



Whistleblowing & Anti-Fraud Policy

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1. Policy Statement

- 1.1. The Board and Management of UPDC Plc and its subsidiary Companies (“UPDC” or “UPDC Group”) are committed to ensuring openness and clear communication in all dealings of UPDC or UPDC Group with its officers, employees, contractors, vendors, service providers, job applicants, suppliers, shareholders, and other stakeholders with whom it engages for business. This is in line with UPDC core values. UPDC recognizes that effective and honest communication is essential to maintaining its core values and ensuring that negative business practices are detected and dealt with promptly with a view to preserving the reputation and integrity of the Group.
- 1.2. Based on the foregoing and UPDC’s understanding of the importance of proactively preventing fraud, as well as implementing effective controls to detect fraudulent activities and misconduct, the management and Board of Directors have reviewed and approved this Whistleblowing Policy. This Policy is in line with section 19 of the Federal Reporting Council of Nigeria National Corporate Governance Code 2018 and Section 32 of the Securities and Exchange Commission Code of Corporate Governance 2014 which in essence provide that companies should have a whistleblowing Policy that is known to all stakeholders.
- 1.3. This policy will be subject to review every

2. Application

This Policy applies to all employees, job applicants, vendors, service providers, customers, contractors, shareholders, and other stakeholders of UPDC. The Policy is effective from the date it is approved by the Board.

3. Objectives and Purpose

- (a) To build a work environment in which concerns relating to malpractice, irregularities, unethical conduct, illegal behavior, or misconduct can be reported by employees, job applicants, contractors, staff of vendors, service providers, customers, and other stakeholders, without the fear of victimization, and with the assurance that such concerns will be addressed seriously and investigated as appropriate with utmost confidentiality.
- (b) To reassure whistleblowers that genuine concerns can be reported without fear of retribution even if the concerns expressed turn out to be invalid.
- (c) To guide the whistleblowers on how to report suspected fraudulent activities, unethical or illegal behavior or conduct.

4. Definitions

4.1. Fraud and Misconduct

- 4.1.1. Fraud can be defined as an intentional act carried out by an individual or a group of people to gain an unlawful or unfair advantage directly or indirectly. Fraud is usually deceptive, attempted to be concealed by the perpetrator, and detrimental to the victim.
- 4.1.2. Occupational fraud involves the intentional use of one’s position in an organization to gain an unlawful advantage directly or indirectly. Occupational fraud is classified into three by the Association of Certified Fraud Examiners (ACFE), namely:

- Fraudulent Financial Statements
- Asset Misappropriation
- Corruption

Fraudulent Financial Statements

This is the deliberate misrepresentation of the financial position of an organization, or any part of its operations with the intention of misleading the financial statements users. Such misrepresentations could be made either by omission or misstatement of financial information, or failure to disclose material non-financial information. It typically involves the understatement of liabilities and expenses, overstatement of revenue, and improper valuation of assets, among others.

Asset Misappropriation

Asset misappropriation is the use of the assets of an organization for personal benefit. It includes the theft of cash either before (skimming) or after (larceny) entry into the accounting system, theft and misuse of non-cash items, false invoicing via vendors or shell companies, and unauthorized disclosure of confidential information, among others.

Corruption

Corruption involves an individual being dishonest in his/her dealings. It typically includes the following:

- receipt of kickbacks from customers, vendors, and government agencies, among others
- economic extortion
- receipt of illegal gratuities
- relationships with third parties which may result in conflict of interests
- bribery - receipt of benefits to provide an advantage to another party with the use of one's position in an organization.

4.1.3. Misconduct refers to any improper or unacceptable behavior in violation of UPDC's policies and procedures.

4.1.4. Appendix A of this Policy itemizes actions which are referred to as fraud and misconduct. However, this list is not exhaustive.

4.2. Whistleblowing

4.2.1. Whistleblowing involves an individual making a disclosure, in the interest of UPDC and/or its stakeholders, regarding suspected fraud, misconduct, or dangers which have occurred or may be occurring at or during work for UPDC.

4.2.2. A **whistleblower** is any individual who reports a genuine concern, such as those set out in appendix A, and has a rational reason to believe that the disclosure is factual. Employees and stakeholders are encouraged by this Policy to report genuine concerns relating to suspected fraud, misconduct or danger affecting any of UPDC's activities under this Policy.

5. Whistleblowing and Investigation Procedures

5.1. Whistleblowing Procedure

5.1.1 Whistle-blowing complaint shall be lodged through the Company's website and other internal mechanisms announced periodically. Alternatively, any concerns can be reported through the UPDC hotline 08084403078 and/or audit@custodianinsurance.com.

- 5.1.2 The following officers shall be informed of all whistleblowing reports and managing the disclosures:
- a. The Chief Executive Officer
 - b. Head of Internal Audit
 - c. The Company Secretary
 - d. Head of Audit, CIP
- 5.1.3 The team responsible for managing disclosures obtained through the whistleblowing line shall:
- a. Review reported cases and disclose to the Board Risk, Audit and Compliance Committee.
 - b. Provide the Board Risk, Audit and Compliance Committee with a summary of reported cases, cases investigated, the process of investigation and the results of the investigations.
 - c. The Board shall have the responsibility to accord priority to the effectiveness of the whistle-blowing mechanism and continually affirm publicly, its support for and commitment to the Company's whistle-blower protection mechanism.
- 5.1.4 Incidents of suspected fraud and misconduct should be reported as soon as such incidents are identified as this makes it easier for management to respond promptly. Delays in reporting concerns may result in damages to reputation and/or significant losses to UPDC. Employees and stakeholders are therefore encouraged to report situations indicating fraud, misconduct, or danger anonymously through the internal reporting channels (Line Manager, Head of Department, Head of Internal Audit, Head of Human Resources, Managing Director); online form on the website; the whistleblowing hotline 08084403078 and audit@custodianinsurance.com.
- 5.1.5 Whistleblowers are also encouraged to provide any information such as the parties involved, nature and details of the incident, relevant dates, and any other useful evidence which may assist in the investigation of the reported incident. This, however, should not discourage potential whistleblowers from blowing the whistle.

5.2 Confidentiality

- 5.2.1 It is the intention of UPDC that all potential whistleblowers are not hindered in any way in reporting suspected and/or identified incidents. Therefore, as much as reasonably possible, effort will be made to treat the whistleblower's identity with utmost regard for confidentiality.
- 5.2.2 A reference number which serves as a unique identifier is given to all complaints made by whistleblowers through the web reporting channel or the Internal Audit Desk. This reference number will need to be quoted to make a follow up call or when feedback on a complaint is being sought. The Reporting Officer will send an incident report of the complaint to the CEO of UPDC and the Chairman of the Board Risk, Audit and Compliance Committee (as applicable) within 24 hours or as soon as possible.

5.3 Investigation of Reported Concerns

- 5.3.1 The CEO, Head Internal Audit and Company Secretary have the responsibility for reviewing all reported cases and initiating appropriate action (except reports against her/him which should be sent to the Chairman Board Risk, Audit and Compliance Committee or Chairman of the Board of Directors in the case of the ED, CS), if necessary, at the level of the Board of Directors to redress the situation.
- 5.3.2 Where a claim is not made anonymously, the investigation panel will endeavor to send a response to the whistle blower indicating whether the reported concern will warrant further investigation or not and the whistleblower may be required to provide further information. In the event of an anonymous report, the person who made the allegation may be informed through the existing emails or telephone services.
- 5.3.3 When reports are made internally, UPDC will make a direct request to the whistleblower for additional information.
- 5.3.4 Certain investigations may be outsourced if there is a potential conflict of interest in conducting the investigations internally or it is more appropriate to outsource because of the level of person(s) involved in the allegations/whistle blown.
- 5.3.5 Where an allegation against an employee or an Executive Director is found to be valid, such an individual will be subject to disciplinary action which may include termination of service, dismissal from service, and criminal prosecution in line with the Company's disciplinary procedure and policies and the Sanctions Grid.
- 5.3.6 When there is a need to obtain additional information from a whistleblower who reports a concern through the Audit desk, UPDC IA will contact the whistleblower for the required information.

6. Protection of Whistleblowers

- 6.1. UPDC will ensure that employees who report concerns are given the level of support required. Therefore, regardless of reservations which potential whistleblowers have due to the fear of reprisal, UPDC still encourages the openness of its employees in reporting genuine concerns under this Policy.
- 6.2. Employees should be aware that action taken because of whistleblowing through internal channels may in some instances lead to disclosure of identity, especially if the matter becomes the subject matter of administrative or judicial investigation proceedings.
- 6.3. Employees will not be subjected to any negative treatment because of blowing the whistle. Negative treatment refers to any form of threats, disciplinary action, unfavorable treatment, or dismissal connected with blowing the whistle. If any whistle blower has the belief that any form of negative treatment has been suffered or no satisfactory response to the reported concern has been received, a formal report should be made to the Chairman of the Board of Directors through the Company Secretary/Legal Adviser (legal email).

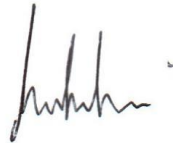
7. Review of Policy

This Policy shall be reviewed as deemed necessary but not later than every five years.

Appendix A

- Any activities that may constitute bribery or corruption in breach of any relevant laws or the Anti-Corruption and Bribery Policy
- Forgery (false declaration of age, presentation of counterfeit documents etc.)
- Sexual harassment, bullying or physical abuse
- Theft or misuse of Company's assets and property
- Any type of fraud or mismanagement
- Fictitious reporting of events (including non-financial events)
- Breach of internal policies and procedures
- Failure to comply with any legal, professional obligation or regulatory requirements
- Conduct that is likely to damage the Company's reputation
- Damage to Company's physical environment
- Abuse of office on the part of any member of staff or director
- Deliberate concealment of information relating to fraudulent activities and misconduct
- Miscarriage of justice
- Misuse of the Company's information systems and computer databases
- Overriding the Company's process controls
- Undisclosed conflicts of interest
- Unauthorized disclosure of confidential information
- Deliberate concealment of any malpractice
- Breach of UPDC Code of Business Conduct
- Non-compliance with the law(s) of the Federal Republic of Nigeria or any breach of statutory obligations
- Cases or risk of pollution or any other hazard to the environment
- Health and safety risks including risks to employees in the workplace and the public

**Approved by the Board of Directors of UPDC Plc
18th day of October 2022**



Chairman