



# Whistle Blowing Policy

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## Approval(s)

Version	Date	Approval
2.0	24/1/2021	Approved by the Board of Directors in the 1st Meeting on 24/1/2021 (11/6/1442H)

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## 1. Purpose

The purpose of this policy is to set the standards and procedures that solutions employees and contractors must follow to report suspected fraudulent instances or violations to solutions Code of Ethics, Laws and regulations, and company's policies. The Whistleblowing policy also outlines the standards and responsibilities with regard to receiving, investigating, and reporting on the outcomes of the investigation, all while providing adequate protection for the "whistle-blower". The main objectives of this policy can be summarized as follows:

- 1.1 Encourage all employees and other concerned parties to speak up in confidence and report matters they suspect may involve alleged fraud, unethical behaviors misconduct or corruption;
- 1.2 Help in preventing or reducing fraud, misconduct or corruption at all levels of the company.
- 1.3 Clear the fear and provide the necessary protection to whistle-blowers from any possible retaliation;
- 1.4 Manage all reported instances of alleged fraud misconduct and corruption in a timely, consistent and professional manner and provide the necessary assurance that all disclosures will be taken seriously and treated with necessary confidentiality level.
- 1.5 Demonstrate the intension of the company's Management to fight fraud, misconduct and corruption.

## 2. Scope

- 2.1 This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Company.
- 2.2 Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

## 3. Policy Owner

Internal Audit Division.

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## 4. Responsibilities

- 4.1 Internal Audit is responsible for issuing/updating the policy, implementing its related requirements, and following upon the implementation with related stakeholders, as applicable
- 4.2 solutions employees, Board of Directors and its committees' members, consultant, vendor, contractors, and/or any other parties with a business relationship with Solutions are required to comply with this policy.

## 5. Definitions

- 5.1 **The company:** Refers to Arabian Internet & Communications Company (solutions by stc) ("solutions").
- 5.2 **Complaint:** Refers to the communication made by the whistle-blower that discloses or demonstrates information that may evidence or indicate presence of fraud, Misconduct or Corruption.
- 5.3 **Whistle Blower:** Refers to the person making the complaint.
- 5.4 **Fraud, Misconduct or Corruption:**  
Deliberate deception to secure unfair or unlawful gain by the perpetrator or by others with his help, causing a loss to the deceived party. Irregularity "Fraud, Misconduct or Corruption" encompass a wide range of misconduct by employees, managers and executives ranging from pilferage of supplies to financial statement frauds. Common violations include asset misappropriation, corruption, false statements, false overtime, petty theft and pilferage, use of company property for personal benefit and payroll and sick time abuses.
- 5.5 **The key is that the activity:**
  - a. is clandestine;
  - b. Violates the employee's fiduciary duties to the Company;
  - c. Is committed for the purpose of direct or indirect financial benefit; and
  - d. Costs the employing Company assets, revenues, or reserves.
- 5.6 **Whistle-Blowing Channels:** Communication channels i.e. Whistleblowing System, E-mail, and hotlines through which a whistle-blower can report a complaint

## 6. References

- 6.1 Anti-Fraud and Corruption Policy

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## 7. Policy Statement

### 7.1 About Whistle-blowing

- a. A complaint can be related to solutions own employees (at all levels), contractor staff, or a third party, such as a supplier, agent, and distributor.
- b. The company's employees and people from outside the company can make a complaint.
- c. Business Units are responsible for reporting all suspected cases of fraud, corruption and misconduct, brought to their attention.
- d. In case of receiving an anonymous complaint a reasonable efforts must be exercised to investigate the complaint, bearing in mind that a full investigation may be hindered as further information cannot be obtained from the whistle-blower due to anonymity about the whistle-blower identity.
- e. All complaints must be made in good faith. The company reserves the right to pursue possible legal action if the made complaint proved to be malicious or simply not in good faith.

### 7.2 Whistle-Blowing Channels

- a. All complaints must be made through the company's standard whistle-blowing channels.
- b. The current whistle-blowing channels:
  - Email to: **whistleblowing@stcs.com.sa**
  - Hotline: **+966 115252626**
  - Internal Portal "Whistle-Blower Service"
  - External Portal: <https://www.solutions.com.sa/complaint/>
- c. The whistle-blowing channel should be available 24/7 and should be accessible to whistle-blowers from within and outside of Saudi Arabia.
- d. Arabic and English are the primary languages that are supported by the whistle-blowing channels.
- e. Any suspected fraud or misconduct that is highlighted based on audit work must be treated as a complaint.
- f. All approved whistle-blowing channels shall be managed by Internal Audit. The management of these channels and initial receiving of the whistle-blowing can be outsourced to a professional, reputable firm that provide such service provided meeting all the applicable aspects of this policy.
- g. In case of any changes to the whistle-blowing channels or any part of this policy, the necessary awareness efforts must be made ahead of time prior to applying the changes whenever possible.
- h. Any privileged access to administer or support the whistle-blowing channels must be authorized with written consent from CAE

### 7.3 Protection of Whistle-Blower

- a. The company is committed to protecting the whistle-blower identity from unauthorized, or unnecessary disclosure as well as any retaliation against him that may arise from making this complaint.

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- b. All complaints including its content or any relevant information must be treated as "Strictly Confidential" and must be accessed on a "need-to-know" basis even among those authorized to access it.
- c. Whistle-blowers has to be informed that he is forbidden from discussing any matter of their complaint as it might cause their identity to be disclosed and might affect the course of investigating the complaint. In case of accidental disclosure of any relevant information, the whistle-blower must immediately report that through the whistle-blowing channels.

#### **7.4 Maintaining Confidentiality of persons involved in an investigation**

The confidentiality of persons involved in an investigation will be maintained and respected to the maximum extent. This will help to avoid rumors, the possibility of the willful destruction of evidence, prevent an alleged offender from interfering with witnesses and enhance our commitment to natural justice. This could be achieved by:

- a. Supporting, to the maximum possible extent, the confidentiality of any person making a report and any person named in a report; and
- b. Using and disclosing information about suspected or actual fraudulent activity only to those employees who need to know or when authorized by law;

#### **7.5 Investigating the Complaints**

- 7.5.1 Investigations of complaints are to be managed by Internal Audit in coordination with other key functions.
- 7.5.2 All complaints must be reviewed and initially assessed for authenticity and materiality in order to decide on its priority for investigation.
- 7.5.3 In case of receiving any complaint that is not related to an alleged fraud or misconduct, then the case will be forwarded to the concerned party within the company and the whistle-blower should be notified.
- 7.5.4 Any individual approached/inquired by the investigation team must not share with anyone any matter about the content or purpose of this interaction with the team.

#### **7.6 Action upon receiving a compliant**

- 7.6.1 It may be necessary for Fraud and Anti-corruption team to undertake an initial enquiry to ascertain the facts. This enquiry should be carried out as quickly as possible after allegations have been raised. The purpose of the initial enquiry is to confirm or dispel the fraud/misconduct allegation so that disciplinary action and a more detailed investigation (under internal disciplinary procedures) or referral can be made to the relevant law enforcement authorities.
- 7.6.2 Internal Audit should establish "if possible" from the person reporting the fraud, misconduct or corruption the following:
  - a. The amount/value, if established.
  - b. The period over which the irregularity occurred, if known.
  - c. The date of discovery and how the suspected fraud was discovered.

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- d. The type of irregularity and what led to it,
- e. Whether the person responsible/suspected has been identified.
- f. Whether any collusion with others is suspected.
- g. Whether the suspected incident is on-going.
- h. Details of any actions taken to date.
- i. Any other information or comments which might be useful.

7.6.3 This information should be formally recorded and held in a safe and secure place.

7.6.4 On verbal notification of a possible fraud, misconduct, or corruption, Internal Audit will decide whether there is sufficient evidence of fraud/misconduct to mount further investigation and if the allegation is worth pursuing.

## 7.7 **Reporting on the Investigation Results:**

7.7.1 A summary status report of all cases under investigation is to be prepared by Fraud and Anti-corruption team from the Internal Audit Division and shared with the Chief Executive Officer (CEO) in a private and confidential manner. The status report should focus on the nature of the alleged fraud or misconduct, nature and estimate of size of loss/damage, related sector/department and the current stage of the investigation.

7.7.2 All whistle-blowing investigation reports must be communicated to the Chief Executive Officer (CEO) via the Chief Audit Executive. In case of a confirmed fraud or misconduct that involves one or more of the company's executives, a copy of the report must be communicated to the Audit Committee (AC).

7.7.3 For the purpose of taking the necessary corrective and prevention measures, the Executive Officer (CEO) or his delegate to update the Chief Audit Executive) with the actions taken/to be taken in response to the received investigation report

7.7.4 The Chief Audit Executive, on a periodic basis, is to present to the Audit Committee (AC) a summary status report of all investigated cases in a private and confidential manner.

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