

WHISTLEBLOWING POLICY

**FAUJI
FERTILIZER
COMPANY
LIMITED**

2020

1. **PREAMBLE**

Fauji Fertilizer Company (henceforth 'FFC/ the Company') is a quality conscious company, which employs all available methods and processes to identify fault lines and take timely action to address these in the larger interests of the Company. The Company is committed to the highest possible standards of honesty, excellence, consistency, compassion, fairness, integrity and accountability. The Company's Whistleblowing Policy (henceforth 'the Policy') encourages all employees to raise serious concerns rather than overlooking a problem.

The Policy applies to all employees, management and the Board. They are encouraged and have been enabled to participate without fear of reprisal or repercussions, in confidentiality, under defined reporting channels, with initial reporting to immediate supervisor, and where this is impracticable, to report directly to the management.

The Whistleblowing Policy does not apply to employees' career related issues like promotions, transfers, relocations, trainings etc. for which separate grievance procedures exist. Under the Policy, anonymous concerns shall not be taken into consideration.

2. **OBJECTIVES**

- 2.1 To encourage confidence in all employees and other associated individuals to question and raise concerns in the interests of the Company.
- 2.2 To provide avenues for confidentiality of concerns raised and allow feedback on corrective measures employed.
- 2.3 To ensure existence of a mechanism that allows a whistleblower to monitor and, where required, act against the unsatisfactory proceedings.
- 2.4 To reassure a whistleblower of protection from possible reprisals or victimization.

3. **SCOPE**

The Policy covers following concerns:

- 3.1 Conduct by anyone, which is an offence / breach of law or failure to comply with legal obligations
- 3.2 Violation / non-compliance of Company's policies / procedures.
- 3.3 Health and safety risks, including risks to the public as well as other employees.

- 3.4 Damage to the environment, Company assets and corporate image.
- 3.5 Possible fraud / corruption / incorrect financial reporting with mala fide intentions.
- 3.6 Illegal use of sensitive Company data.
- 3.7 Actions which are unprofessional, unethical, inappropriate or are in conflict with a general understanding of what is right
- 3.8 Workplace harassment.
- 3.9 Unauthorized use or access to Company property.
- 3.10 Insider trading.
- 3.11 Non-adherence to the principles of FFC's Code of Conduct.

4. DEFINITIONS

The relevant terms are defined in Annexure 'A' to the Policy.

5. SAFEGUARDS AGAINST VICTIMIZATION

- 5.1 The Company recognizes that the decision to report a concern can be difficult. However, if the report is true and well-intended, the whistleblower has nothing to fear because the report shall be in the line of duty towards the Company and/or for those to whom we provide our services.
- 5.2 No harassment or pressure towards the whistleblower shall be tolerated and the Company shall take appropriate actions to protect all such individuals.

6. CONFIDENTIALITY

- 6.1 All concerns raised will be treated in confidence and, wherever required, every effort will be made to maintain confidentiality of the whistleblower's identity. At the appropriate time, one may however, need to come forward as a witness.
- 6.2 The Policy encourages all to believe that disclosure of concerns is in the Company's interest. It however cautions all concerned not to act maliciously or make false allegations. Similarly, one must not seek any personal gain through this Policy.

7. WHISTLEBLOWING UNIT

The Whistleblowing Unit will comprise of the following officials of the Company:

- 7.1 Permanent Member – Chief Internal Auditor.
- 7.2 Permanent Member – Company Secretary.
- 7.3 Independent Member – To be approved by the CE&MD upon recommendation of permanent members.

8. PROCEDURE

8.1 RAISING CONCERN

- 8.1.1 The employees shall normally raise concerns with immediate supervisor/manager. Depending upon the seriousness/sensitivity of the issues involved, a senior level of management within respective division/department may be approached. If the issue is not addressed at divisional / departmental level or warrants reporting to the higher level, Whistleblowing Unit may be approached. All others may raise their concerns directly to the Whistleblowing Unit.
- 8.1.2 All concerns are to be reported in writing to ensure a clear understanding of the issue being raised. It must contain the background, the nature of concern, relevant dates and timings where possible, the reasons for the concern and the names of individuals against whom the concern is being reported.
- 8.1.3 Whistleblowers may report their concerns through the following methods:
 - 8.1.3.1 **Confidential Call** - To make a confidential call; the Unit members are available on the following telephone numbers: **051-8453501 & 051-8453101**
 - 8.1.3.2 **E-mail** – **whistleblowing@ffc.com.pk**, which shall only be accessible to the Whistleblowing Unit
 - 8.1.3.3 **Regular Mail** – Captioned 'Whistleblowing FFC, Sona Tower, 156, The Mall Rawalpindi'.
- 8.1.4 In case a concern is against any member of the Whistleblowing Unit itself, the same may be reported directly to the Managing Director.

8.2 HANDLING CONCERN

- 8.2.1 Each concern received by the Whistleblowing Unit is to be logged and assigned a code that will be used in the subsequent investigation and reporting of the concern.
- 8.2.2 Initial inquiries / assessments will be made by Chief Internal Auditor in consultation with other members to determine whether an investigation is appropriate and the form that it should take. Some trivial concerns may be resolved by agreed action without the need for investigation.
- 8.2.3 An investigation will only be conducted if available information is sufficiently specific and if it contains adequate corroborative evidence to warrant an investigation.
- 8.2.4 The Whistleblowing Unit in consultation with respective Head of Division / Department shall nominate a person either from within the department and/or from any other department to investigate the concern.
- 8.2.5 A person who is investigating any concern under this policy shall be empowered to seek information from the relevant persons and the concerned departments of the Company shall cooperate with him.
- 8.2.6 The investigation will be preferably completed within thirty (30) days from the lodging of concern.
- 8.2.7 The Whistleblowing Unit shall acknowledge receipt to the whistleblower within 07 days of receipt of the concern, with the indication that the matter will be dealt with as per Company Policy.
- 8.2.8 At the end of the investigation, a written report that provides the findings, basis of findings and a conclusion is to be submitted to the Managing Director.
- 8.2.9 Whistleblowing Unit should mutually decide about disposal of the concern and disseminate messages across the Company for avoidance of such incidents in the future.
- 8.2.10 Whistleblowing Unit will recommend to CE & MD for further investigation if required. In case of split decision, the case will be referred to CE & MD.
- 8.2.11 Chief Internal Auditor will produce a quarterly report documenting all concerns and the actions taken to resolve them for the review of CE & MD.

8.2.12 Records of all whistleblowing concerns, investigations, and reports are to be retained.

9. FALSE CONCERN

Deliberately raising a false concern will be considered an allegation under this Policy and may lead to a disciplinary action against the whistleblower.

10. DISCLOSURE TO EXTERNAL BODIES

Whistleblower Unit is not allowed to disclose internal concerns to any of the external bodies unless the concern raised involves legal provisions or disclosure is required by law.

11. AWARENESS AND TRAINING

11.1 Training and awareness sessions of employees, and supervisors / managers shall be conducted periodically.

11.2 Whistleblowing Policy shall be communicated to all new inductions together with their respective joining letter by HR.

11.3 Incoming Directors shall be communicated the Whistleblowing Policy and awareness sessions of the Board shall be conducted by the Secretary Office, as appropriate.

DEFINITIONS

In this Policy unless there is anything repugnant in the subject or context of its usage, the following expressions shall carry meanings hereunder assigned to them namely:

- “Allegations” means accusing before proving with evidence.
- “CE & MD” means the Chief Executive and Managing Director of FFC.
- “Concern” means the information about any alleged fraud, improper conduct or wrongdoing.
- “External Bodies” means any external person or group of persons or any state regulatory body or institution.
- “Fraud” means the commission of an illegal act or omission of legal duty by an employee of the company either for personal gain or for deliberately causing loss to the company.
- “Improper conduct or Wrongdoing” is defined as any fraudulent activity / theft / corruption, a substantial mismanagement of Company resources, any other violation of Company’s Code of Conduct, core values, misuse of Company’s fund / assets / belongings, a civil wrong or criminal act, improper conduct in Company’s operations; accounting; internal controls, auditing, or financial reporting and act detrimental to the interests of the company.
- “Victimization” means unwarranted singling out of an employee or group of employees or subjection to crime, exploitation, tort, unfair treatment, or other wrong.
- “Whistleblowing” means the voluntary disclosure of a concern by a whistleblower to the whistleblowing unit.
- “Whistleblower” means any employee, director, related officer, contractor, service user, customer, an ex-employee or any member of public, who makes or attempts to make a disclosure of improper conduct or wrongdoing or fraud to the Whistleblowing Unit.
- “Whistleblowing Unit” means the Organizational Unit of the Company, which is handling all concerns raised under the Whistleblowing Policy.