



Textile
Exchange

Whistleblower Policy

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Document revision

This policy will be formally reviewed every five years or sooner, if warranted.

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Version 1.0

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Purpose

Textile Exchange requires its directors, officers, staff, and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The purpose of this policy is to encourage and enable directors, officers, staff, and volunteers to come forward with credible information about any action or suspected action taken within Textile Exchange that is illegal, fraudulent, or violates any adopted policies of Textile Exchange.

Scope

The *Whistleblower Policy* applies to the Textile Exchange governance board (“directors”), executive officers (“officers”), staff (including staff employed through an Employer-of-Record and interim staff), and volunteers who provide substantial services to Textile Exchange. It addresses the reporting of illegal or unethical conduct in connection with the Textile Exchange finances, corporate policies, or other aspects of its operations, and the retention and treatment of such complaints.

Activities of individuals unconnected to the business of Textile Exchange are not covered by this policy. For example, if a staff shoplifts or a volunteer who is employed by another business engages in fraudulent practice in performing duties at that place of employment, those illegal activities would not be covered by this policy.

This policy is intended to supplement but not replace Textile Exchange’s unlawful harassment and discrimination, open door policy, and any other grievance policies and procedures, and any applicable state and federal laws governing whistleblowing applicable to nonprofit and charitable organizations.

When we find violations of this policy or any associated policies, we hold individuals accountable.

Responsible department

This policy is owned and approved by the Textile Exchange Chief Executive Officer.

Textile Exchange Legal Counsel maintains, implements, and administers this policy. This policy must be distributed to all directors, officers, staff, and volunteers of Textile Exchange.

References and related documents

- Discrimination, Harassment, and Retaliation Prevention Policy
- Grievance Policy
- Records Management Policy

Policy statement

Textile Exchange complies with the highest standards of financial reporting and lawful and ethical behavior. Textile Exchange has established procedures for the reporting of illegal or unethical conduct in connection with the Textile Exchange's finances, corporate policies, or other aspects of its operations, and the retention and treatment of such complaints, including confidential, anonymous submissions received from directors, officers, staff, and volunteers who provide substantial services to Textile Exchange.

The following are examples of violations that should be reported:

- Stealing or misappropriation of the Textile Exchange's funds, supplies, or other assets.
- Fraud or deliberate errors in the preparation, evaluation, review, or audit of any financial statement or accounting records of Textile Exchange.
- Authorizing or receiving compensation for goods not received or services not performed.
- Authorizing or receiving compensation for hours not worked or failing to account for unworked (but paid) hours as vacation, sick leave, or other paid time off.
- Pursuit of a benefit or advantage in violation of the Textile Exchange's Conflict of Interest Policy.
- Instances of bribery, where individuals or companies offer or accept payments to influence decisions or gain unfair advantages.
- Violations of labor and environmental laws.
- Unauthorized alteration or manipulation of the Textile Exchange documents or computer files in violation of the Textile Exchange *Records Management Policy*.

Reporting procedure

Textile Exchange has an open-door policy and encourages staff to share their questions, concerns, suggestions, or complaints with their supervisor or the People and Culture team. If any director, officer, staff, or volunteer of Textile Exchange has a concern regarding any action or suspected action taken by or within Textile Exchange that is illegal, fraudulent, or in violation of

any adopted corporate policy, that person should immediately submit a complaint to Legal Counsel. Individuals may identify themselves or may submit complaints on a confidential, anonymous basis, either orally or in writing. If a violation concerns Legal Counsel or the complainant is not comfortable reporting to Legal Counsel, the complainant should submit the complaint to the head of People and Culture. Issues arising under Textile Exchange's equal employment opportunity policy, including the *Discrimination, Harassment, and Retaliation Prevention Policy*, staff benefit policies and issues generally handled by the People and Culture team are not covered by this policy. Mechanisms for resolving such issues are addressed in separate policies and procedures.

Acting in good faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith, without malice to Textile Exchange or the individual, and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Textile Exchange encourages anyone reporting a violation under this policy to identify themselves to facilitate the investigation. However, violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation, to comply with all applicable laws, and to cooperate with law enforcement authorities. Furthermore, Textile Exchange will explore anonymous allegations to the extent possible but will weigh the prudence of continuing such investigations against the likelihood of confirming the alleged facts or circumstances from attributable sources.

Investigation

Legal Counsel or the head of People and Culture is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved, unless they believe that the complaint was not made in good faith or unless the complaint was made anonymously and does not contain sufficient information to investigate. Legal Counsel or the head of People and Culture may, at their discretion, direct any investigation to be conducted by others, such as outside legal counsel, accounting, or other advisors. Investigations will be conducted with as much confidentiality as is possible and practical. In all cases, Textile Exchange will use best efforts to act with discretion.

Review

After the investigation is complete, the Nominations and Oversight Committee of the Textile Exchange board will receive a written report of the investigation, its findings, and any action taken or proposed. The Nominations and Oversight Committee will inform the Board if any complaint is confirmed to have merit or if the Nominations and Oversight Committee otherwise believes that the Board should be made aware of the situation. Legal Counsel or the head of People and Culture will ensure the appropriate resolution of any violations reported, subject to the Nominations and Oversight Committee's oversight. Legal Counsel or the head of People and Culture will use best efforts to ensure that records of all complaints are maintained in accordance with the Textile Exchange *Records Management Policy*.

Legal Counsel will advise the Nominations and Oversight Committee of all complaints and their resolution and will report at least annually to the Chair of the Nominations and Oversight Committee on compliance activity relating to accounting or alleged financial improprieties.

No retaliation

No director, officer, staff, or volunteer of Textile Exchange who, in good faith, reports any action or suspected action taken by or within Textile Exchange that they perceive to be illegal, fraudulent, or in violation of any adopted Textile Exchange policy shall suffer intimidation, harassment, discrimination, or other retaliation or, in the case of staff, adverse employment consequences. Textile Exchange will impose disciplinary measures against anyone who threatens or retaliates against a person for making a complaint in good faith pursuant to this policy or for participating in an investigation. However, any director, officer, staff, or volunteer who deliberately or maliciously provides false information may be subject to disciplinary action, up to and including termination of employment.

This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.