

# De'Longhi Australia Pty Ltd

## Whistleblower and Improper Conduct Policy and Procedure

### 1. POLICY

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At De'Longhi, we are committed to conducting our business in a professional, lawful and ethical manner.

It is the duty and responsibility of all employees to behave in a fair and legal manner and to be seen to be doing so.

Improper conduct and, in particular, fraud, corruption or anticompetitive conduct, will be viewed by De'Longhi as a serious contravention of the terms of your employment and will result in disciplinary action, including dismissal.

Any person or organisation who has any concern about any inappropriate or improper conduct or non-compliance with De'Longhi policies, procedures or applicable laws by any member of De'Longhi's staff or management team or any of De'Longhi's agents or contractors ("**De'Longhi Personnel**") is invited to lodge a formal complaint, (a "**Complaint**") which shall be dealt with in accordance with this Policy. An employee or external party who reports alleged improper conduct, including fraud or corruption is known as a 'whistleblower'.

De'Longhi is committed to complying with the Australian Standard for Whistleblower Protection programs<sup>1</sup>.

### 2. PURPOSE OF THIS POLICY AND PROCEDURE

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The purpose of this Policy and Procedure is to:

- encourage the reporting of improper conduct (including potentially fraudulent and corrupt conduct) by employees, suppliers, customers and other third parties;
- assist in obtaining information on suspected fraudulent behaviour, corruption and improper conduct so that such conduct can be addressed;
- provide a Helpline which can be used for reporting improper conduct; and
- help protect people who report improper conduct in good faith.

The benefits of the Program include deterring employees from improper conduct, assisting with identifying and addressing improper conduct, and protecting informants by generally allowing them to remain anonymous.

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<sup>1</sup> The current standard is AS8004-2003: Whistleblower protection programs for entities.

### 3. INTERPRETATION

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#### 3.1 *What is an informant?*

An informant or whistle-blower is an employee or external party who reports alleged improper conduct.

Companies (private, public and government) establish protection programs and procedures to assist in obtaining information on suspected fraudulent behaviour, corruption and improper conduct.

Through these programs, De'Longhi employees, suppliers, customers and other third parties are encouraged to report such conduct.

#### 3.2 *What is improper conduct?*

Improper conduct includes conduct which is:

- fraudulent;
- corrupt;
- dishonest;
- illegal (including theft, drug sale/use, violence or threatened violence and criminal damage against property);
- in breach of the law (including any breach of the *Competition and Consumer Act 2010* (Cth) or state fair trading laws; and any breach of the *Corporations Act 2001* (Cth));
- unethical; or
- engagement in outside interests, activities or investments which could interfere with the performance of duties or constitute a conflict of interest.

Improper conduct also includes conduct which involves:

- substantial risk to public health and safety or the health and safety of De'Longhi employees;
- substantial risk to the environment; or
- a substantial mismanagement of De'Longhi resources.

#### 3.3 *What is fraudulent conduct?*

Examples of fraudulent conduct include:

- falsification or alteration of accounting or other documents;
- theft of assets;
- suppression or omission of the effects of transactions from records or documents;
- recording of transactions without substance;
- misuse of private and confidential information for personal gain; and
- misuse of De'Longhi's resources for personal gain.

### 3.4 ***What is corrupt conduct?***

Examples of corrupt conduct include:

- use of intentional deception to obtain an illegal advantage from, or provide an illegal advantage to, an employee, contractor, supplier or other third party;
- giving to a customer, or receiving from a supplier, excessive gifts or entertainment which could be construed as a bribe, kick back or pay off to a customer or from a supplier;
- payments to a government entity or official for the purpose of obtaining or retaining a business opportunity or other advantage; and
- accepting or providing offers or promises of an illegal advantage by doing or not doing certain functions in the course of an individual's employment.

### 3.5 ***De'Longhi's complaint handling policy and procedure***

Complaints in relation to matters other than improper, fraudulent or corrupt conduct are dealt with under De'Longhi's Complaints Handling Policy and Procedure. You may contact De'Longhi on 1800 126 659 to raise such concerns.

## 4. **INFORMANT PROTECTION**

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De'Longhi encourages employees, suppliers, customers and other third parties to provide information about improper conduct by calling the Help Line (refer to section 5 below).

All suspected occurrences of improper conduct will be taken seriously and thoroughly investigated in accordance with the Investigation Guidelines set out below.

If an informant does not wish to reveal their identity when providing information about improper conduct, we will protect their identity and will not disclose it without their consent, unless we are required by law to do so or it is absolutely necessary in order to investigate serious allegations. An informant may also choose to remain entirely anonymous, not even disclosing their identity to the person to whom they provide the relevant information.

However, please note that if an offence is likely to have occurred, it may be necessary for the informant to assist the police with a civil or criminal investigation in accordance with the law.

It is crucial that employees, suppliers, customers and other third parties who sound the alarm are protected. De'Longhi will seek to ensure that informants can raise their concerns without fear of victimisation and in the knowledge that their concerns will be addressed. To this end, De'Longhi has appointed a Whistleblower Protection Officer who has responsibility for protecting whistleblowers, taking into account the Australian Standard. De'Longhi's Whistleblower Protection Officer is **Carissa Patruno**, contactable on **02 9426 7031**

De'Longhi will take all reasonable measures to protect individuals against any detrimental actions which may arise as a consequence of providing or disclosing information relating to suspected improper conduct. However, false reporting through these channels will be regarded as a serious matter and may result in disciplinary action.

Where reprisals are taken or are claimed to have been taken against an informant, De'Longhi will provide the informant with an automatic right of appeal.

## 5. **CONFIDENTIAL HELP LINE**

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A key component of De'Longhi's Whistleblower Policy and Procedure is the confidential help line established to allow employees and other external parties (contractors, suppliers and customers) to provide information, make a complaint or seek assistance in relation to improper conduct which has occurred or is occurring at De'Longhi.

The Help Line, which is maintained by the Whistleblower Protection Officer, can be reached at 61 2 9426 7031.

All suspected occurrences of improper conduct will be taken seriously and thoroughly investigated in line with the Investigation Guidelines set out in section 7 below.

All complaints or concerns raised will be treated in confidence to the maximum extent possible. If the informant advises that he/she does not wish to reveal his/her identity, De'Longhi will not disclose the identity of the informant without consent unless it is absolutely necessary in order to investigate serious allegations (or it is required by law). The Investigation Guidelines set out in section 7 below identify the persons to whom the allegations (as opposed to the identity of the informant) are to be reported.

## **6. PREPARING AND LODGING A COMPLAINT UNDER THE WHISTLEBLOWER AND IMPROPER CONDUCT POLICY AND PROCEDURE**

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### **6.1 *Where to get assistance***

Where possible you should discuss any concerns with your immediate supervisor/manager. In addition, the Human Resources Manager is available to discuss matters on a confidential and anonymous basis.

If you are not prepared to discuss your concerns with your immediate supervisor/manager or the Human Resources Manager, you can contact De'Longhi's Whistleblower Protection Officer who can also deal with your concerns on a confidential and anonymous basis. De'Longhi's Whistleblower Protection Officer is **Carissa Patruno**.

### **6.2 *Lodging a Complaint***

Complaints may be oral or in writing. In each case an Informant needs to identify the following matters:

- their name, organisation and contact details (phone and address) (if they are prepared to give this information);
- nature of the Complaint;
- all relevant facts giving rise to the Complaint;
- name of the relevant De'Longhi Department or business which is the subject of the Complaint;
- the name(s) of all De'Longhi Personnel involved;
- an acknowledgement that the information they have provided is: (i) a true and accurate representation of the events which have occurred and that have led to this complaint; and (ii) does not contain any misleading statements or omissions; and
- whether they consent to the disclosure of their name (if provided).

Complaints should be addressed to the **Whistleblower Protection Officer, De'Longhi** by:

- phone on **02 9426 7031**; or
- email to [cpatruno@delonghi.com.au](mailto:cpatruno@delonghi.com.au); or
- fax to **02 9426 7071**; or
- mail to the following address:

**Whistleblower Protection Officer, De'Longhi**  
Unit 3A, 43 Lyn Parade

### **6.3 How Information Will Be Handled**

All complaints will be handled by De'Longhi's specially trained Whistleblower Protection Officer and the Human Resources Manager. The Whistleblower Protection Officer will record and analyse the details of the information provided. The matter will then be assessed and a plan developed. If deemed necessary, an Investigation Controller will be appointed to research the matter further. External experts may also be appointed to assist with an investigation.

De'Longhi will ensure that a process is established and followed for timely reporting to the informant on the progress of their complaint. Once the investigation is completed, De'Longhi will advise the informant of the outcome of the investigation and any further actions that will be taken.

Use of information reported by an informant in a manner other than as set out in this Policy or the release of any information that may lead to the identification of the informant to a person outside of the investigation will be regarded by De'Longhi as a serious disciplinary matter.

### **6.4 The Process**

The Whistleblower Protection Officer, and anyone charged by the Whistleblower Protection Officer with responsibility for investigating a Complaint will:

- immediately acknowledge the informant's complaint (either during the phone call from the Informant or by way of email or fax);
- if the complaint does not relate to improper conduct, transfer the complaint to the complaints handling process, otherwise, record the complaint in the Whistleblower and Improper Conduct Register giving the complaint a unique identification number;
- retain a file on the complaint including dates, actions taken and outcomes;
- gather sufficient detail about the complaint in order to properly investigate and respond;
- consult with others where appropriate;
- advise external legal counsel and institute the Investigation Guidelines set out at section 7 below;
- subject to the steps referred to in this section and the investigation guidelines and procedure set out in section 7, resolve the complaint within 14 days, wherever possible. If the complaint cannot be resolved within 14 days, advise the Informant and keep the informant advised of progress of the complaint;
- De'Longhi will communicate clearly and professionally with the Informant, verbally or in writing.

If the informant believes that this Policy has not been followed or is of the view that resolution of the complaint has not been satisfactory, the informant may contact the De'Longhi Chief Executive Officer in writing seeking a review.

### **6.5 Administration**

Matters relating to improper conduct are formally reported (whether or not a formal investigation is carried out) to the Whistleblower Protection Officer, who will report, where appropriate, to Senior Management. Additional resources (ie specialists with, for example, IT or forensic investigatory skills) will be seconded or sourced externally where required to supplement the internal resources.

The Whistleblower Protection Officer at De'Longhi is provided with ongoing training in dealing with improper conduct.

## **6.6 Education and Training of Employees**

Training about De'Longhi's Whistleblower and Improper Conduct Policy and Procedure will be provided to employees when they commence employment at De'Longhi, and subsequently as part of the ongoing compliance training.

## **6.7 Review**

This Policy will be regularly reviewed by the Whistleblower Protection Officer and De'Longhi's external legal advisers. The review will take into consideration:

- reports of investigations undertaken as a result of conduct reported by an informant (see Investigations Guidelines in section 7 below);
- any feedback in relation to the operation of the Policy; and
- records of training provided to employees in relation to the Policy.

The review will be undertaken with a view to identifying areas in which the Policy can be improved. Changes to the Policy will be made as necessary. Where changes occur, a formal communication will be issued to all employees advising of the changes.

## **7. INVESTIGATION GUIDELINES**

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### **7.1 Objectives**

The purpose of these guidelines is to set out the various aspects that need to be considered during an investigation into improper conduct.

### **7.2 Identification of Suspected or Actual Improper Conduct**

It is not uncommon for the possibility of improper conduct to be discounted by supervisors or managers as a one-off error.

It is critical, however, that all suspicions of improper conduct are pursued and investigated, since any delays could lead to increased financial loss, loss of evidence, failure to apprehend the perpetrator and a greater impact on staff morale and productivity.

As soon as any improper conduct is discovered or suspected, the following persons must be contacted and informed (unless any of the individuals are themselves the subject of the allegations of improper conduct):

- Chief Executive Officer
- Whistleblower Protection Officer
- Human Resources Manager

It is the responsibility of the Chief Executive Officer, Whistleblower Protection Officer and the Human Resources Manager/Whistleblower Protection Officer (with advice from external legal counsel where necessary) to decide what further action is to be taken.

### **7.3 Reporting of Incidents**

Employees are encouraged to raise their concerns about suspected improper conduct in the methods set out above at 6.1.

Any anonymous letters received which identify potential improper conduct should be forwarded to the Whistleblower Protection Officer. All such letters will be investigated to test the validity of the

allegations. It is critical that employees' reputations should be protected from unfounded allegations.

All allegations and suspicions will be promptly followed up and the necessary action will be taken. **However, any malicious unfounded allegations by employees will be treated as a serious disciplinary offence.**

All allegations of improper conduct should be treated with confidentiality and, as far as possible, the anonymity of employees making the allegations should be preserved at all times.

#### **7.4 Investigation Procedure**

The Whistleblower Protection Officer, with the advice and assistance of external legal advisers will investigate the incident and identify, as far as possible, the loss to De'Longhi, the scope and means of the improper conduct, the people involved and whether evidence can be obtained to conclusively prove the allegations or suspicions.

The Whistleblower Protection Officer may carry out the investigation under either an overt or covert operation. The decision as to the nature of the investigation should be made by the Whistleblower Protection Officer.

If the suspected improper conduct is of a specific technical nature, appropriate technical experts may be involved (eg: IT, Treasury Manager).

The Whistleblower Protection Officer will be allocated appropriate resources.

##### **Preservation of evidence**

Effective preservation of original documents at an early stage is critical. If court proceedings ensue from the improper conduct, the documents used must be available in their original form for inspection by the court, if required.

##### **Interviewing Subjects**

Interviewing an employee to find out whether they have been witness to, or involved in, improper conduct (particularly if it is criminal) is a specialist task. An interviewer, with knowledge of legal requirements, will generally undertake all such interviews, under the supervision of external legal advisers. Where appropriate an external interviewer may be engaged. Under no circumstances will interviews be carried out on a one-to-one basis.

##### **Reporting of the Investigation**

The Whistleblower Protection Officer will, as appropriate, keep Senior Management briefed on the progress of the investigation. The fewer staff who are aware of the investigation at the early stages, the better.

On **completion** of the investigation a report of the incident will be produced. The circulation of the report should be strictly controlled. However, it should be issued, at a minimum and as appropriate, to:

- Chief Executive Officer
- Whistleblower Protection Officer
- Compliance Officer
- Human Resources Manager
- General Manager, Sales

The report should identify:

- how the improper conduct was revealed;
- the timeframe in which the improper conduct was committed;
- the loss involved (if known);
- how the improper conduct was committed;
- who committed the improper conduct;
- the actions taken or being taken to stop the improper conduct re-occurring; and
- the action taken or anticipated to recover the losses incurred.

### **7.5 *Media Liaison***

Media attention is undesirable and the decision to inform the media of the improper conduct should only be taken by the Chief Executive Officer.

### **7.6 *Disciplinary proceedings***

Improper conduct and, in particular, fraud, corruption or anticompetitive conduct, will be viewed by De'Longhi as a serious contravention of the terms of your employment and will result in disciplinary action, including dismissal.

Where there is sufficient evidence of criminal conduct, the business will, following clearance by the Divisional General Manager, the Chief Financial Officer and the Chief Executive Officer or the Chairman, support the prosecution of the relevant employees, either in the criminal or the civil courts, in accordance with local legislation.

The business will generally not provide references for any employee dismissed for improper conduct.