

Policy on whistle-blowing and complaints

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1. Whistle-blowing

The Public Interest Disclosure Act 1998 (the “Act”) aims to encourage a climate of openness in the workplace by giving legal protection to staff who make certain “whistle-blowing” disclosures that they reasonably believe to be in the public interest. The Act protects staff who raise genuine concerns and provides for compensation of and penalty awards if the whistle-blower is sacked following disclosure. It also creates personal liability for any co-worker who victimises a whistle-blower. In addition, CDC will take any such victimisation very seriously, which may include initiating disciplinary proceedings against the co-worker.

CDC has a strong commitment to integrity and ethical behaviour and encourages staff who have concerns about suspected serious malpractice or misconduct or any breach or suspected breach of law or regulation that may adversely impact the company, to voice those concerns without fear of harassment or victimisation.

CDC will respond to any allegations or acts, or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against staff who report, disclose or investigate improper or illegal activities which they reasonably believe to be in the public interest and protect those who report such activities. This protection does not extend to a whistle-blower where they have made false or bogus allegations, knowing such allegations to be false and such allegations may result in disciplinary action.

CDC encourages staff to raise concerns of this type and will treat such concerns in the same way as any other disclosures under this policy.

2. Procedures

2.1 Responsible director

CDC has appointed the Chair of the CDC’s Risk Committee to act as CDC’s whistle blowing champion. The Chair will have shared access to the Whistleblower email inbox with the responsible Director. The Champion is responsible for ensuring and overseeing the integrity, independence and effectiveness of CDC’s policies and procedures on whistleblowing, including policies and procedures protecting whistle-blowers from retaliation resulting from reporting disclosures or concerns

The Compliance Officer will report alleged misconduct or malpractice received via the whistle-blowing channel and complaints received via the external complaints channel to CDC’s Audit and Compliance Committee.

2.2 Legal Framework – Protected Disclosures (whistle-blowing)

For a disclosure to be protected by the Act, it must relate to matters that “qualify” for protection.

Qualifying disclosures are disclosures, which are made when a staff member reasonably believes that one or more of the following matters is happening, or is likely to happen in the future:

- ✦ a criminal offence has been committed, is being committed or is likely to be committed;
- ✦ a person has failed, is failing or is likely to fail to comply with any legal obligation to which he or she is subject;
- ✦ a miscarriage of justice has occurred, is occurring or is likely to occur;
- ✦ the health and safety of any individual has been, or is being or is likely to be endangered;
- ✦ the environment has been, is being or is likely to be damaged; or
- ✦ there has been a deliberate attempt to conceal any of the above.

Although the law identifies the above categories of disclosures as potentially being ‘protected’ and confers statutory protection for staff members making such disclosures, CDC recognises that there may be other, potentially serious matters outside of these categories which staff may wish to raise. These include:

- ✦ the exploitation or inappropriate treatment of third parties;
- ✦ conduct likely to damage the financial well-being, reputation or standing of CDC;
- ✦ serious breaches of CDC policies, procedures or Codes of Conduct; and
- ✦ deliberate concealment of any of the above.

CDC encourages staff to raise concerns of this type and will treat such concerns in the same way as any other disclosures under this policy.

2.3 Making a Protected Disclosure

If a staff member wishes to make a disclosure or raise a concern under this reporting mechanism, they should prepare a whistle-blower report detailing their concerns. The report should be made in writing to the Compliance Officer as soon as possible and as far as is reasonable practicable within 30 days of the staff member becoming aware of the issues or concerns and should describe the details of the misconduct or malpractice clearly and with as much detail as possible. This report may be provided on an anonymous basis; however, CDC encourages staff to raise concerns on a named basis.

There may be occasions when a staff member considers it necessary to raise a matter externally if they feel that a matter has not been (or will not be) properly addressed within CDC or has been (or will be) covered up. CDC supports the work of Public Concern at Work and encourages staff to speak to them for confidential advice in such circumstances. Public Concern at Work can be contacted via their confidential helpline +44 (0) 20 7404 6609 or their website is at: www.pcaaw.co.uk

Staff may also disclose their concerns to the Financial Conduct Authority on +44 (0)20 7066 9200 or by email: whistle@fca.org.uk It is not necessary for the disclosure or concern to have been reported to CDC beforehand and reporting to the FCA may be conducted in addition to making a report via CDC's whistleblowing channel.

2.4 Investigation

All disclosures and concerns reported via the whistle blower channel will be reviewed by the Whistle-Blower Champion and the Compliance Officer, as soon as practicable after their receipt to evaluate the course of action. The Chair of the Risk Committee will be kept informed of the progress of any subsequent investigation.

All disclosures and concerns will be investigated by the Compliance Officer who will seek appropriate internal and external advice and assistance in completing a prompt investigation of the facts where the situation requires it. In some circumstances, an individual may be requested to provide additional information and/or attend a meeting to provide further information in order for a concern to be progressed further. Employees may be accompanied by a colleague at any meeting about a disclosure should they so wish.

Should the disclosure or concern relate to a staff member, the staff member will normally be informed of the allegations as soon as appropriate during any formal investigation and will have the opportunity to provide their inputs during the investigation. However, in some cases, it may not be possible for those investigating to do this e.g. where the integrity of the investigation may be compromised. The staff member is under a duty to co-operate with the investigation and may engage legal counsel at their own cost to represent them in the investigation proceedings.

Where a disclosure concerns the conduct of the Compliance Officer, then the Chairman of CDC's Audit and Compliance Committee will conduct the review and report to CDC's Board of Directors.

CDC is committed to ensuring that all disclosures and concerns raised are dealt with appropriately, consistently, fairly and professionally.

Individuals who raise disclosures or concerns under this reporting mechanism will be advised of the progress of the investigation and applicable timescales where possible and appropriate, subject to applicable legal constraints. Information provided in relation to any such investigation and/or outcome should be treated as confidential information.

2.5 Protection & Confidentiality

CDC will endeavour to ensure that the identity of any person making a disclosure, or a concern is kept confidential and only disclosed on a need to know basis. Papers relating to a protected disclosure will be held in a manner consistent with their confidential nature. CDC recognises that in some cases, a staff member may wish to make a disclosure or raise a concern anonymously. However, CDC encourages staff to do so on a named basis as anonymous disclosures are more difficult to investigate and address and feedback is difficult, if not possible, to provide to the staff member.

Any staff member who believes that they have subject to interference, threats, reprisals, retaliation, coercion or intimidation because they have raised a concern under this reporting mechanism should inform the Compliance Officer immediately. CDC will treat any such treatment of a staff member as a serious disciplinary matter

2.6 Complaints

While the above Sections relate to reports from staff, genuine reports of misconduct or malpractice from external parties are a valuable source of information which CDC encourages. Such complaints will be treated confidentially and investigated by the Compliance Officer. It should be noted, however, that these external complaints are distinct from internal whistle-blowing reports as the same legal protection against retaliation or reprisal does not apply as it does for protected disclosures made by staff members.

2.7 CDC Investee Companies

As part of its due diligence, CDC will satisfy itself that prospective fund managers and portfolio companies, have in place (or agree to an action plan to implement) policies, systems and procedures that:

- ✦ encourage and facilitate whistle-blower reports by their own staff;
 - ✦ deliver appropriate training to staff;
 - ✦ provide for the appointment of a senior manager to oversee the operations of such systems and procedures;
 - ✦ require regular reports to be presented to the relevant board or governing body on whistle-blowing issues arising during the course of business;
 - ✦ require an annual report to be presented to the board or governing body critically assessing the implementation and effectiveness of the whistle-blower policies, systems and procedures; and
 - ✦ in the case of fund managers, promote whistle-blower policies in the investments they make using CDC's capital.
- ✦ do not use 'gagging clauses' in employment contracts, settlement agreements or other contractual arrangements to prevent or discourage individuals from making disclosures in the public interest.

CDC requires every business in which its capital is invested, directly or indirectly through fund managers, to adopt and implement whistle-blower policies in accordance with local laws and international best practices.

CDC will support fund managers and portfolio companies to create, adopt and implement policies promoting whistle-blowing, where they do not already exist.

2.8 Reporting

The Compliance Officer will ensure that appropriate records of matters raised under this reporting mechanism are maintained.

The Compliance Officer will monitor and, at least once annually, report to CDC's Board of Directors on the workings and effectiveness of the policy on whistle-blowing and complaints and any reports received.

2.9 Training and Communication

CDC will communicate this policy and its implementation to its staff, fund managers who manage its capital and portfolio companies in which it invests.

CDC's annual report and accounts will include a report on the workings and effectiveness of this policy. CDC will publish a statement on its whistle-blowing and complaints policy on its website.



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