

Together we Promote Integrity Values in the IsDB Group



IsDB Group Whistleblower and Witness Protection Policy

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IsDB Group Whistleblower and Witness Protection Policy

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IsDB Group Whistleblower and Witness Protection Policy

1. Introduction

The principles, values and concepts of integrity and combating fraud and corruption are well established by Islamic Shariah from which the founding instruments of the Islamic Development Group (IsDB Group) take their spirit. Therefore, the IsDB Group has introduced policies and guidelines to combat Staff Misconduct and Sanctionable Practices in IsDB Group activities as well as within the Group itself, i.e. *IsDB Group Integrity Policy, Integrity Principles and Guidelines, Anti-Corruption Guidelines, Disciplinary Rules, and the Staff Code of Conduct*. These policies call for reporting any allegations or evidence of staff misconduct and sanctionable practices to the Group Integrity and Ethics Department. In this context, such moral obligation is referred to as 'whistleblowing'. However, there may be reluctance to report staff misconduct and sanctionable practices out of fear of retaliation. Therefore, it is necessary to set out certain protections to protect the whistleblowers and witnesses, although the protections do not extend to someone who knowingly makes false or reckless allegations.

2. The Purpose of the Policy

The purpose of "*IsDB Group Whistleblower and Witness Protection Policy*" is to set out the protections provided to *Whistleblowers and Witnesses* as defined herein. The objective is to assure that those who disclose to the IsDB Group, information relating to staff misconduct and sanctionable practices will be protected from Retaliation, as defined herein as well.

3. Definitions

3.1 The expressions used in this Policy shall have the following meanings:

- 3.1.1 *Board* means Board of Executive Directors of IsDB or Board of Directors IsDB Group members.
- 3.1.2 *Evidence* means any physical object, record, documentation of any form, testimony, or other information, that tends to establish the existence or non-existence of an allegation or fact.
- 3.1.3 *External party / parties* are any person(s) or entity(ies) other than IsDB group staff, and include(s), but is not limited to: vendors, development partners, stakeholders of the IsDB Group, former IsDB Group staff, contractors, consultants, government officials, officials in executing agencies or implementation units, professional bodies and non-governmental organizations or officials in other international financial institutions, and members of the public.
- 3.1.4 *IsDB Group* includes Islamic Development Bank (IsDB), Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), Islamic Corporation for the Development of Private Sector (ICD), International Islamic Trade Finance Corporation (ITFC), Islamic Development Bank Institute (ISDBI) and Islamic Solidarity Fund for Development (ISFD).
- 3.1.5 *IsDB Group financed activities* means any operation for which the Group, whether acting on its own account or in the capacity of an administrator

of special resources (i.e. resources from trust funds, special funds or any other fund/s) has provided financing or support in any form (i.e. loan, equity, line of credit, guarantee or grant) and which is governed by the Group's Procurement Framework. It shall also include all internal corporate procurement for goods, works, consulting and non-consulting services, financed from the administrative or capital expenditure budget of the Group.

3.1.6 Staff Misconduct is a behavior, an act, or omission, by any IsDB Group staff which is improper or contrary to the principles, rules, regulations, or policies of the IsDB Group or illegal or unethical. Misconduct has the meaning assigned to it in Rule 2 of IsDB Group Disciplinary Rules.

3.1.7 Retaliation is any direct or indirect detrimental action recommended, threatened, or taken against an individual or an entity who has raised concerns or is considering to raise a concern in good faith as a Whistleblower or who has provided information or considering to provide information as a Witness in an investigation pertaining to staff misconduct or sanctionable practice/s in IsDB Group's activities. Retaliation against a whistleblower or witness constitutes misconduct and includes but is not limited to, wrongful termination, harassment, discriminatory treatment, assignment of work outside the corresponding job description, inappropriate performance appraisals or salary adjustments and the withholding of an entitlement. Retaliation against external parties may include, but is not limited to, retaliation in recruitment, in the award of contracts, in the administration of contracts, in evaluations of performance and in the execution or negotiation of dealings with the IsDB Group.

3.1.8 Sanctionable Practices includes the following practices carried out in connection with IsDB Group financed activity or investigation or sanctions proceeding:

- i. A "corrupt practice" is the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to improperly influence the actions of another party.
- ii. A "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- iii. A "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party.
- iv. A "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to improperly influence the actions of such a party.
- v. "Obstructive Practice" means:

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- a. Deliberately destroying, falsifying, altering, or concealing of evidence material to an investigation;
- b. Making false statements to an investigator in order to impede an IsDB Group investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice;
- c. Threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to an investigation or from pursuing an investigation;
- d. Failing to comply with requests to provide information, documents or records in connection with investigation; or
- e. Acts intended to materially impede the exercise of the IsDB Group's contractual right of audit, or inspection or access to information.

3.1.9 *Staff* includes employees of IsDB, ICIEC, ICD, ITFC, IsDBI, and ISFD.

3.1.10 *Subject of an investigation* means any external party or IsDB Group Staff who is the subject of an allegation of Sanctionable Practices(s) and / or Staff Misconduct.

3.1.11 A *Whistleblower* is any person or entity who, in good faith and voluntarily, reports or is believed to be about to report allegations of suspected staff misconduct, or a sanctionable practice in the IsDB Group activities. Such persons or parties, without limitation, include IsDB Group Staff and external party / parties.

3.1.12 A *Witness* is any person who is not subject of the investigation and Whistleblower but who provides information or evidence at the request of the IsDB Group regarding Sanctionable Practice or Staff Misconduct under an investigation by the IsDB Group.

3.2 In this Policy, all provisions applicable to Staff shall apply to the Chief Executive Officers of the IsDB Group entities and Vice Presidents of IsDB.

4. Scope of the Policy

4.1 This Policy shall apply to all IsDB Group Staff members and external parties, irrespective of their location of work or delivery of services, regarding actions taken in relation to Staff Misconduct or Sanctionable Practice. It is applicable where in the view of the Whistleblower or the Witness, any form of detrimental action has been threatened or taken against him / her in a retaliatory manner for reporting or considering to report a suspected staff misconduct, sanctionable practice in IsDB Group's activities or for providing information or evidence for a matter under investigation.

4.2 However, the Policy does not apply to complaints or grievances of IsDB Group Staff against HR policies of the Group in his/her individual case without any reference to an act of Retaliation as a result of whistleblowing or providing information as a Witness. Such complaints or grievances shall be referred to the appropriate officers in accordance with the IsDB Group Staff Grievances Mechanism; namely: administrative review, review of the Ombudsman,

Appeals Committee, Administrative Tribunal.

5. Reporting Channels

For the purpose of whistleblowing, the following channels shall be operated by the Group Integrity and Ethics Department. The Group Integrity and Ethics Department may outsource some of these channels:

- i. Email: integrity@isdb.org
- ii. Telephone: +966 12 2646 7045
- iii. Fax: +966 12 2636 4362
- iv. Online web reporting through IsDB's website and details of international hotline: [Online Integrity Complaint Form | Policies | IsDB](#)
- v. Mail correspondence:
Islamic Development Bank
Group Integrity and Ethics Department
8111 King Khalid Street
Al Nuzlah Al Yaman District, Unit No 1,
Jeddah 22332-2444
Kingdom of Saudi Arabia

6. Duty to Report, Prohibition of Retaliation and Investigation

- 6.1 It is the duty of all IsDB Group Staff to report suspected Staff Misconduct and Sanctionable Practices in IsDB Group's activities. No approvals or authorizations are needed by Staff for any such reporting. It is also the duty of all Staff to cooperate with IsDB Group's investigations, audits, or other inquiries. External parties are required to cooperate with an investigation, audit or other inquiry. They are encouraged to do so to support the IsDB Group's institutional integrity.
- 6.2 Retaliation against Whistleblowers and Witnesses is expressly prohibited and is considered as a form of Misconduct. The IsDB Group Staff or external parties should be free to report allegations of Staff Misconduct and Sanctionable Practices within IsDB Group or its activities and operations, and to cooperate with the IsDB Group in the context of an investigation, audit or other inquiry without fear of Retaliation.
- 6.3 Allegations of Staff Misconduct and Sanctionable Practices in IsDB Group's activities will be investigated in accordance with the IsDB Group Disciplinary Rules and Integrity Principles and Guidelines respectively.
- 6.4 If the Group Integrity and Ethics Department determines that there has been Retaliation against a Whistleblower or Witness for reporting a suspected Staff Misconduct or a Sanctionable Practice, or for cooperating with the IsDB Group in an investigation, the burden of proof will shift to the IsDB Group to show by clear and convincing evidence that the same action would have been taken in the absence of the Whistleblower or Witness' report or cooperation.
- 6.5 The Group Integrity and Ethics Department shall conduct a preliminary review

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to assess relationship between previous whistleblowing, evidence / testimony or information provided and alleged retaliation (prima facie). If prima facie is established, it will conduct an investigation.

- 6.6 During or after the investigation of allegations of Retaliation, and when deemed appropriate, the Group Integrity and Ethics Department may provide recommendations to the head of the institution and the Chairman of the IsDB Group to protect the rights of all parties and the interest of the IsDB Group.

7. Confidentiality

- 7.1 The IsDB Group will pursue all reasonable steps to protect the identity of the Whistleblowers and Witnesses acting in good faith and ensure that they are not subject to retaliation. In this respect, any person who reports suspected Staff Misconduct or a Sanctionable Practice in IsDB Group's activities may remain anonymous or request that his or her name be kept confidential.
- 7.2 The IsDB Group encourages Whistleblowers and requires Witnesses to report in a manner that will facilitate effective investigation, which in general requires open or confidential rather than anonymous reporting. Whistleblowers, whether identified or anonymous, must provide in a timely manner enough information concerning the basis of the allegations and sufficient detail or supporting evidence so that the matter can be pursued responsibly.
- 7.3 Even where allegations are sufficiently detailed or supported to permit an investigation to be conducted, no conclusion of staff misconduct or sanctionable practice will be made based solely on the allegations without independent corroboration.
- 7.4 The IsDB Group shall maintain confidentiality of the Whistleblowers' and Witness' identity unless:
- i. the Whistleblower or Witness agrees to be identified;
 - ii. identification is necessary to allow the IsDB Group to investigate or respond effectively to the disclosure;
 - iii. identification is required by law or under the IsDB Group's rules, policies and procedures;
 - iv. an IsDB Group Staff member is the subject of the allegations and has the right to be informed of the allegations under the IsDB Group's rules, policies and procedures in the disciplinary proceedings;
 - v. there appears to be a risk of imminent danger or serious harm to individuals, or the IsDB Group and disclosure could prevent such a danger or harm.

In any of the instances described above, the IsDB Group shall inform the Whistleblower or Witness prior to revealing his or her identity.

8. Protection and Remedies for Whistleblowers and Witnesses

- 8.1 As the case may be and based upon the recommendations from the Group Integrity and Ethics Department, the IsDB Group will provide reasonable

protection (including interim protection during the course of the review or investigation, as necessary) to Whistleblowers and Witnesses from Retaliation. Such protection may include the following, amongst others:

- i. Where the Whistleblower or Witness is an IsDB Group staff;
 - a. If there is a reasonable concern that he or she may suffer personal injury or that the safety and well-being of the staff's family may be at risk, the IsDB Group, may take reasonable measures to secure the staff member and his family's personal safety and security;
 - b. If the IsDB or the concerned member of the IsDB Group, determines that the staff is in a life-threatening situation, due to reasons directly related to his or her actions as a Whistleblower or Witness, it will take immediate reasonable action to protect the staff member. These measures shall be at the discretion of the IsDB Group;
 - c. Where the Group Integrity and Ethics Department decides that the staff has suffered retaliation or is threatened with retaliation, because of assistance he or she gave in an investigation or audit, on the recommendations of the Group Integrity and Ethics Department, the IsDB, or the concerned member of the IsDB Group, may take reasonable steps to prevent such actions from taking effect or otherwise having a detrimental effect on the staff member. The IsDB Group staff who believe that retaliation has been taken against them because of Whistle blowing or cooperating with an investigation or audit, should contact the Group Integrity and Ethics Department with all information and documentation available to them in support of their complaint. The Group Integrity and Ethics Department shall review the evidence provided and may decide to initiate an investigation.
 - ii. Where an external party (whistleblower or witness) reasonably believes that it has been or may be retaliated against because it cooperated with an investigation by the IsDB Group, the IsDB, or member of the IsDB Group concerned, shall examine the situation and decide at its discretion, on the reasonable and appropriate assistance that the IsDB Group may provide to secure that party's protection or reduce the risk of Retaliation.
- 8.2 Any person who makes malicious and knowingly false allegations of staff misconduct or sanctionable practice will not enjoy Whistleblower protection by the IsDB Group. Similarly, any person who knowingly provides false or inaccurate information during an investigation or enquiry will not enjoy Witness protection by the IsDB Group. IsDB Group Staff who knowingly make false and malicious allegations or provide false or inaccurate information during an investigation or enquiry shall be subject to disciplinary action in accordance with the IsDB Group rules, policies and procedures. External parties, including contractors, suppliers, or consultants, who knowingly report false and malicious allegations or provide false or inaccurate information during an investigation or enquiry may have their contract(s) terminated and/or be declared ineligible to participate in IsDB Group-

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financed activities.

- 8.3 Whistleblower protection does not extend to actions that are based on the appropriate application of IsDB Group policies, rules, or contract terms. Therefore, Whistleblowers and Witnesses who have committed Sanctionable Practices may not avoid disciplinary action (in case of IsDB Group Staff), or sanctions or other remedial action (in case of external parties) under Section 8.2.
- 8.4 IsDB Group Staff have an obligation to refuse to participate in Misconduct and Sanctionable Practices in IsDB Group's activities.
- 8.5 The IsDB Group Staff who have engaged in Misconduct and Sanctionable Practices may not receive Whistleblower protection to avoid disciplinary action by reporting misconduct and sanctionable practices. However, depending on the circumstances, their level of cooperation with an IsDB Group investigation may be taken into consideration when determining the appropriate disciplinary action.
- 8.6 External parties that engaged in Sanctionable Practices will not receive Whistleblower protection by the IsDB Group and may not avoid sanction or other remedial action by reporting Sanctionable Practices and seeking protection under this policy. However, depending on the circumstances, their level of cooperation may be taken into consideration in determining the appropriate sanction or other remedial action.

9. Voluntary disclosure

- 9.1 The IsDB Group staff who have engaged in Sanctionable Practices or Misconduct, and External parties participating in IsDB Group-financed activities who have engaged in Sanctionable Practices, and that are not under active investigation are encouraged to volunteer information of which they have knowledge or to which they are privy or have become privy, to the Group Integrity and Ethics Department.
- 9.2 Voluntary disclosure also allows Staff Members and External Parties not under active investigation to come forward and disclose past Misconduct or Sanctionable Practice(s) to the IsDB Group. Voluntary disclosure participants such as external parties are required, among other things, to institute a robust, monitored compliance program to prevent future Sanctionable Practice(s). In exchange, the IsDB Group may not seek severe sanctions for disclosed Misconduct and Sanctionable Practice(s) and to keep the participant's identity confidential. If, however, the participant breaches its voluntary disclosure obligations, it is subject to appropriate sanction or other remedial action.
- 9.3 Voluntary disclosure may be considered as a mitigating factor in the determination of sanctions.

10. Consequence of Retaliation

- 10.1 If it is established by the Group Integrity and Ethics Department that an IsDB Group Staff has threatened to retaliate and/or retaliated against a Whistleblower or Witness, the Staff Member concerned shall be subject to

disciplinary action, which may include termination of employment.

- 10.2 If it is established by the Group Integrity and Ethics Department that an external party, with whom the IsDB Group has dealings, has committed an act of Retaliation, the IsDB Group may review its dealings with such party and may terminate its dealings, refrain from future dealings or exercise contractual remedies, where available.

11. Internal Reporting and Investigation of Potential Retaliation

- 11.1 Whistleblowers or Witnesses who believe that they have been the victim of Retaliation by an IsDB Group Staff member or external party should report their concerns to the Group Integrity and Ethics Department with all supporting information and documentation available with them and seek relief from Retaliation.
- 11.2 Whistleblowers or Witnesses who believe that they have been the victim of Retaliation by a member of the Board of IsDB Group should report their concerns in accordance with the Code of Conduct of the Board of Executive Directors.
- 11.3 The IsDB Group Ombudsman, the Human Resources functions or any member of IsDB Group management who receives complaints of Retaliation from a Whistleblower who reported suspected Staff Misconduct or Sanctionable Practice, or a Witness who provided information / evidence in an IsDB Group investigation, should refer such complaints to the Group Integrity and Ethics Department.
- 11.4 Reporting to the Group Integrity and Ethics Department should be made promptly once a Whistleblower or a Witness believes that he or she has been the subject of Retaliation.

12. External Reporting

- 12.1 Protection against Retaliation will be extended to an IsDB Group Staff member who reports suspected Staff Misconduct or a Sanctionable Practice in IsDB Group's activities to an entity or individual outside of the established internal mechanisms where the Staff member can show that:
- i. such reporting is necessary to avoid:
 - a. a significant threat to public health and safety;
 - b. substantial damage to the IsDB Group's operations; or
 - c. violations of national or international law; and
 - ii. the established internal mechanisms are inadequate because:
 - a. the Staff member has grounds to believe that it is not possible to report the suspected Misconduct or Sanctionable Practice pursuant to any of the established internal mechanisms because all such avenues would subject the Staff member to Retaliation within the institution; or
 - b. the Staff member has grounds to believe that it is not possible to

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report the suspected Misconduct or Sanctionable Practice pursuant to any of the established internal mechanisms because all such avenues would create a likelihood that evidence relating to the Misconduct or Sanctionable practice will be concealed or destroyed;
or

- c. the Staff member has previously reported the suspected Misconduct or Sanctionable Practice through the established internal mechanisms (and not on an anonymous basis), and the IsDB Group has failed to inform the Staff member in writing of the status of the matter after six (6) months of such report; and

- iii. the Staff member does not accept payment or any other benefit from any party for such report.

12.2 Reporting to an authority outside of the IsDB Group by Staff members made in accordance with paragraph 12.1 of this Policy and consistent with any confidentiality obligations to concerned third parties shall not be considered a breach of the Staff member's obligations with regard to the IsDB Group Code of Conduct and other policies governing the use of confidential information.

13. Monitoring and Evaluation

The Group Integrity and Ethics Department shall be responsible for monitoring and evaluating this Policy, and it shall submit an annual report to the relevant Board Committee(s).

14. Revisions and Amendments to the Policy

14.1 The Chairman, IsDB Group shall be responsible for reviewing the IsDB Group Whistleblower and Witness Protection Policy every three (3) years, or as deemed necessary, and if needed, shall submit recommendations to amend the Policy to the Board.

14.2 This Policy may only be amended in writing by the Board.

15. Date of Effectiveness

The IsDB Group Whistleblower and Witness Protection Policy shall become effective as of the date of its approval by the Board.