



# WHISTLE BLOWING POLICY

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**Version 4.0**

**Document Information**

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| V2      |            |   |                                    |
| V3      | 30-01-2024 | Updating the contact details of the contact persons (section 4.3)   | Manager – Internal Audit           |
| V4      | 20-09-2024 | Updating the contact details and expanding the policy's scope to include all stakeholders, as well as adding repercussions for false accusations. | Officer In Charge – Internal Audit |

**Authorization**

| Version | Date       | Reviewed by | Date       | Reviewed by | Date       | Approved by        |
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## Content

|   |    |
|---|----|
| Definitions .....                                     | 4  |
| 1.0 Introduction .....                                | 6  |
| 2.0 Objectives .....                                  | 6  |
| 3.0 Scope of the policy .....                         | 7  |
| 3.1 Types of Concerns to be reported.....             | 7  |
| 3.2. Exclusion .....                                  | 7  |
| 4.0 Reporting Obligations.....                        | 7  |
| 4.1 Reporting Channels .....                          | 8  |
| 4.2 Communication .....                               | 8  |
| 4.3 Contact Details .....                             | 9  |
| 4.3.1 Reporting Procedures and Form of Reporting..... | 9  |
| 4.3.2 Other contact details .....                     | 9  |
| 4.4 Protection from Retaliation .....                 | 10 |
| 4.5 Repercussions for False Accusations.....          | 10 |
| 4.6 Reviewing the report .....                        | 11 |
| 5.0 Rights of Persons Implicated.....                 | 11 |
| 6.0 Roles and Responsibilities.....                   | 12 |
| 6.1 Chairman of Board Audit Committee.....            | 12 |
| 6.2 Board Audit Committee (BAC).....                  | 12 |
| 6.3 Chief Executive Officer (CEO) .....               | 12 |
| 6.4 Head of Internal Audit.....                       | 12 |
| 6.6 Compliance Officer .....                          | 13 |
| 6.5 Head of Human Resources .....                     | 13 |
| 6.6 Business Units and Corporate Management.....      | 13 |
| 6.7 All employees.....                                | 13 |
| 7.0 Amendments to the Policy.....                     | 13 |
| 8.0 Frequency for the revision of the Policy.....     | 14 |

## Definitions

### **a) What is Whistle Blowing?**

It is the deliberate, voluntary confidential disclosure of any concern encountered in the work place relating to a perceived wrongdoing or improper conduct.

### **b) What is Wrongdoing or Improper Conduct**

Any corrupt conduct, fraudulent activity, or a substantial mismanagement of SDF resources that would, if proven, constitute:

- A criminal offense;
- Reasonable grounds for dismissing or dispensing with or otherwise terminating the services of SDF personnel who was or are engaged in that conduct; or
- Reasonable grounds for disciplinary action.

### **c) Who is a Whistle Blower?**

Any person making a protected Disclosure under this Policy.

### **d) Protected Disclosure**

Any communication made in Good Faith by personnel, based on reasonable grounds, that discloses or demonstrates an intention to disclose information that may evidence a Wrongdoing or Improper Conduct.

### **e) List of Wrongdoing or Improper Conduct**

- Any type of fraud
- Incorrect financial reporting, financial malpractice and improprieties in financial reporting internal control or other matters
- Forgery
- Leakage of confidential data
- Bribery and corruption
- Stealing/theft of SDF assets or customer funds
- Any other conduct which may cause loss to SDF, or otherwise be detrimental to the interests of the shareholders, customers and the public
- Execution of false returns
- Gross waste of SDF's resources or intended destructions of property
- Falsification of records
- Abuse of authority

- Conflicts of interest without disclosure
- Any concealment or suppression of information of any of the above
- Any act or behavior that would be detrimental to the reputation of SDF
- Abetting or intending to commit any of the above

**f) Who are the stakeholders**

- Employees:** Any current employee, whether full-time, part-time, contractual, or temporary, who has reasonable grounds to suspect misconduct, unethical behavior, or violations of laws, regulations, or company policies.
- Former Employees:** Individuals who have left the Company but have information about unethical practices or misconduct that occurred during their tenure.
- Contractors and Consultants:** Individuals or entities that have been hired by the Company on a temporary basis or for specific projects. They may report unethical practices or policy violations they encounter while working with the Company.
- Vendors and Suppliers:** External parties who have a business relationship with the Company. If they witness or are aware of any malpractices or unethical behavior within the Company, they can report it.
- Customers:** Individuals or organizations receiving services from the Company who may report any unethical practices or fraud they encounter.
- Regulators or External Agencies:** In some cases, regulatory bodies or external agencies involved with the organization may also raise concerns based on information received from various sources.
- Any Concerned Stakeholder:** Any other party, such as shareholders or community members, who is affected by the Company's actions and has a legitimate concern about unethical behavior or non-compliance with laws.

## 1.0 Introduction

Whistle blowing policies are generally intended to make it easier for members of staff and other stakeholders to be able to report irregularities in good faith, without having to fear that their action may have adverse consequences.

The Whistle Blowing Policy of Sarvodaya Development Finance PLC (SDF) will ensure that any staff member or who may become aware of any unauthorized or inappropriate activity, which may have an adverse impact on the reputation of the Company or well-being of the Company and staff, is provided with appropriate channels to report such activity. This would enable to secure the Company's integrity and enhance the transparency of the Company whilst the cooperation of the staff members is secured.

## 2.0 Objectives

While SDF seeks to conduct itself honestly and with integrity at all times, it does acknowledge that all organizations face the risk of maladministration, from time to time, or of unknowingly harboring malpractice. SDF believes it has a duty to take appropriate measures to identify such situations, with a view to remedying the same. Accordingly, SDF wishes to provide a mechanism to enable its personnel to voice concerns internally, in a responsible and effective manner, when they reasonably suspect or discover information which they believe shows serious malpractice or wrongdoing.

### **The main objectives of this policy are;**

- Individuals who report incidents in good faith must be protected, and their identity must, in so far as possible, remain confidential.
- No person, whether a member of staff or otherwise, should under any circumstances be subjected to retaliation for whistleblowing.
- All stakeholders, including staff members, should be provided with clear channels for whistleblowing and communication.
- Reported incidents must be verified in an appropriate manner, and if confirmed, the company should take all necessary steps to implement suitable remedies.

This Whistleblower Policy aims to encourage all stakeholders, including staff, contractors, vendors, and other concerned parties, to raise concerns, expose irregularities, help uncover financial malpractices, and prevent fraud without fear of reprisal or adverse consequences.

### 3.0 Scope of the policy

The policy would be applicable to all staff members, contractors, vendors, and other stakeholders associated with Sarvodaya Development Finance PLC.

#### 3.1 Types of Concerns to be reported

This Policy deals with reporting concerns related to the following areas:

- Financial reporting (eg: falsification or destruction of business or financial records; misrepresentation or suppression of financial information; non-adherence to internal financial reporting policy/controls, including management over – rides).
- Suspected fraudulent activity (eg: theft; defalcation; insider trading; market manipulation; and corrupt practices including giving or receiving bribes or other improper benefits).
- Violations of the law, regulatory breaches, non-compliance with manuals and guidelines (eg: conflicts of interest; illegal, deceptive or anti-competitive sales practices; manipulation of rate or price setting, other violations of governing laws and regulations; and non-adherence to internal compliance policies).
- Retaliation against an individual who reports a concern (eg: statements in, conduct or actions involving terminating, disciplining, demoting, suspending, harassing, intimidating, coercing or discriminating against an individual reporting a concern in good faith in accordance with this Policy).

#### 3.2. Exclusion

- Matters relating to employee relations, grievances and concerns regarding dignity at work (eg: cases of bullying, harassment, sexual harassment, use of sexually inappropriate language or gestures or comments) will not be addressed under this policy. Such matters should be referred to Human Resource Department.
- Issues and concerns relating to day to day operations of Sarvodaya Development Finance PLC should be raised with the respective Senior Management.

### 4.0 Reporting Obligations

- Members of staff are required to report any suspected or presumed incidents of illegal behavior in the activities of the Company or of serious misconduct or serious infringement of the company's rules, policies or guidelines, or any action that is or could be harmful to the reputation of the company.

- Members of staff are required to cooperate in any official investigation, audit or similar request.
- No members of staff or managers of the Company may use their position authority vested with designation or positional authority to prevent other members of staff from exercising their rights or complying with their obligations as indicated above.

#### 4.1 Reporting Channels

- Employees should choose the channel that is most appropriate given the nature of their concern.
  - ✓ Cases relevant to financial reporting are to be reported according to contact details mentioned in section 4.3.
  - ✓ Cases of fraudulent activities are to be reported to according to contact details mentioned in section 4.3.
  - ✓ Any matter related to violations of the law, regulatory breaches, non-compliance with manuals and guidelines are to be reported to the Compliance Officer.
  - ✓ Any retaliation against an individual who reported a concern is to be reported to the according to contact details mentioned in section 4.3.
- If the use of the established reporting mechanisms is not appropriate in view of the circumstances or nature of the incidents (eg: if there is a conflict of interest or a risk of retaliations, the intended recipient of the report is personally implicated, or the authority initially alerted fails to take appropriate action), the member of staff may report the matter to the Chairman of SDF.




#### 4.2 Communication

- Incidents may be reported by any staff member either verbally or in writing and seriousness of the risk/issue/problem should be described as accurately as possible.
- All Reports should be taken seriously and addressed promptly, discreetly and professionally.
- Reports may be submitted anonymously or the person submitting the Report may request to remain anonymous.
- If a person desires to remain anonymous, that desire will be respected.
- Discussions and documentation regarding reports will be kept in strict confidence.
- Should the person submitting the Report identify himself or herself, the recipient of the Report will communicate to the employee the steps to be taken to address the Report and the results of any Company actions initiated.






## 4.3 Contact Details

### 4.3.1 Reporting Procedures and Form of Reporting

| Event   | Reported To   |  |  |              |
|---|---|---|--|---|
| 1. Disclosures concerning any employee below the grade of Chief Operating Officer (COO)   | COO<br>Mr. Ruwan Jayasuriya                                   | 0112266629  | ruwanj@sdf.lk  | Sarvodaya Development Finance PLC,<br>No: 155/ A , Dr. Danister De Silva Mawatha,<br>Colombo 08 |
| 2. Disclosures concerning the grade of Chief Operating Officer (COO)  | CEO<br>Mr. Nilantha Jayanetti                                 | 0112266604  | nilanthaj@sdf.lk   | Sarvodaya Development Finance PLC,<br>No: 155/ A , Dr. Danister De Silva Mawatha,<br>Colombo 08 |
| 3. Disclosures concerning the Senior Management / Chief Operating Officer (COO) / Chief Executive Officer (CEO) and/or a Non-Executive Director | Chairperson of BAC<br>Ms. Suranjani Wickremeratne             | -   | suranjani567@yahoo.com   | Sarvodaya Development Finance PLC,<br>No: 155/ A , Dr. Danister De Silva Mawatha,<br>Colombo 08 |
| 4. Disclosures concerning the Senior Management / Chief Operating Officer (COO) / Chief Executive Officer (CEO) and/or a Non-Executive Director | Chairman of the Board of Directors<br><br>Mr. Channa De Silva | 0112266603  | channa@capitalmedia.lk   | Sarvodaya Development Finance PLC,<br>No: 155/ A , Dr. Danister De Silva Mawatha,<br>Colombo 08 |

### 4.3.2 Other contact details

| Designation                                   | Name             |  |  |         |
|---|------------------|---|--|--|
| <b>Other Officials of SDF</b>                 |                  |   |  |  |
| 1. Compliance Officer                         | Sharonie Robert  | -   | Sharonier@sdf.lk   | Sarvodaya Development Finance PLC,<br>No: 155/ A , Dr. Danister De Silva Mawatha, Colombo 08 |
| 2. Head of Internal Audit or Acting In charge | Sajith Ekanayaka | -   | sajithe@sdf.lk   | Sarvodaya Development Finance PLC,<br>No: 155/ A , Dr. Danister De Silva Mawatha, Colombo 08 |
| 3. Head of HR                                 | Ruwin Yapa       | -   | ruwiny@sdf.lk  | Sarvodaya Development Finance PLC,<br>No: 155/ A , Dr. Danister De Silva Mawatha, Colombo 08 |

- Employees and all stakeholders can report concerns directly to the dedicated email address (antifraud@sdf.lk), which is monitored by the Internal Audit, Risk Management, and Compliance Departments..

#### 4.4 Protection from Retaliation

- Any staff member who reports an irregularity, provided that this is done in good faith and in compliance with the provisions of this policy, shall be protected against any acts of retaliation.
- The person reporting an irregularity shall be guaranteed that their identity will be treated confidentially. Accordingly, that their names should not be revealed, unless the whistleblower personally authorizes the disclosure of his/her identity.
- Retaliation against any employee that files a report or voices a concern under this policy is strictly prohibited.
- Any employee who feels that he or she has been subjected to any behavior that violates this policy should immediately report such behavior.

#### 4.5 Repercussions for False Accusations

While the Company encourages employees and stakeholders to report genuine concerns in good faith regarding any wrongdoing, it is also committed to protecting the dignity and reputation of individuals from false or malicious accusations. To ensure fairness and integrity in the reporting process, the following guidelines are set for addressing false allegations:

##### **Definition of False Accusation:**

A false accusation is defined as a deliberate and intentional act of reporting incorrect, misleading, or fabricated information about an individual or entity, knowing that the information is untrue.

##### **Repercussions for False Reporting:**

If it is determined that a whistleblower has made a report with malicious intent or in bad faith, disciplinary action may be taken against the whistleblower. The specific disciplinary actions may include, but are not limited to, a formal warning, suspension, or termination of employment or association with the company.

The severity of the disciplinary action will be proportionate to the impact of the false accusation on the individual(s) concerned and the Company.

**Protection of the Accused:**

In cases where a false accusation is made, the Company will take appropriate steps to restore the reputation of the person(s) falsely accused. This may include issuing a statement clarifying the outcome of the investigation and providing necessary support to the affected party.

**Good Faith Reporting:**

It is important to note that if a whistleblower makes a report in good faith, believing the information to be true at the time of reporting, they will not face repercussions even if the allegations are not substantiated after an investigation.

**4.6 Reviewing the report**

- A summary of reports received under this policy will be communicated to the Management Committee (ManCom) in detail and the decisions made will be communicated to the Board Audit Committee on a quarterly basis (or a more frequent basis if conditions warrant more timely action) by the Head of Internal Audit.

**5.0 Rights of Persons Implicated**

- Any staff member implicated by reports of irregularities must be notified in good time of the allegations made against him/her provided it does not hinder the investigation policy.
- If an irregularity refers to a staff member specifically by name, results of same should not be revealed until such staff member is given the opportunity for a fair hearing.
- The persons against whom allegations have been made will be informed of the objective of the investigation, and fair opportunity given to present objections/explanations.
- Reporting of irregularities and/or the policy following such decision will involve dealing with personal data. Therefore, such data shall be managed in keeping in line with Disciplinary Code.

## 6.0 Roles and Responsibilities

### 6.1 Chairman of Board Audit Committee

- Instructing the Head of Internal Audit to conduct investigation requests received through staff Members including CEO.
- Receiving and investigating regarding any retaliation against an individual who reported a concern.
- Consulting in the development and maintenance of the Policy.

### 6.2 Board Audit Committee (BAC)

- Reviewing the Policy and recommending it for the approval of the Board of Directors.
- Oversight of the Whistleblower Program.
- Receiving and investigating regarding the concerns involving Corporate Management.
- Reviewing the decisions taken by Management Committee(ManCom) relevant to investigations conducted and monitoring the progress of necessary recovery and disciplinary actions decided by ManCom.

### 6.3 Chief Executive Officer (CEO)

- Consulting in the development and maintenance of the Policy.
- Conducting or assisting in the investigation of concerns which reported to him.
- Requesting Board Audit Committee to instruct Head of Internal Audit to conduct investigations relevant to any faithful communication received to him/her.

### 6.4 Head of Internal Audit

- Developing and maintaining the Whistle Blower Policy.
- Coordinate the investigations of concerns, other than those performed under the direct supervision of the Board Audit Committee.
- Communicating with employees, directors, and officers who have raised concerns.
- Reporting to the Board Audit Committee regarding the summary of reports received under this policy.
- Conducting training and raising awareness of the staff on the content and the scope of the Policy.

## 6.6 Compliance Officer

- The Compliance Officer will ensure that Whistle Blower Policy will be implemented and adhered.
- Any incidents reported related to violations of the law, regulatory breaches, non-compliance with manuals and guidelines should be reviewed and the results must be communicated to the BIRMC.

## 6.5 Head of Human Resources

- Consulting in the development and maintenance of the Policy.
- Together with the Internal Audit division, communicate the policy to all the employees.
- Conducting or assisting in the investigation of human resources concerns and reporting results to the Head of Internal Audit.
- Executing necessary recovery and disciplinary actions relevant to decisions taken by Board Audit Committee and Management Audit Committee with respect to investigations conducted.

## 6.6 Business Units and Corporate Management

- Communicating and reinforcing the Policy.
- Directing concerns raised through Pathways to Resolution channels to the appropriate department for investigation and resolution.

## 6.7 All employees

- Acting with integrity and honesty in all financial reporting and other duties.
- Reporting any wrongdoing or concerns (listed under the Definitions section)
  - Financial reporting
  - Suspected fraudulent activities
  - Breach of compliance policies, laws and regulations
  - Concerns regarding dignity at work
  - Retaliation.

## 7.0 Amendments to the Policy

Any amendments to this policy have to be reviewed by the Board Audit Committee and approved by the Board of Directors.

## 8.0 Frequency for the revision of the Policy

This policy will be revised every 3 years.