

# **BANK OF INDUSTRY LIMITED**

## **Whistle blowing Policy**

## SECTION 1:

### INTRODUCTION

Whistle blowing vary in terms of definition, depending on the role it is designed to play in the society at large and the organization in particular. A preferred definition states that whistle blowing is “Raising a concern about perceived wrongdoing within organizations or through an independent structure associated with it”. Whistle blowing can be a crucial instrument to detect and report corruption, fraud and mismanagement in the public, private and non-profit sectors. However, by disclosing wrongdoing or the risk thereof, whistleblowers often take high personal risks and may face retaliation, dismissal or even physical danger. At the same time, their disclosure is often not appropriately followed-up.

It is on this basis that the international community recognized the necessity of setting up appropriate mechanisms for whistleblower protection - most prominently is Article 33 of the United Nations Convention Against Corruption (UNCAC).

The Central Bank of Nigeria (CBN) recently introduced a new Code of Corporate Governance and Whistle Blowing guidelines, directing banks to formulate whistle-blowing policies and acquaint employees and stakeholders of same. **The policies are to contain mechanisms, including assurances of confidentiality that would encourage stakeholders to report any unethical activity to the bank and/or the CBN. Over and above this, banks are expected to render reports on quarterly basis on compliance with regards to whistle-blowing policies.**

Whistleblower protection mechanisms and assurances of confidentiality is a means of promoting accountability by allowing for the disclosure by any person of information (internal and external) about misconduct, whilst at the same time protecting the person against sanctions of any form.

## SECTION 2:

### SCOPE OF THE POLICY

This policy is designed to enable employees and other stakeholders of BOI to raise concerns internally and at a higher level and to disclose information, which the individual believes connotes malpractice or impropriety.

It is on this note that all employees, customers and other stakeholders are encouraged to raise genuine concerns about possible improprieties in the conduct of our business, whether in matters of financial reporting or other malpractices, at the earliest opportunity and in an appropriate manner. However, it is not designed to question financial and business decisions taken by Management nor should it be used to reconsider any matter previously investigated, of a human resource nature, such as harassment or grievance.

## 2.1: POLICY INTENT.

The policy is designed to:

- Support our values and promote good corporate governance;
- Ensure employees can raise concerns without fear of reprisal or suffering retaliation;
- Protect the “whistle-blower” from victimisation and dismissal if they raise concerns in good faith;
- Provide a transparent and confidential process for dealing with concerns;
- Adhere strictly to the Whistle blowing guidelines as contained in the Central Bank of Nigeria’s (CBN) revised new Code of Corporate Governance for Banks in Nigeria.

Whistleblower protection is therefore essential to encourage the reporting of misconduct and fraud. Providing effective protection for whistleblowers will support an open organizational culture where employees are not only aware of how to report, but also have confidence in the reporting procedures. It is expected to help prevent and detect bribery in commercial transactions. The protection of both public and private sector whistleblowers who in good faith report suspected acts of corruption and other wrongdoings, is therefore integral to efforts to combat corruption, safeguard integrity, enhance accountability and support a clean business environment. It is for this purpose that the Protected Disclosure Framework becomes an integral part of this policy to provide a robust protection platform for potential whistle blowers and quality reporting devoid of negative motives or malicious tendencies as the case maybe.

Also note that this policy does not only cover possible improprieties in matters of financial reporting, but also include the following:

- Fraud and financial malpractices.
- Improper conduct or unethical behaviour: collusion, bribery or blackmail.
- Criminal offences.
- Failure to comply with legal or regulatory obligations.
- Endangering the health and safety of other individuals.
- Endangering any element of the corporate environment.
- Covering up any wrongdoings and the concealment of any of the above.

Note: *Whistle blowing in this context excludes cases involving personal complaints about other colleagues (human resource issues) breach of customers’ rights. The human resource manual and the BOI Customers Service Charter (CSC) clearly outline appropriate means of handling cases of this nature.*

## 2.2: POLICY TARGET?

This policy covers situations where an individual (the whistle-blower) raises a concern about a risk, malpractice or wrongdoing that affects others such as clients, suppliers, other staff and the firm in the course of business operations.

## **2.3: TO WHOM DOES THE POLICY APPLY?**

This policy applies to everyone who carries out work for BOI – Head Office, Zonal Offices and Subsidiaries, including:

- All employees;
- Customers and Suppliers;
- Contractors and subcontractors
- Investors;
- Partners
- Consultants
- Work experience or other trainees (including Youth Corpers & Interns).

## **SECTION 3:**

### **PROTECTED DISCLOSURE FRAMEWORK:**

The Protected Disclosure Framework is in compliance with the CBN's directive to incorporate mechanisms, including assurances of confidentiality in the whistle blowing policy, so as to ensure that it is premised on a strong and effective governing framework that may create a meaningful safe alternative to silence for the whistle blower. In other words, the framework as stated below aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do so. This framework is benchmarked against best practice, following a cursory investigation of those of reputable organizations and is subject to periodic review.

- i) Considering that BOI's Management is committed to good corporate governance, high ethical standards and sound risk management and compliance, it follows that all whistle blowing cases and concerns raised by staff and other stakeholders will be handled with utmost professionalism. In the event that the concern turns out to be untrue, the employee will not be punished as long as the person had reasonable suspicion of wrong - doing.
- ii) Employees that raise genuine concerns are entitled to fair briefings/updates in the process of the investigation.
- iii) Employees have the option of either discussing the concerns with their line managers or engaging directly in whistle blowing.
- iv) Going by best practice, a three-man panel comprising executives occupying offices considered to be the most ethical offices in the Bank i.e. the Managing Director/CEO, Legal Adviser/Company Secretary and the Head, Internal Control/Audit shall be set up to whom all concerns pertaining to whistle blowing, shall be directed. However, the 3-man panel shall be responsible for the handling of all whistle blowing cases raised in the bank, under the various contexts as follows:

- ⇒ The three-man panel could also appoint an in-house ad hoc committee to investigate a matter and report back its findings (with recommendations subject to the endorsement of the three-man panel).
  - ⇒ Certain cases requiring partial outsourcing to an ethical partner as engaged by the Bank, may be so referred and such referrals shall be based on the discretions of the three-man panel and shall seem to be a situation of last resort. Following the rules of engagement, the partner is obligatorily bound to report its findings, without recommendations to the three-man panel for their necessary action.
- v) If a whistle blower is subsequently dismissed over actions that seem not to be connected with previous case/cases of whistle blowing, the onus or burden of proof must be on the Bank to prove that such action was not based on the disclosure by the whistleblower, but was informed by a different consideration.
- vi) To create a culture that encourages timely whistle blowing (ie immediately action rather than swallowing the whistle till the damage is done) by employees in order to prevent damage and minimize to the barest minimum, exposure to consequential hazards, the policy incentivizes internal whistle blowing amongst employees. Such incentives should include, but not limited to the following: financial incentives such as bonus, promotion, special corporate awards or recognition.

## **SECTION 4**

### **SAFEGUARD MECHANISMS**

Safeguard Mechanism are some of the internal approaches designed in response to the CBN code of corporate governance and highlighted under the protected disclosure framework, to provide assurances of confidentiality and protection to the whistle blower.

#### **4.1 CONFIDENTIALITY**

Every effort will be made to keep the identity of the whistle blower confidential, at least until any formal investigation is undertaken. In order not to jeopardise the investigation into the alleged malpractice, the Whistle blower will also be expected to keep confidential the fact that a concern has been raised, the nature of the concern and the identity of those involved.

However, the nature of the investigation might necessitate a disclosure of the identity of the whistle blower, which may occur in connection with associated disciplinary or legal investigations/proceedings. It is the Bank's view that in the event of such situations, efforts shall be made to inform the whistle blower of the need for identity disclosure to enable participation in the investigation and provision of further assistance to the investigating panel. Nevertheless, the fact of original disclosure will, so far as is reasonably practicable, be kept confidential and all practical steps of protection will be taken.

Equally, should an investigation lead to a criminal prosecution, it may become necessary for the whistle blower to provide evidence or be interviewed by the appropriate investigating agency. In such circumstances, again, the implications of confidentiality will be discussed with the whistle blower.

## **4.2 ANONYMOUS REPORTING**

Anonymous disclosures are very difficult to act upon, if there is little or no corroborated evidence to substantiate the allegations. Proper investigation may prove impossible if the investigator is unable to obtain further information from the whistle blower, nor provide feedback or even ascertain whether such disclosure was made in good faith. The bank would only encourage anonymous reporting if there is sufficient evidence to aid further investigation, otherwise such reporting shall be totally discouraged.

Nonetheless, the policy does not prohibit anonymous reporting and as such the BOI will treat and consider such concerns on a discretionary basis, as credibility might be in question. In exercising this discretion, the factors to be taken into account will include:

- The seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources

## **4.3 PROTECTIONS AND SUPPORT FOR THE WHISTLE-BLOWER**

Once a disclosure is made, a staff chosen by the three-man panel will be allocated as the “**Primary Contact Person**”. He or She will be responsible for keeping the whistle blower abreast with developments arising from the course of the investigation and also provide any specific support that the whistle blower may need thereon.

This policy is designed to offer protection to any employee, as well as other recognized stakeholders, who raise genuine concerns or disclosure in good faith that a malpractice or impropriety has occurred against discrimination. Discrimination here implies that the BOI cannot retaliate by taking "adverse action" against those listed above (section 2.2).

**Discrimination** will include, but not limited to the following:

- Firing or laying off
- Blacklisting
- Demoting
- Denial of promotion
- Denial of benefits
- Failure to hire or rehire
- Intimidation

- Making threats
- Reassignment affecting prospects for career growth
- Reduction of welfare package or allowances

## SECTION 5:

### PROCEDURE FOR RAISING A CONCERN

If any employee or any other listed stakeholder believes reasonably and in good faith that malpractice exists in the workplace/organization as described above, then he or she should report this immediately by sending an email to [whistleblowing@boinigeria.com](mailto:whistleblowing@boinigeria.com) or make a report using the online platform provided (Whistle blowing section) on the BOI website ([www.boinigeria.com](http://www.boinigeria.com)). All concerns may be raised either verbally or in writing and should include supporting evidence. The whistle blower has the right to request that his identity be kept confidential or disclosed under normal circumstances as earlier pointed out.

However, if the whistle was blown against any of the 3-man panel, then the mail should be sent to the other two persons-free of accusation- including the Chairman of the Board's Governance/Malpractice (if constituted) for further investigation.

If the whistle blower is unable to use any of the above options, the person should contact any of the members of the 3-man panel: the Company Secretary/Legal Adviser, the Head, Internal Control/ Audit or the Group Managing Director/CEO in person at BOI House, 23 Marina, Lagos Island, Lagos.

Their contacts are as follows: – **Managing Director/CEO** - Email: [rolaoluwa@boinigeria.com](mailto:rolaoluwa@boinigeria.com); **Company Secretary/Legal Adviser** – Email: [eonoji@boinigeria.com](mailto:eonoji@boinigeria.com); **Head, Internal Control & Audit** - Email: [sekedayan@boinigeria.com](mailto:sekedayan@boinigeria.com).

## SECTION 6:

### INVESTIGATION PROCEDURES

All disclosures will be taken seriously and in strict adherence to the under listed procedures:

1. All disclosures under this policy will be acknowledged in writing confirming that the matter will be investigated and that BOI will get back to the whistle blower within the shortest possible time, **not later than two weeks** from the date of notification of the malpractice. However, the whistle blower

might be asked to provide more information if there are grounds for more detailed explanation in the course of an investigation, which might further protract the response time.

2. The three-man panel will immediately assign the whistle blower with a “**primary contact person**” who will be responsible to revert on all proceedings through out the course of the investigation. The person so appointed will act as a counsel and offer required support and protection to the whistle blower, stemming from the level of disclosure made.
3. The three-man panel on a case by case basis might appoint an in-house ad hoc investigation panel or committee to review cases arising from whistle blowing, and such committees must not include any staff from the division or group of the “accused”.
4. Any individual or persons so appointed to be a part of the investigating team would have had no previous involvement in the matter.
5. In the case of contracting a third party service that involves the use of an external ethical partner, the terms of engagement would define the nature of cases to be transferred to the ethical partner.
6. If it is found that there is no sufficient evidence of malpractice, or the actions of the individual(s) are not serious enough to warrant disciplinary action, it may be more appropriate for the Committee to take a more informal approach to dealing with the matter.

The following are the possible outcomes/actions that might follow any investigation:

- Disciplinary action (up to, and including dismissal) against the wrongdoer if allegations are substantiated or;
- Disciplinary action (up to, and including dismissal) against the whistle-blower, if the claim is found to be malicious or otherwise in bad faith; or
- No action if the allegation proved unfounded.
- If the whistle blower is not satisfied with the response received, he is at liberty to raise the matter with the three-man panel outlining his reasons in detail.
- If the whistle blower had requested for his identity to remain anonymous, care will be taken to respect such request in line with the rules of confidentiality. (Please refer to the section on confidentiality above).

## **SECTION 7:**

### **EVALUATING THE EFFECTIVENESS OF WHISTLE BLOWING**

In line with the CBN Code of Governance, banks are expected to render reports on quarterly basis on compliance with regard to whistle blowing policy. It is on this basis that the systematic collation of data and information of reported incidences or cases, as well as follow-ups and outcomes become imperative for onward submission to the CBN. In addition to the above, the outcomes on reported cases and related feedback could also assist periodic reviews of the policy for more effectiveness.