

DEVELOPMENT BANK OF NIGERIA



...Financing Sustainable Growth



WHISTLE-BLOWING POLICY & PROCEDURE

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Definition of Terms

The following terminologies used in this document have been defined and described to serve as a guide for users of the document.

Whistle-blowing: Involves reporting an observed/perceived unethical misconduct of employees, management, directors and other stakeholders in an institution by an employee or other person to appropriate authority. It is an early warning system that enables an organization to find out when something is going wrong in time to take necessary corrective action. It's a valuable tool for managing reputational risk.

Whistle-blower: Is any person(s) either internal or external to an organization comprising of; employee, management, directors, depositors, service providers, creditors and other stakeholders who reports any form of unethical behavior or dishonesty to the appropriate authority either with the organization or to the appropriate security agency.

Misconduct: Involve failure by a staff member or other relevant stakeholder to observe the rules of conduct or standards of behavior set by an organization.

Complaint: Is an allegation or concern that is subject to investigation by the appropriate authority.

Complainant: Any party who conveys a concern, allegation or information indicating fraud, corruption or misconduct.

Investigation: Involve a process designed to gather and analyze information to determine whether misconduct has occurred and if so, the party or parties responsible.

Good Faith: this arise when a report or concern is made without malice or consideration of personal benefit and the employee has a reasonable basis to believe that the report is true; provided, however, a report does not have to be proven to be true to be made in good faith. Good faith is lacking when the disclosure is known to be malicious or false.

Suspect: a person who is alleged to have committed a misconduct and subject of investigation.

The Bank: Development Bank of Nigeria Plc

Detriment: Victimization or reprisal of a whistle-blower which can take any or a combination of the following forms; dismissal, termination, redundancy, undue influence, duress, withholding of benefit and/or entitlements and any other act that has negative impact on the whistle-blower.

Table of Contents

1	Introduction	6
2	Objective of the Policy	7
3	Scope of the Policy	7
4	Board and Management Commitment	8
5	Policy Statement	9
6	Roles and Responsibilities	9
7	Whistleblowing Procedure	12
7.1	Internal Whistle-blowing	13
7.2	External Whistle-blowing	15
8	Time limit for Investigation	12
9	Protection of the whistle-blower	12
10	Ownership and Frequency of Review of the Policy	13

1. Introduction

Development Bank of Nigeria Plc. “the Bank” in ensuring high ethical standard in all its business activities had established a code of ethics which set out the standard of conduct expected in the Bank. All staffs are expected to comply with these standards in the discharge of their duties.

This Whistle-blowing Policy and Procedure provides a channel for the Bank’s employee and other relevant stakeholders to raise concerns about workplace malpractices, in a confidential manner for proper investigation of the alleged malpractices and ensure that adequate steps are taken to deal with such reported concerns in a manner consistent with the Bank’s policies and procedures and relevant regulations.

Whistle-blowing in this context is the act of reporting perceived unethical conduct of employees, management, directors, and other stakeholders by an employee or other persons to appropriate authorities.

This policy and procedure manual outline the Bank’s policy on whistle-blowing and the procedure for investigating and dealing with all reported cases of illegal and unethical conduct and any other misconduct in the Bank. This policy follows the requirements of **section 3.1** of the Central Bank of Nigeria (CBN) “Guidelines for whistle-blowing for banks and other financial institution in Nigeria”.

2. Objective of the Policy

This policy and procedure manual is intended to encourage staff and other stakeholders to report perceived unethical or illegal conduct of employees, management, directors and other stakeholders in the Bank to appropriate authorities in a confidential manner without any fear of harassment, intimidation, victimization or reprisal of anyone for raising concern(s) under this policy. Specific objectives of the policy are:

- a. To facilitate the identification of all improper, unethical or inappropriate behavior at all levels in the Bank;
- b. To ensure all employees feel supported in speaking up in confidence and reporting matters they suspect may involve improper, unethical or inappropriate conduct within the Bank;
- c. To help promote and develop a culture of openness, accountability and integrity;
- d. To provide clear procedures for reporting and handling such concern(s);
- e. To proactively prevent and deter misconduct which could impact the financial performance and damage the Bank’s reputation; and
- f. To provide assurance that all disclosures will be handled seriously, treated as confidential and managed without fear of reprisal of any form.

3. Scope of the Policy

This policy and procedure manual is designed to enable employees and other stakeholders to report any perceived act of impropriety which should not be based on mere speculation, rumors and gossips but on knowledge of facts. Reportable misconducts covered under this policy include: -

- All forms of financial malpractices or impropriety such as fraud, corruption, bribery and theft;
- Failure to comply with legal obligations, statutes, and regulatory directives;
- Actions detrimental to Health and Safety or the work environment;
- Any form of criminal activity;
- Improper conduct or unethical behavior that undermines universal and core ethical values such as integrity, respect, honesty, accountability and fairness;
- All forms of corporate governance breaches;
- Connected transactions not disclosed or reported in line with regulations;
- Insider abuse;
- Non-disclosure of interests;
- Sexual or physical abuse of staff, customers, prospective staff, service providers and other relevant stakeholders;
- Infractions and contraventions under the Drug and Alcohol Policy and
- Attempts to conceal any of the above listed acts.

The above listed reportable misconducts or concerns are not exhaustive. Judgment and discretion is required to determine misconduct that should be reported under this policy. The general guide in identifying reportable misconduct is to report concerns which are repugnant to the interest of the Bank and the public and appropriate sanctions applied.

This policy covers the operations of the Development Bank of Nigeria Plc. This is without prejudice to the requirements of the Federal Government Whistle-blower policy, and other regulatory guidelines on whistle-blowing which may be issued from time to time.

Finally, this policy does not cover individual staff grievances and other employee related matters already covered in the staff hand-books of the Bank.

4. Board and Management Commitment to the Policy

The Board and Management are aware that a robust internal mechanism for employees and other relevant stakeholders to disclose workplace malpractices without fear of reprisal shows that employees take their responsibilities seriously, and helps to avoid the negative publicity that often accompanies disclosures to external parties.

Hence the Board of Directors and Management is committed towards promoting a culture of openness, accountability and integrity, and will not tolerate any harassment, victimization or discrimination of the whistle-blower provided such disclosure is made in good faith with reasonable belief that what is being reported is fact.

5. Policy Statement

Development Bank of Nigeria Plc. is committed to the highest standards of openness, probity, accountability and high ethical behavior by helping to foster and maintain an environment where employees and other relevant stakeholders can act appropriately, without fear of reprisal. To maintain these standards, the Bank encourages employees and relevant stakeholders who have material concerns about suspected misconduct or any breach or suspected breach of law or regulation that may adversely impact the Bank, to come forward and report them through appropriate channels (in certain cases on a confidential basis) without fear of retribution or unfair treatment.

The Bank conducts its operations on the principles of fairness, honesty, openness, decency, integrity and respect. It is the intention of this policy to encourage employees and other relevant stakeholders to report and disclose improper or illegal practices or activities. The Bank is committed to investigate promptly any reported misconduct and to protect those who come forward to report such activities. The Bank further assures that all reports shall be treated in strict confidence.

The Bank’s internal control procedures are intended to detect and prevent or deter improper activities. In practice, the best systems of controls may not provide absolute safeguards against irregularities. This policy is intended to investigate and take appropriate action against any reported misconduct or concern.

6. Roles and Responsibilities

The following are the roles and responsibilities of key parties in the whistle-blowing process:

S/N	Responsible Officers	Responsibilities
1	Whistle-blower	Whistle-blowers are expected to act in good faith and should refrain from making false accusations when reporting their concern(s), and provide further evidence at his/her disposal to aid investigation of the issues reported.
2	Suspects	Suspect has a duty to cooperate with investigators during the period of investigation including provision of relevant information, documents or other materials as may be required by the investigator (Appointed External Investigator).

3	Investigator/ (Appointed External Investigator) and Head Internal Audit.	<p>The Head Internal Audit is expected to work with the External consultant to ensure proper investigation of all reported concerns.</p> <p>The Investigator is expected to handle all matters with high professionalism, confidentially and promptly. He/ she shall be independent and unbiased in carrying out investigation.</p> <p>The Investigator has the responsibility of acknowledging all concern(s) reported and reporting on the progress of investigation to the whistle-blower.</p> <p>The Investigator shall submit a quarterly report to the Chairman of the Board Audit & Compliance committee through the Head Internal Audit a summary of all cases reported and the result of the investigation.</p> <p>The Investigator shall refrain from discussing or disclosing matters under investigation referred to him.</p>
4	Head of Human Resources	The Head of Human resources of DBN shall implement the report of investigation that relates to the DBN's employees in line with the laid down disciplinary procedure as contained in the staff hand book.
5	Board Audit and Compliance Committee	The Board Audit and Compliance Committee through the Company Secretary shall make available to all committee members quarterly reports submitted by the Investigator on whistle blowing, and treat all whistle-blowing concern(s) brought to the attention of the committee with dispatch.
6	Chief Risk Officer	Review and update the whistle-blowing policy and procedure and obtain Board approval therein.

7. Whistle-Blowing Procedure

The whistle-blowing procedure involves steps that should be taken by the whistle-blower in reporting a misconduct, and steps required for the investigation of the reported misconduct. The following procedures shall guide the Bank's whistle-blowing process:

a. Internal Whistle-Blowing Procedure

Internal whistle-blowing involve staff members raising concern about unethical conduct in the Bank. The following procedure shall be adopted for internal whistle-blowing:

S/N	Steps	Action
1	Step One Raising concern(s) by whistle-Blower	<p>An internal whistle-blower may raise concern through any of the following media (this can be done either by declaration or in confidence/ anonymously):</p> <ul style="list-style-type: none"> ▪ Formal letter to the MD/CEO, Development Bank of Nigeria Plc. or the Head, Internal Audit, Development Bank of Nigeria Plc. ▪ Dedicated phone number (080-751-80057). ▪ Dedicated email address: whistleblowing@devbankng.com ▪ Via DBN website: www.devbankng.com/whistleblowing. <p>Where the concern is received by staff other than the MD/CEO or the Head, Internal Audit, the recipient of such concerns shall be required to;</p> <ul style="list-style-type: none"> ▪ Immediately pass the concern(s) to the Head, Internal Audit with copy to the MD/CEO Development Bank Plc. ▪ If the concerns affect the Head, Internal Audit, the MD/CEO shall be notified, and where a Director (including the MD/CEO) is involved, such concern shall be directed at the Chairman Board Audit & Compliance Committee. <p>The concern(s) shall be presented in the following format;</p> <ul style="list-style-type: none"> ▪ Background of the concerns (with relevant dates) ▪ Reason(s) why the whistle-blower is particularly concerned about the situation. <p>Disciplinary measures in line with the staff handbook shall be taken against any staff who receives concerns and fails to escalate. Also, disciplinary measure shall be taken against an internal whistle-blower who acted out of malice.</p>
2	Step Two Investigation of Concerns and update on	The Head, Internal Audit shall on receipt of the concern(s) acknowledge receipt of the concern from the whistle- blower within 2 working days, and immediately forward the concern(s)

	<p>progress of investigation.</p>	<p>to the appointed external consultant for investigation. The purposes of investigation are to:</p> <ul style="list-style-type: none"> a. Establish if a wrongdoing has occurred based on the concern(s) raised, and if so to what extent; and b. To minimize the risk of further wrongdoing, prevent any further loss of assets, damage to the Bank`s reputation and if possible protect all sources of evidence. <p>If preliminary investigation shows that the concerns falls within the whistle-blowing reportable concerns, then further investigation shall be carried out. If otherwise or the concerns is outside the reportable misconduct, then the Head, Internal Audit shall refer the matter to appropriate quarter (external consultant) for further action.</p> <p>Where necessary the Head Internal Audit shall give update of the progress of investigation (based on information obtained from the external consultant) to the whistle-blower if the concerns fall within the reportable concerns.</p> <p>Finally, if the concern raised by the whistle-blower is frivolous or unwarranted, the Head Internal Audit may ignore such concern (based on the recommendation of the external consultant), and necessary disciplinary measure in line with Human Resources policy shall apply to staff who raise concern out of malice.</p>
<p>3</p>	<p>Step Three Report of Investigation and action on report.</p>	<p>Upon conclusion of investigation by the external consultant, a detailed report of the investigation shall be submitted to the Head Internal Audit, who will in turn prepare a summary report to the MD/CEO.</p> <p>The MD/CEO will review the report and direct the appropriate department to take necessary action based on the recommendations of the report. The Head Internal Audit shall on a quarterly basis include a report in the Quarterly Report to the Audit and Compliance Committee, on all whistle-blowing incidents under investigation or completed during the quarter.</p> <p>The Whistle- blower to be informed of the outcome of the investigation including the actions taken on the staff concerned.</p>

		All disciplinary action relating to the report shall follow the Bank's disciplinary procedure as contained in the staff hand book.
4	Step Four Non-Satisfaction with result of investigation/ action	If the whistle-blower is not satisfied with the extent of investigation and or the action taken based on the outcome of the investigation, the whistle-blower is at liberty to report to the Chairman of the Board Audit and Compliance Committee.
All parties to the whistle-blowing incidence that feel victimized can report their grievance(s) to the Chairman, Board Audit and Compliance Committee. This is without prejudice to the fundamental right of the internal whistle-blower to seek redress in the court of law.		

b. External Whistle-Blowing Procedure

External whistle-blowers are non-staff of the Bank. External-Whistle Blowers can fall into any of these categories: contractors, service providers, shareholders, development partners, analysts, consultants, job applicants, and the public. External whistle-blowing shall follow the following procedure;

S/N	Steps	Required Action
1	Step One Raising concern(s) by whistle-Blower:	<p>An external whistle-blower may raise concern through any of the following media (this can be done either by declaration or in confidence/anonymously):</p> <ul style="list-style-type: none"> ▪ By a formal letter to the MD/CEO Development Bank of Nigeria Plc. and or Head, Internal Audit. ▪ Dedicated phone number as contained on the website: 080-751-80057 ▪ Dedicated email address: whistleblowing@devbankng.com ▪ Electronically log into: www.devbankng.com/whistleblowerform and populate the form on the website. <p>Where the concern is received by staff other than the MD/CEO and the Head Internal Audit, the recipient of such concerns shall be required to;</p> <ul style="list-style-type: none"> ▪ Immediately pass the concern(s) to the Head, Internal Audit with copy to the MD/CEO but ensuring confidentiality of the concern. ▪ If the concerns affect the Head, Internal Audit, the MD/CEO is notified, and where Director (including the MD/CEO) is involved, such concern shall be directed at the chairman Board Audit & Compliance Committee.

		<p>The concern(s) shall be presented in the following format;</p> <ul style="list-style-type: none"> ▪ Background of the issue (with relevant dates) ▪ Reason(s) why the whistle-blower is particularly concerned about the situation. <p>Disciplinary measures in line with the staff hand book shall be taken against any staff that receives concerns from an external whistle-blower and fails to pass same to the appropriate authority.</p>
2	<p>Step Two Investigation of Concerns and update on progress of investigation.</p>	<p>The Head Internal Audit shall on receipt of the concern(s) acknowledge receipt from the whistle- blower within 2 working days, and immediately forward the concern(s) to the appointed external consultant for investigation. The purpose of investigation is to:</p> <ol style="list-style-type: none"> a. Establish if a wrong doing has occurred based on the concern(s) raised, and if so to what extent; and b. To minimize the risk of further wrongdoing, prevent any further loss of assets, damage to the Bank’s reputation and if possible protect all sources of evidence. <p>If preliminary investigation shows that the concerns falls within the whistle-blowing reportable concerns, then further investigation shall be carried out. If otherwise, the Head Internal Audit shall refer the matter to the appropriate quarters for further action.</p> <p>However, if the concern raised by the whistle-blower is frivolous or unwarranted, the Head Internal Audit may ignore such concern based on the advice of the external consultant and take necessary steps to inform the whistle-blower of the outcome of the investigation</p> <p>Where it is established that a criminal activity has taken place, the matter may be referred to the Nigerian Police Force, EFCC, ICPC or other relevant bodies and where necessary, appropriate legal action taken.</p> <p>Where necessary the Head Internal Auditor shall give update of the progress of investigation to the whistle-blower, based on the update at his/her disposal.</p>
3	<p>Step Three</p>	<p>Upon conclusion of investigation by the external consultant, a detailed report of the investigation shall be submitted to the</p>

	Report of Investigation and action on report.	<p>Head Internal Audit, who will in turn prepare a summary report to the MD/CEO.</p> <p>The MD/CEO will review the report and direct the appropriate department to take necessary action based on the recommendations of the report. The Head Internal Audit shall on a quarterly basis include a report in the Quarterly Report to the Board Audit and Compliance Committee, on all whistle-blowing incidents under investigation or completed during the quarter.</p> <p>All disciplinary action relating to the report shall follow the Bank's disciplinary procedure as contained in the staff hand book.</p>
4	Step Four Non-Satisfaction with result of investigation/action.	If the whistle-blower is not satisfied with the extent of investigation and or the action taken based on the outcome of the investigation, the whistle-blower is at liberty to report to the Chairman of the Board Audit and Compliance Committee.
An external whistle-blower shall be at liberty to report to appropriate authority or regulatory body or seek further redress in the court of laws If he/she is not satisfied with the action taken to address the concern(s).		

8. Time Limit for Investigation

It shall be the policy of the Bank to handle investigations promptly and as soon as possible. While it might not be possible to set a specified time frame for the conclusion of an investigation, since the diverse nature of potential concerns may make this impracticable, the Head, Internal Audit working with the external consultant shall endeavor to resolve all concerns within four weeks. Where for any reason, proper resolution is unable to be achieved within this time frame; the Head, Internal Audit shall advice the MD/CEO accordingly, and report to the Chairman, Board Audit and Compliance Committee.

9. Protection and encouragement for the Whistle-Blower

It shall be the policy of the Bank to protect and encourage whistle blowers who disclose concerns, provided the disclosure is made;

- in the reasonable belief that that it is intended to show malpractice or impropriety; and
- In good faith without malice or mischief.

While all disclosures resulting from whistle-blowing shall be treated with a high level of confidentiality, staff and other relevant stakeholders are encouraged to disclose their name to make

the report more credible. The Bank shall take the following into consideration in considering unanimous disclosure:

- seriousness of the issues being reported;
- the significance and credibility of the concern; and
- the possibility of confirming the allegation.

The Bank shall not subject a whistle-blower to any detriment. Where a whistle-blower feels unfairly treated owing to his/her actions, the whistle-blower shall be at liberty to report to the Central Bank of Nigeria. This is without prejudice to the right to take appropriate legal action.

Where necessary, compensation of whistle-blowers whether internal or external that have suffered detriment shall be at the discretion of the Board of Directors of the Bank taking into consideration regulatory guidance on compensation of whistle-blower to be issued from time to time.

Where the outcome of whistle-blowing report leads to recovery of the Bank's funds, the Whistle-blower shall be entitled to be paid the sum of between N100, 000 to N500, 000 of the recovered sum as an incentive for all authentic whistle-blowing. Other incentives such as commendation, salary increment, or promotion may be recommended by the HR in addition to or in the alternative to the cash incentive. Where recovery of funds is not involved, the HR may recommend incentives to the whistle-blower such as commendation, salary increment or promotion to the next level, whichever is appropriate in the circumstance.

10. Ownership and Frequency of Review

This policy remains the property of the Development Bank of Nigeria Plc. However, its custody and management towards ensuring that it remains a living document rests with the Chief Risk Officer, Development Bank of Nigeria Plc; who also has oversight on the Compliance function.

This policy document and procedure manual shall be subject to review every two (2) years or as may be deemed necessary. All suggestions for review and or amendments shall be forwarded to the Chief Risk Officer, Development Bank of Nigeria Plc. for necessary action.

This document shall be hosted in the official website of the Development Bank of Nigeria Plc; the Management of the Bank shall ensure strict compliance with this Policy.