Whistle-blowing Policy

Policy Statement

Blowing the whistle means informing a third party of something wrong that a person or organization has done or is currently doing. Therefore, "whistle-blowing" is defined literally as when a party, acting in good faith, expresses or transmits a concern, allegation, or information indicating that an illegal behavior is currently taking place or has already taken place within the NZT or in NZT's financed operation.

By blowing the whistle on misconduct in an organization, one alerts the organization to the fact that its stakeholders are being wrongfully put at risk or have been, or are being, harmed.

The policy provide a framework to the employees, volunteers, consultants, SRs, clients, all Operational Units, Residential Units and Board Members (hereinafter collectively referred to as **"Affiliates"**) for reporting any activity, including a suspected activity, of which they may have knowledge, or reasonably believe, is prohibited under the NZT Code of Conduct (hereinafter referred to as the "Code"), applicable laws, or is otherwise detrimental to the reputation and/or objective of NZT (hereinafter collectively referred to as "Prohibited Activities").

Introduction

Nai Zindagi Trust (NZT), a non-profit organization was founded in 1989 by a group of people who had personally experienced the effects of drug use and HIV. It offers a variety of rights and need-based services to people who use drugs, their spouses/sexual partners and families. In close collaboration with our beneficiaries, NZT works towards the prevention of HIV transmission, the reduction of drug use-related hazards, and the creation of possibilities for socioeconomic rehabilitation. These efforts are founded on innovations, data, and contextual and cultural appropriateness. The organization reaches people who use drugs, their wives, intimate partners and children with comprehensive HIV prevention services in Pakistan and provides treatment, care and support to persons already living with HIV and AIDS, on a regular basis.

NZT is responsible for management of funds, including proactively protecting these funds from misuse or misappropriation so that they can reach their intended destinations for intended purposes.

The mismanagement or embezzlement of funds at NZT is a serious breach of trust, for two obvious reasons:

- First, the intended beneficiaries — namely those living with HIV AIDS/PLHIV will be harmed because funds intended for them are diverted and not used for their benefit.
- Second, donors cannot be expected to continue to fund irresponsibly or wastefully managed resources.

Why Whistle-blowing Policy?

The main purpose of this whistle-blowing policy is to help the NZT exercise its duty of trust to protect its funds and to protect employees from behavior that does not adhere to the NZT's vision and mission. The policy applies both to internal whistleblowers (Nai Zindagi employees), and to external consultants/third parties involved with program.

This Policy is to provide a framework to the employees, volunteers, consultants, partners, clients, all Operational Units and Residential Units (hereinafter collectively referred to as "Affiliates") for reporting any activity, including a suspected activity, of which they may have knowledge, or reasonably believe, is prohibited under the NZT Code of Conduct (hereinafter referred to as the "Code"), applicable laws, or is otherwise detrimental to the reputation and/or objective of NZT (hereinafter collectively referred to as **"Prohibited Activities"**).

Who should report misconduct and what should be reported?

All NZT stakeholders, including funding agencies, auditors, sub-recipients and board members, employees and clients have a duty to report past or present misconduct in relation to any activity of NZT. This includes but is not limited to any of the situations listed below:

i. Misconduct by employee or consultant of Nai Zindagi Trust

ii. Theft or diversion of funds or other assets (including embezzlement or theft of assets);

iii. Fraud against NZT (e.g. bribery, kickbacks, inappropriate gratuities, forged signatures, false travel declarations, travel with no legitimate purpose);

iv. Intentionally communicating false information (including false financial or programmatic reporting and other misrepresentation of information) and inappropriate disclosure of information;

v. Waste or misuse of resources, assets and monies (e.g. knowingly purchasing expired drugs, providing faulty test kits);

vi. Unethical conduct (Conduct that undermines universal, core ethical values, such as integrity, respect, honesty, responsibility, accountability, and fairness), including issues related to human rights violations related to the programs;

vii. Actions damaging Nai Zindagi's reputation;

viii. Abuse of power or authority;

ix. Mismanagement;

x. Inappropriate use of program assets;

xi. Non-compliance with the organizational Procurement Policies (including irregularities in tender processes);

xii. Maladministration (for example, failure to take proper action to rectify reported problems, failure to respond to complaints);

xiii. Conflict of interest;

xiv. Product substitution and counterfeit drugs

Who are whistle-blower reports made to?

Whistle-blower reports are made to the **Internal Audit department** of the Nai Zindagi. The Internal Audit department provides NZT with independent and objective assurance over the design and effectiveness of controls or processes in place to manage the key risks impacting the NZT's programs and operations, including the quality of such controls and processes.

Further contact details of NZT can be found on the organizational official web-pages through the link: **https://www.naizindagi.org/**

NZT's audit department and designated team have been instructed to provide appropriate mechanisms for whistleblowers to report any irregularities. All whistleblower reports are reviewed and followed up appropriately. Allegations that require investigation in areas under the responsibility of Human Resources (HR) Department will be reviewed at the discretion of the Human Resources Director in consultation with the Internal Audit. In making this determination, factors considered will include, but are not limited to, an assessment of the seriousness of the allegations and the extent to which the allegations can be substantiated by possible sources.

Independence of whistleblowing unit

For the purpose of independence, whistle blowing unit has been established under the umbrella of Internal Audit Department. As Reporting Point should be an independent person, Head of Internal Audit will be the reporting forum. On receipt of communiqué, Head of Internal Audit (after preliminary review) may ask the whistleblower to submit more information. Head of Internal Audit will then evaluate the course of action and proceed accordingly.

Assurances of confidentiality and anonymity

NZT is committed to protecting whistleblowers and provides the option to treat all whistleblower reports as confidential or anonymous. The choice between confidential or anonymous reporting lies solely with the whistleblower.

What is the difference between confidential and anonymous whistle-blowing?

Allegations notified to the internal audit department of NZT may be made confidentially (in which case the individual's identity will be known only to the internal audit department and will be kept confidential or anonymously (in which case no one, including NZT's management, will know the identity of this person).

If a person provides their personal information in a confidential report, NZT will not disclose that information unless that person agrees to it. It is important to note that NZT's confidentiality can only be fully effective if the whistleblower also maintains confidentiality.

Anonymous reports are sometimes difficult to assess when more information cannot be obtained from the complainant. Therefore, if an allegation is made anonymously, the allegation should be as complete as possible, providing as much detail as possible so that the investigator i.e. audit department can track down information that may be necessary to pursue the investigation and include any supporting documentation. As a result, whistleblowers are encouraged to report misconduct confidentially, as such reporting is likely to have the greatest impact as NZT will be more likely to pursue complaints and possibly ask the complainant for clarification, if and when necessary. To be actionable, final claims must be supported by sufficient evidence to conclude that misconduct has occurred.

Whistle-blower protection

Both confidential and anonymous whistle-blowing options are aimed at safe reporting.

NZT is also committed to preventing those who benefit from wrongdoing from seeking revenge or falling victim to a whistleblower for the loss or possible loss of such illicit interest. NZT will not tolerate any act of retaliation, i.e. any act of discrimination, harassment or retaliation, directly or indirectly, proposed, threatened or committed against the whistleblower or their relative or associate by any person because the whistleblower has made a disclosure under this policy in good faith, reasonably believing it to be true.

The reporting process allows for confidential or anonymous reporting, while protecting the identity of the reporter to the greatest extent possible. When an individual reports under this policy in good faith, reasonably believing it to be true, there will be no retaliation against that individual if the disclosure is found to be incorrect or false.

In the event of an allegation of retaliation by the Head of the Department, Manager, and Supervisor or any other employee of NZT, the internal audit department will prepare a review of the allegation and present it to the Executive Director to take action or investigate. In the event of an allegation of retaliation by the Executive Director, the internal audit department will prepare a review of the allegation and submit it to the Board Audit Committee for action or investigation.

In the event of an internal whistleblower, when deeming it necessary, the NZT Human Resources Department may recommend the temporary re-assignment of an individual alleged to have been subject to retaliation or other appropriate measures to protect from further acts of retaliation. Any such recommendations will be submitted only with the approval of the relevant employee and appropriate steps will be taken to protect employee confidentiality to the greatest extent possible.

Reporting under this policy in no way protects whistleblowers from penalties arising from their own misconduct. In other words, denunciation is not a "loophole" for complicity in wrongdoing.

Self-reporting of Prohibited Activities

NZT encourages its Affiliates to disclose any prohibited activity they may have engaged in, whether individually, to another Affiliate or to a third party. In the event that an Affiliate self-reports prohibited activity, NZT will work with that Affiliate to resolve any issues that may arise as a result of the Prohibited Activity. NZT will enforce discipline fairly and equally; and will otherwise conduct itself in a manner consistent with its obligations and responsibilities.

Submission of False Report

The act of deliberately making a false report is also covered under this policy. This is not meant to discourage or limit the rights of individuals from making reports of alleged malpractices or wrongdoings. NZT recognizes that, in some instances, it may not be possible to determine whether a report / action is warranted. WBs should not be reluctant to report information because they are uncertain of who will be believed and whether the allegation can be proved.

It is expected from all the employees/affiliates to refrain from rumor mongering, irresponsible behavior and false allegations. However, if an affiliate makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against him / her. If, however, an affiliate makes malicious allegations, disciplinary action may be taken against such affiliate e. g penalties may be imposed for e.g. termination and/or court cases.

How to Report Complaints and Concerns

Any Affiliate may confidentially report any complaint or concern in good faith regarding activity prohibited under this Policy. All concerns or complaints must be made in writing and sent, in a sealed envelope or by email and addressed to the Designated Officer, details provided below:

- Email: **whistleblower@naizindagi.com**
- Address: Internal Audit Department, Nai Zindagi Trust, Pak Land Trade Center, Second Floor, F-7 Markaz, Islamabad
- Phone Numbers:

Main City	Islamabad
Master Number/ UAN	0800-28741

Note: Contact information to report grievance/complaint placed visibly at Head Office, all Operational Units, Residential Units, SRs, and on motor bikes where clients and employees can easily read.

When filing a complaint or concern, Affiliates are encouraged to provide as much specific information as possible, including but not limited to:

a. The type of suspected misconduct you are reporting

b. Where and when did these events occur?

c. Who are the people involved and who have knowledge of the issues you are reporting?

d. How the alleged misconduct happened

e. Why do you think the behavior should be investigated and why are you reporting the matter

f. All documents and references to other sources supporting the claim

What happens after I make a report?

a. The Head of Internal Audit, after receiving the report, should assess the allegations to determine whether they pertain to employee related matters; to internal fraud; or to accounting, internal controls, auditing, or financial reporting matters.

b. Each report received by the Whistle Blowing Unit is to be logged into a tracking report and assigned a code that will be used in the investigation and reporting of the allegation. Access to files and reports is to be restricted.

c. The report will be put to the Head of Internal Audit who will then decide action plan on the report of WB

d. Initial inquiries / assessments will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved by agreed action without the need for investigation.

e. If on preliminary examination, the complaint raised or alleged in any complaint is found to be without substance or merit, the matter shall stand closed with approval of Head of Internal Audit and whistleblower may be informed of the decision with conclusion (if necessary).

f. The cases warranting investigation should be probed through internal audit department

g. An investigation will only be conducted if the information is sufficiently specific and contains adequate corroborating evidence to warrant an investigation. The need for confidentiality of all participants in the investigation must be honored to the extent possible.

h. Investigators must be competent, trained, independent, unbiased, objective, and ethical and observe legal and professional standards.

i. The WB will be furnished with acknowledgment of his / her complaint within 30 days extendable for another 30 days with the status whether further investigations will follow and may be corresponded with to seek further information / evidence during the course of probe (if required).

j. The Information about the outcome of any investigation should be given within 120 days of a concern being received (not applicable in case of complaints with Anonymous Disclosures).

k. The final investigation report will be forwarded to Executive Director in case disciplinary action is required against the staff for necessary action.

l. The action taken by NZT will depend on the nature of the concern.

m. Decisions made by the Whistleblower Unit are considered final within the scope of the organization's internal processes. These outcomes are based on thorough and impartial review to uphold the highest standards of ethics, fairness, and confidentiality.

Reporting Requirements

a. At the conclusion of a WB investigation, a written report that provides the findings, evidence gathered and a conclusion as to whether or not the allegations are substantiated is to be completed and logged into a tracking report.

b. The Audit Committee shall have the authority to, at any time, request a briefing regarding any investigation of a Complaint and any findings regarding a Complaint.

c. A tracking report documenting significant WB allegations and the actions taken to resolve them will be maintained.

d. Record of all response letters, complaints and documentation shall be maintained / compiled during the investigation.

e. Records of whistle blowing complaints, investigations, and reports are to be retained for at least FIVE years.

Definitions

In this policy, unless otherwise specified, following expression will carry meaning as explained below;

a. Allegations

This refers to accusing before proving with evidence or a concern or assertion that prima facie someone in the employment of the NZT did something illegal or committed a wrong doing, individually or in connivance with other against the interest of the NZT.

b. Fraud

Intentional misrepresentation or concealment of information in order to deceive or mislead, whether by words or by conduct, intended to result in financial or personal gain.

c. Malicious:

Intent to cause harm without justification and regard for legal rights.

d. Malpractice:

Any professional misconduct, unreasonable lack of skills or fidelity in professional or fiduciary duties, evil practice or illegal or immoral conduct.

e. Protected Disclosure:

For the purpose of this policy, protected disclosure means “Any communication in good faith based on reasonable grounds that discloses or demonstrates an intention to disclose information that may evidence a wrongdoing or improper conduct”.

f. Whistleblowing:

For the purpose of this Program, whistleblowing is defined as: "The deliberate, voluntary disclosure of individual or organizational malpractice by a person who has or had privileged access to data, events or information about an actual, suspected or anticipated wrongdoing within or by an organization that is within its ability to control."

g. Whistleblowing Unit:

An operationally independent Unit, headed by Head of Internal Audit and established within the internal audit department for receiving, handling and monitoring allegations, complaints and concerns raised by the Whistle Blower.

h. Whistle Blower (WB):

For the purpose of this Program, a WB means and includes: "any employee, director, related officer and outside parties such as trustee, vendors, clients etc., who makes or attempts to make a disclosure of improper conduct or wrongdoing."