fear of retribution even if the concerns expressed turn out to be invalid.
- c) To guide the whistleblowers on how to report suspected fraud and misconduct.

## 4 DEFINITIONS

### 4.1 Fraud and Misconduct

“Fraud” can be defined as an intentional act carried out by an individual or a group of people in order to gain an unlawful or unfair advantage directly or indirectly. Fraud is usually deceptive, attempted to be concealed by the perpetrator, and detrimental to the victim.

4.1.1 “Occupational fraud” involves the intentional use of one's position in an organization to gain an unlawful advantage directly or indirectly.

Occupational fraud is classified into three categories by the Association of Certified Fraud Examiners (ACFE) namely:

- Fraudulent Financial Statements
- Asset Misappropriation
- Corruption

#### 4.1.1.1 *Fraudulent Financial Statements*

This is the deliberate misrepresentation of the financial position of an organization as a whole, or any part of its operation with the intention of misleading the financial statements users. Such misrepresentation could be made either by the omission or misstatement of financial information, or failure to disclose material non- financial information. It typically involves the understatement of liabilities and expenses, overstatement of revenue, and improper valuation of assets, amongst others.

#### 4.1.1.2 *Asset Misappropriation*

Asset misappropriation is the use of any asset of an organization for personal benefit. It includes the theft of cash either before (skimming) or after (larceny) entry into the accounting system; theft and misuse of non- cash items; false invoicing via vendors or shell companies; and unauthorized disclosure of confidential information, among others.

#### 4.1.1.3 *Bribery & Corruption*

“Corruption” involves an individual being dishonest in his/her dealings. It typically includes the following:

- economic extortion
- relationships with third parties which may result in conflict of interests, “bribery” to offer, promise, give, or receive a financial or other advantage to another person, in order to induce a person to perform improperly a relevant function or activity, or to reward a person for the improper performance of such a function or activity.

- 4.1.2 Misconduct refers to any behavior in violation of applicable laws of Nigeria and/or GCL's policies and procedures.
- 4.1.3 Appendix A of this Policy itemizes actions which are referred to as fraud and misconduct. However, this list is not exhaustive.

## **4.2 Whistleblowing**

- 4.2.1 Whistleblowing involves an individual making a disclosure, in the interest of GCL and/or its stakeholders, regarding suspected fraud, misconduct, or exposure to danger within GCL.
- 4.2.2 A whistleblower is any individual who reports a genuine concern, such as those set out in appendix A, and has a rational reason to believe that the disclosure is factual. Employees and stakeholders are encouraged by this Policy to report genuine concerns relating to the suspected fraud, misconduct or danger affecting GCL or its stakeholders.

# **5 REPORTING AND INVESTIGATION PROCEDURES**

## **5.1 Reporting a Whistleblowing Concern**

- 5.1.1 Incidents of suspected fraud and misconduct should be reported as soon as suspicions arise, as this makes it easier for management to respond effectively. Delays in reporting concerns may result in irreversible harm to the whistleblower, GCL stakeholders, and/or GCL as an organization.
- 5.1.2 Employees and stakeholders are therefore encouraged to report situations indicating fraud, misconduct, or danger anonymously through the internal reporting channels (i.e., to their respective Line Managers; and/or to their respective Heads of Function; and/or to the Head of Human Resources; and/or to the Head of Risk & Compliance; and/or to General Counsel; and/or to the Managing Director); or the KPMG Ethics Line 0703 000 0027, 0808 822 8888, 0800 123 5764, 0800 123 5276 or ([kpmgethicsline@ng.kpmg.com](mailto:kpmgethicsline@ng.kpmg.com)). It is advised that when resorting to internal reporting channels, the recipients of the complaint should not be less than two (2) persons.
- 5.1.3 Whistleblowers are also encouraged to provide information which will include such as the parties involved; nature and details of the incident; relevant dates; and any other useful evidence which may assist in the investigation of the reported incident. This, however, should not discourage potential whistleblowers from blowing the whistle.

5.1.4 In the event that the individual to be reported is an Executive Director, reports should be made to all of the members of GCL's Board Risk Management Committee.

## **5.2 Confidentiality**

5.2.1 It is the intention of GCL that all potential whistleblowers are fully protected and not hindered in any way from reporting suspected and/or identified incidents. Therefore, GCL is committed to treating and protecting the whistleblower's identity with the utmost confidentiality, ensuring their anonymity is strictly maintained at all times.

5.2.2 A reference number which serves as a unique identifier is given to all complaints made by whistleblowers through the KPMG Ethics Line. This reference number will need to be quoted to make a follow up call, or when feedback on a complaint is being sought. KPMG will send an incident report on the complaint to the appropriate management level personnel of UAC of Nigeria PLC ("UAC") within 24 hours or as soon as possible.

5.2.3 All concerns/complaints reported via the KPMG Ethics Line (Phone calls, emails, physical letters) will be sent confidentially and anonymously to the Group General Counsel of UAC . The recipients of a complaint shall be persons who have power/authority to ensure the concerns are addressed. The KPMG Ethics Line will always send concerns/complaints reported to at least two (2) recipients within the UAC Group. Please note that the identity of the whistleblower will not be disclosed to GCL unless KPMG obtains the whistleblower's consent.

## **5.3 Investigation of reported concerns**

5.3.1 When a concern has been reported (internally or through KPMG Ethics Line), the Head of Human Resources and the Head of Risk, Compliance and Control or the recipients of the incident report will be responsible for determining an appropriate investigation plan with the Managing Director or the Board Risk Management Committee as applicable. In light of this, an investigation panel will be established promptly to assess the credibility of the claim and determine if further investigation is warranted

5.3.2 Where a claim is not made anonymously, the investigation panel will send a response to the whistleblower indicating whether the reported concern will warrant further investigation, and the whistleblower may be required to provide further information. In the event of any anonymous report, the person who made the allegation may be informed through the communication channel by which the complaint was received (if known).

- 5.3.3 Certain investigations may be outsourced to external auditors or investigators if there is a potential conflict of interest in conducting the investigations internally or if for any other reason it is more appropriate to outsource.
- 5.3.4 Where an allegation against an employee (including an Executive Director) is found to be valid, such an individual will be subjected to GCL's disciplinary procedure, which may conclude with a termination of service, dismissal from service, or a criminal complaint being submitted, in line with the Company's disciplinary procedure and policies and the Sanctions Grid.
- 5.3.5 When there is a need to obtain additional information from a whistleblower who reports a concern through the KPMG Ethics Line, GCL will contact the KPMG Ethics Line who will subsequently request for the required information from the whistleblower. When the required information is received by KPMG, it will be communicated to GCL.
- 5.3.6 The Head of Human Resources, Legal Adviser, and the Head of Risk, Compliance and Control have the responsibility of reviewing all reported cases and initiating appropriate action (except reports against them, which should be sent to the Managing Director and the Board Risk Management Committee).

## **6. PROTECTION OF WHISTLEBLOWERS**

- 6.1.1 GCL will ensure that employees who report concerns are given the level of support required. Therefore, regardless of reservations which potential whistleblowers have due to the fear of reprisal, GCL still encourages the openness of its employees in reporting genuine concerns under this Policy.
- 6.1.2 Employees should be aware that actions taken as a result of whistleblowing may, in some instances, lead to the disclosure of their identity, but only when required by law. The company is committed to protecting the anonymity of whistle-blowers and will not disclose their identity unless legally obligated to do so.
- 6.1.3 Employees will not be subjected to any negative treatment as a result of whistleblowing. Negative treatment refers to any form of threats or harassment, disciplinary action, unfavourable treatment, or dismissal connected with whistleblowing. If any whistleblower has the belief that any form of negative treatment has been suffered or no satisfactory response to the reported concern has been received, a formal report should be made to the Board Risk Management Committee through the Company Secretary/Legal Adviser or the KPMG Ethics Line.
- 6.1.4 Employees are advised not to exhibit any form of retaliation or negative treatment towards a whistleblower. In the event that a whistleblower feels victimized due to reporting concern, GCL will, subsequent to appropriate investigation(s), be obligated to address the concerns of the whistleblower, and take disciplinary action

6.1.5 The organization recognizes the potential risks and challenges faced by whistleblowers and is committed to providing support and protection to ensure their well-being and safety, such as counseling, relocation (if necessary), or legal advice, especially for whistleblowers exposed to retaliation or distress.

## **7 RESPONSIBILITY FOR THE POLICY**

- 7.1.1 The overall responsibility for this Policy lies with the Company's Board of Directors. Therefore, the Board is responsible for ensuring that this Policy is effectively enforced.
- 7.1.2 It is the responsibility of the Head of Human Resources, Legal Adviser/Company Secretary, and the Head, Risk & Compliance to investigate the concerns reported under this Policy and recommend appropriate action in line with the Company's disciplinary procedure, policies, and Sanctions Grid.
- 7.1.3 All new hires of GCL are expected to be made aware of this Policy by the Human Resources Department as a part of their induction programme.
- 7.1.4 There will be at least an annual training for all employees and relevant stakeholders to reinforce the whistleblowing mechanism and update them on any changes to the policy.
- 7.1.5 This Policy requires that all Heads of Function communicate its existence within their respective functions.
- 7.1.6 It is also the responsibility of the Human Resources Function to hold periodic awareness sessions as a means to keep employees and stakeholders of GCL abreast of the whistle blowing platform.
- 7.1.7 The Head of Risk and Compliance should on a quarterly basis send a whistleblowing report to the Board Risk Management Committee for review. The report will contain the following:
- Summary of reported cases.
  - Cases investigated.
  - The process of investigation.
  - The result of investigation
- 7.1.8 This Policy is subject to review by the Head of Risk & Compliance from time to time as needed in order to ensure that the Policy continues to meet the objectives which it is established to achieve. All such amendments will subsequently be approved by the Board of Directors before they become effective



## APPENDIX A

- Any activities that may constitute bribery or corruption
- Forgery (false declaration of age, presentation of counterfeit documents etc.)
- Sexual harassment, bullying, or indecency
- Theft or misuse of Company's assets and property
- Any type of fraud or mismanagement
- Fictitious reporting of events (including non-financial events)
- Failure to comply with any legal, professional obligation or regulatory requirements
- Conduct that is likely to damage the Company's reputation
- Damage to Company's physical environment
- Abuse of office on the part of any member of staff or director
- Deliberate concealment of information relating to fraudulent activities and misconduct
- Miscarriage of Justice
- Misuse of the Company's information systems and computer databases
- Overriding the Company's process controls
- Undisclosed conflicts of interest
- Unauthorized disclosure of confidential information
- Deliberate concealment of any malpractice
- Breach of GCL's Code of Business Conduct
- Non-compliance with the laws(s) of the Federal Republic of Nigeria or any breach of statutory obligations
- Health and safety risks including risks to employees in the workplace and the public
- Fighting, or engaging in violent, riotous, or disorderly conduct while at work or on the Company's premises or within its precincts
- Incapacity through alcohol or being under the influence of illegal drugs
- Negligent, reckless, or willful act or omission which causes unacceptable loss, damage or injury or brings the Company into disrepute
- Dereliction of duty
- Deliberate and provocative refusal to carry out reasonable instructions from a superior or other authorized official of the Company, or other behaviour deliberately designed to undermine authority levels

- Insubordination or willful refusal to comply with a company instruction or rule
- Unauthorized disposal of Company goods or property
- Behaviour likely to damage the image or interests of the Company to a material extent
- Deliberate and serious breach of Company rules
- Breach of Company safety regulations
- Gambling on the office premises
- Criminal offences
- Continuous absence from/irregular attendance at work
- Any conduct likely to endanger the Company's property, wellbeing and operations or the safety of others