

## 6.4. Compliant Handling / Whistle Blowing Policy

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### A. Introduction

An important aspect of accountability and transparency is a mechanism which enables all individuals to voice concerns internally in a responsible and effective manner when they discover information which they believe shows serious risk for, or malpractice in, PPAF. The term “Whistle Blowing” is used to describe the proactive approach taken within the Organization by its employees and the stakeholders to disclose a wrong doing or malpractice to the appropriate forum within the Organization and serves as a key element in safeguarding PPAF’s integrity, and, encourages and enables employees to raise concerns rather than overlooking the matters of concern.

PPAF’s policy enables staff and other stakeholders to report irregularities, malpractice or wrongdoing, affecting PPAF, in a responsible and effective manner, without having to fear that their action may have adverse consequences.

### B. Objective

The objective of the policy is to establish appropriate and timely handling of the receipt, retention, and treatment of alleged malpractices / misconduct. Further, this will provide a means for discreet and confidential channel for escalation of concerns without fear of reprisal.

### C. Scope

The policy is applicable to the following stakeholders:

- All regular; project based; short terms contractual employees, outsourced staff, trainees and interns of PPAF.
- Donors / BoD & GB members
- Partner Organizations / Community Institutions
- Banks, academia, government departments and Corporate partners having agreement / MoU / relationship with PPAF
- Suppliers and other service providers under contract with PPAF

Anonymous complaints however, shall not be entertained.

#### 1. Responsibility:

There will be a Whistle blowing Committee (WBC) comprising one GH (as nominated by the CEO), Chief Internal Audit and Head HR which will assess the reasonableness / adequacy of such reporting and will recommend investigation, if needed, after concurrence of CEO. The Chief Internal Audit shall be in-charge of the WB committee and will be responsible for execution and compliance of this policy. The committee may also call the accused after the initial investigation. The CEO will have the authority to decide the final course of action. If the complaint / allegation is against any member of the committee, the Whistle Blower may report

the matter to the CEO. If the complaint / allegation is against the CEO, the WBC may report the matter to the BoD.

HR Unit will, however, be the custodian of this policy.

## **2. Confidentiality & Protection of Whistle Blower:**

WBC is committed to this policy and encourages the staff to blow the whistle if there is a genuine concern that a malpractice has occurred or is occurring. It is however expected that the Whistle Blower will raise the concerns in good faith and without any malice and that the charges contained in his/her complaint are substantially true. Information passed on through whistle-blowing will be kept confidential to the extent possible to protect the reporting person as well as the accused from any consequent discrimination or unfair treatment. If such a complaint is made in good faith acting in the best interest of PPAF, the whistleblower will be protected against any unfair treatment from his/her colleagues, or management, as a consequence.

## **3. Harassment or victimization of Whistle Blower:**

This policy provides a discreet and confidential channel for escalation of genuine concerns without fear of reprisal. Any form of harassment, victimization or retaliation undertaken by a staff member against any person for reporting an irregularity in good faith is prohibited and considered to be a breach of the loyalty and professional ethics requirements of the Code of Conduct. In such a case disciplinary measures shall be taken against that person. Where a case of false whistle blowing arises, the whistle blower may be subject to disciplinary action following an investigation into the case.

## **D. Procedure**

### **How to blow the whistle / raise a concern:**

1. If someone has a concern about a malpractice or any wrongdoing, he/she is encouraged to report / highlight it to his/her immediate supervisor, or directly to any member of Whistle blowing Committee (WBC). Management also encourages that the concerns on the actual / potential wrongdoing must be raised using any of the following methods:
  - In writing under private and confidential cover to the Whistle Blowing Committee at PPAF's address House # 14, Street 12, Mauve Area G-8/1, Islamabad, 44000, Pakistan.
  - All written concerns can also be sent through email at [whistleblow@ppaf.org.pk](mailto:whistleblow@ppaf.org.pk) or through fax at +92-51-2282262 or through visiting our website [www.ppaf.org.pk](http://www.ppaf.org.pk)
  - By calling to any member of Whistle Blowing Committee at 0092 51 8439450-79.

2. The Whistle Blowing Committee (WBC) after assessing the reasonableness/adequacy of such reporting may initiate investigation if needed within one (1) month of receiving the complaint. The investigations may either be done internally or referred to an independent investigator as determined by the CEO. The WBC will share the status of complaints received with the CEO on a weekly basis. If the WBC thinks that there are no valid grounds to initiate an investigation, it will even then report the matter to the CEO, stating clearly why an investigation had not been commenced. The person who raised the concerns will also be informed of such decision simultaneously. The committee will share the final report of investigation to the CEO and, if necessary, to the Board through CEO after resolution of the complaint.  
Each concern received by the WBC to be logged and assigned a code that will be used in the investigation and reporting of the concern.  
A person who is investigating any concern under this policy shall be empowered to get information from the relevant persons and the concerned departments of the Company shall also cooperate with him.  
At the end of the investigation, a written report that provides the findings, basis of findings and a conclusion as to whether or not the allegations are substantiated is to be submitted to the CEO for necessary action  
Head of WBC will produce a quarterly report documenting all concerns and the actions taken to resolve them for the review of Board Audit Committee as separate agenda item  
Records of all whistle blowing concerns, investigations, and reports are to be retained for at least five (5) years.
3. The WBC shall inform to the whistleblower within seven (7) days, from the date of receipt of the concern, acknowledging that the concern was received and informing that the matter will be dealt with as per Company policy. Disclaimer clause (given here below) shall be made part of the communication with the whistle blower

*Disclaimer: “The Company is thankful to you for raising the Concern. The Company is committed to investigating your ‘Concern’ in accordance with its Whistle blowing Policy and to maintain confidentiality – as far as possible – of your name and the information received from you. Please note that this is only an acknowledgement of receipt of a ‘Concern’ raised by you and it does not confer any right upon you or any other person to take or demand any action against the Company or its employees on the basis hereof.”*

#### 4. Treatment of False Allegations

Deliberately making a false concern is also an allegation under this policy. This is not meant to discourage or limit the rights of individuals from raising concerns of alleged malpractices or wrongdoings. The organization recognizes that, in some instances, it may not be possible to determine whether a report/action is indeed based on truth. Employees should not be reluctant to report information because they are uncertain of who will be believed and whether the allegation can be proved.

At the same time, it is expected from all employees to refrain from rumor mongering, irresponsible behavior and false allegations and if staff makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, staff makes malicious or vexatious allegations, disciplinary action may be taken against them as per Company policies, rules and regulations.

#### 5. Possible Instances of malpractices

Non-exhaustive lists of instances of malpractices that may trigger whistle blowing are cited below for reference which may be amended from time to time.

1. Breach of PPAF's Policies / Manuals or any action that is unlawful or may damage the reputation of PPAF.
2. Fraud or deception with the intention of gaining an undue advantage, avoiding an obligation or causing loss to another party.
3. Forgery or alteration of financial / non-financial documents or account belonging to PPAF.
4. Direct or indirect involvement in misappropriation of funds, supplies or other assets.
5. False reporting / representations of fact, whether by words or by conduct, to other stakeholders.
6. Taking or giving bribes or any illegal gratification.
7. Disclosure of confidential information.
8. Matters which give rise to harassment, discrimination or other unfair employment practices.
9. Any act in violation of Safety Health & Environmental standards applicable to the business.

This does not, however, include a personal grievance which should rather be pursued through the line managers in accordance with staff Code of Conduct policy. This policy is also not intended to be used for reporting career related issues e.g. grievances linked with appraisal, lack of promotion, etc.

This Policy shall be in addition to the matters provided in the PPAF HR Manual.