

# KHURSHID SPINNING MILLS LIMITED

## WHISTLE BLOWING POLICY

### **Policy statement: -**

The objective of this policy is to ensure a safe and secure environment by assisting in reporting of any improper or illegal activity, possible violations of internal guidelines, regulations or the code of conduct.

### **Definition of whistleblower: -**

A whistleblower as defined by this policy is an employee who reports an activity that he/she considers being illegal or inappropriate and its disclosure must be in Public/company's interest. This means it has an adverse effect on the Company or General public.

The whistleblower is not responsible for investigating the activity or for determining fault or Taking corrective measures; designated Management officials are charged of these responsibilities

If an employee has knowledge of or a concern of any fraudulent activity, the employee Has to report at designated contacts.

The employee must exercise sound judgment to avoid baseless allegations.

An employee who intentionally files a false report of wrongdoing will be subject to disciplinary action as well.

### **Policy procedure: -**

#### **3.1. Complaints that may lead to whistleblowing**

Following are a few examples of complaints that come under whistleblowing. This list is not Exhaustive:

- Criminal offence- fraud etc.
- Endangering staff's health and safety
- Risk or actual damage to the environment
- Miscarriage of justice
- The company is breaking the law,
- Covering up wrongdoings
- Act which results in loss to company.

#### **3.2. Complaints that do not count as whistleblowing: -**

Personal grievances (e.g. Bullying, harassment, discrimination) are not covered by whistleblowing, unless particular case is in the public interest.

#### **3.3. Designated reporting channel: -**

Activities that come under Whistle blowing policy shall be reported to Company Secretary-KSML via mail:

E-mail: [mail@khurshidgroup.com.pk](mailto:mail@khurshidgroup.com.pk)

### 3.4. Procedure: -

Upon receipt of a concern or a complaint, Head of HR Department shall: Determine the nature of the concern or complaint.

Acknowledge receipt of the concern or complaint to the complainant within ten working days.

Complaints pertaining to accounting matters shall be referred to Financial Disciplinary Committee and the rest of the complaints shall be referred to the Administrative Disciplinary Committee. Initial Inquiries shall be made to determine whether an investigation is appropriate or Not. Some actions may be resolved by agreed action without the need for Investigation.

The Financial Disciplinary Committee may enlist employees of the Company and/or Outside legal accounting or other advisors to conduct any investigation of complaints Relating to financial matters.

The extent of contact between the complainant and the team conducting the Investigation shall depend on the nature of issue and clarity of information provided.

If deemed appropriate by the Financial Disciplinary Committee/Administrative Disciplinary Committee, notice of any corrective action taken will be reported back to The complainant.

### 3.5. Composition of committees:-

#### ADMINISTRATIVE DISCIPLINARY COMMITTEE

Head of Admin Department  
Head of HR Department  
Chief Financial Officer  
Head of Internal Audit Department

#### FINANCIAL DISCIPLINARY COMMITTEE

Head of Internal Audit Department  
Head of Admin Department  
Chief Executive Officer  
Chief Financial Officer

### 4. Protection:-

#### 4.1. Confidentiality

Confidentiality of the whistleblower will be maintained. However, identity may have to be Disclosed to conduct a thorough investigation, to comply with the law and to provide Accused individuals their legal rights of defense.

#### 4.2. Retaliation

The Company will not retaliate against a whistleblower or any of its employee accused. This includes, but is not limited to, protection from retaliation in the form of an adverse Employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower who believes he/she is being Retaliated against must contact the HR Department personnel immediately.

### 5. Retention of complaints & investigation: -

The head of HR Department shall maintain a log of all reported concerns or complaints and shall prepare periodic summary report for the CEO.