

GUIDELINES ON WHISTLEBLOWING AND REPORTING

A. STATEMENT OF POLICY

It is the policy of LBP Resources and Development Corporation to uphold the highest ethical standards among its officers and employees and to promote good governance at all levels of the organization in accordance to the code of Conduct of the Corporation and similar applicable issuances.

These guidelines aim to encourage the employees with credible information to blow the whistle against graft and corrupt practices and other reportable conditions by providing protection and assistance to employees who voluntarily disclose their knowledge or give evidence about graft and corrupt practices.

It shall be the duty of all employees of the Corporation who witness or become aware of any attempted, ongoing or consummated act of graft and corruption and other reportable conditions involving any employee, to report the same at the earliest possible time.

B. COVERAGE

These guidelines shall cover all LBP Resources and Development employees as defined under item C.4 hereof.

Service company workers deployed in the Corporation shall be covered by a separate policy on the subject as provided for in their service agreement with the Corporation.

C. DEFINITION OF TERMS

1. **Whistleblowing** is the disclosure of and/or giving of evidence to information that a whistleblower reasonably believes constitutes graft and corrupt practices and other reportable conditions.
2. **Whistleblower** refers to an employee or group of employees of the Corporation who makes protected disclosures involving graft and corrupt practices and other reportable conditions.
3. **Graft and Corruption** are defined as follows:
 - 3.1 Graft refers to the acquisition of gain or advantage by dishonest, unfair or sordid means, especially through the abuse of position or influence of the Corporation's officer or employee.

- 3.2 Corruption involves behavior on the part of officials in the public sector in which they improperly and unlawfully enrich themselves, or those close to them, by the misuse of the public power entrusted to them.
4. **Reportable Conditions**, as provided under GCG MC No. 2014-04, copy of which is attached as Annex 1 refer to such acts or omission which involve violations of the provisions of the following laws, rules and regulations:
- a. R.A. No. 6713, "Code of conduct and ethical standards for Public Officials and Employees";
 - b. R.A. No. 3019, "Anti-Graft and Corrupt Practices Act";
 - c. R.A. No. 7080, as amended, "The Plunder Law";
 - d. Book II, Title VII, Crimes Committed By Public Officers, The Revised Penal Code;
 - e. Executive Order (E.O) No. 292, s. 1987, "Administrative Code of 1987";
 - f. R.A. No. 10149, the GOCC Governance Act. Of 2011;
 - g. GCG M.C No. 2012-06, "Ownership and Operations Manual Governing the GOCC Sector";
 - h. GCG M.C. No. 2012-06, "Ownership and Operations Manual Governing the GOCC Sector";
 - i. GCG M.C. 2012-07, "Code of Corporate Governance for GOCCs";
 - j. Violations of the Charter of the GOCC; and
 - k. Other GCG Circulars and Orders, and applicable laws and regulations.
5. **Employee** shall refer to officers and rank-and-file employees of the Corporation whether permanent, temporary, co terminus or directly hired contractual.
6. **Protected Disclosure** refers to a deliberate and voluntary giving of information by an employee whether written or verbal, of an actual or suspected act of graft and corruption (as defined under item C.3 herein) and other reportable conditions (as defined under C.4 herein) committed by any employee, group of employees or Group/Unit of the Corporation.

7. **Retaliatory Action** refers to negative or obstructive responses or reactions to a disclosure of acts of graft and corruption and other reportable conditions including, but not limited to, administrative or criminal proceedings commenced or pursued, reprisals of threats against the whistleblower and/or those employees supporting him/her or any of the whistleblower's relatives, such as, but not limited to forcing or attempting to force any of them to resign, retire or transfer, giving negative performance appraisals, fault-finding, undue criticism, alienation, blacklisting and other similar acts.
8. **Relatives** refers to any and all persons related to an employee within the fourth civil degree of consanguinity or affinity, including bilas, inso and balae.

D. SPECIFIC GUIDELINES

1. Reporting of the Whistleblower

All reports from whistleblower must state the specific condition/s, action/s and/or omission/s being complained about, as well as the corresponding laws, rules or regulations allegedly violated. If possible, documentary and other evidence in support of the reports attached to the reports.

- a. For acts involving employees with rank of Manager and above- to the Chairman, LBRDC Executive Committee (ExeCom); and
- b. For acts involving employees below Manager level- to the LBRDC President.
- c. Reports on graft and corrupt practices and other reportable conditions coursed through the mail or email or telephone shall be referred to the Admin Department for referral to the appropriate body/person.
- d. Reports on graft and corruption and other reportable conditions may also be submitted to the Governance Commission for GOCCs in accordance with GCG MC. 2014-04.

2. RIGHTS OF WHISTLEBLOWERS

- a. Protection against Retaliatory Actions subject to the conditions under item D.3 hereof
 - i. No administrative action shall be entertained or pursued by the Corporation against a whistleblower relating to a report or disclosure deemed protected under these guidelines.

- ii. No retaliatory action shall be taken against a whistleblower such as, but not limited to, discriminatory action; reprimand; punitive transfer; undue poor performance reviews; obstruction of the investigation; withdrawal of essential resources; adverse reports; attachment of adverse notes in the personnel 201 file; ostracism; questions and attacks on motives; accusations of disloyalty and dysfunction; public humiliation; and the denial or work necessary for promotion.

Any employee who refuses to follow orders to perform an act that would constitute a violation of this provision shall likewise be protected from retaliatory action.

b. No Breach of Duty of Confidentiality

A whistleblower that has an obligation by way of oath, rule or practice to maintain confidentiality of information shall not be deemed to have committed a breach of confidentiality if he/she makes a protected disclosure of such information.

3. CONDITIONS FOR PROTECTED DISCLOSURE

Whistleblowers shall be entitled to protection and assistance under these guidelines after the investigation conducted showed valid basis and provided that all the following requisites are fulfilled:

- a. The disclosure is made voluntarily, in writing and under oath;
- b. The disclosure pertains to a matter not yet the subject of a complaint already filed with, or investigated by the Corporation or any duly designated committee or body; unless, the disclosure is necessary for the effective and successful prosecution, or would constitute a material evidence not yet in the possession of the Corporation;
- c. The whistleblower formally undertakes to assist and participate in proceedings commenced in connection with the subject matter of the disclosure;
- d. The whistleblower should have personal knowledge of facts and information covered by the disclosure; and
- e. The information given by the whistleblower contains sufficient particulars and, he/she submits or undertakes to submit materials evidence that may be in his/her possession.

4. EVALUATION OF DISCLOSURES

- a. Reports of disclosure shall be subject to evaluation to determine whether or not they constitute a protected disclosure under these guidelines. The evaluation shall consider the following factors, among others;
 - i. Whether or not the disclosure varies or contradicts in material respects the details contained in official information and authentic documents determined to be truthful;
 - ii. Whether or not the documents attached to the disclosure appear to be spurious;
 - iii. Whether or not the figures given in the disclosure appear erroneous after proper examination;
 - iv. Whether or not there is undue delay in divulging the information or offense alleged to have been committed and the delay is not sufficiently explained/justified and there are material omissions, discrepancies of facts and details which tend to deviate from the natural and logical flow of facts and circumstances;
 - v. Whether or not the disclosure appears incredible or improbable considering logic, knowledge, ordinary observation and common experience of man;
 - vi. Whether or not the veracity of the disclosure is doubtful and there is no corroborative evidence to support it; and
- b. An employee who makes a disclosure deemed unprotected shall not enjoy any immunity, or other right or privilege accorded under these guidelines.

5. CONFIDENTIALITY

The identity of the whistleblower and the matters disclosed shall be kept confidential, except when disclosure thereof is essential to the successful prosecution of a charge arising from the protected disclosure.

6. DISCLOSURE MADE BY A PARTY TO AN ACT OF GRAFT AND CORRUPTION

A disclosure made by an employee who is a party to an act of graft and corruption and other reportable conditions may be deemed a protected disclosure and be entitled to the assistance to a whistleblower, provided that:

- a. The whistleblower complies with the conditions under item D.3 hereof;
- b. The whistleblower should not appear to be the most guilty;
- c. The whistleblower testifies in accordance with his/her disclosure;
- d. The disclosure is necessary for a proper prosecution of the act; and
- e. The whistleblower's testimony can be substantially corroborated on material points in conformity to item D.3.5 hereof

7. PROCEDURE FOR PROTECTED DISCLOSURE

Upon receipt of the report, Executive Chairman or the LBRDC President and CEO, as the case may be, shall cause the following actions to be undertaken:

- a. Ensure that the whistleblower's report and other related documents are at all times placed in a folder labeled as "confidential" and properly kept in a locked drawer or cabinet for the safety of the documents;
- b. Require the evaluation of the report by the duly designated Group/Unit or officer as to whether or not it qualifies as a protected disclosure under these guidelines. The evaluation and recommendation shall be submitted within a period of thirty (30) calendar days from receipt thereof;
- c. The evaluation report and recommendation shall be submitted to the Executive Committee Chairman or the LBRDC President and CEO, as the case maybe, for approval within five (5) days from receipt. The matter maybe referred to the Internal Audit Unit for further evaluation in case of need or be referred to the Legal Officer for prosecution;
- d. Upon completion of the audit and/or investigation, reports shall be submitted to the Executive Committee Chairman or the LBRDC President and CEO, as the case maybe, who shall refer them to the Legal Officer for the prosecution of proper administrative, criminal and/or civil, as may be warranted, in accordance with applicable laws, rules and regulations;

- e. Certification of the disclosure as a protected reports should it qualify as such; provided that the declaration as to whether or not a report shall be considered as a protected disclosure shall be made within thirty (30) calendar days from receipt of the report; otherwise, the matter shall be referred to the pertinent Group/Unit for proper action in accordance with the review mechanism provided under the Code of Conduct and Employee Discipline; and
- f. Conduct of appropriate actions in accordance with applicable rules and regulations.

8. PROTECTION OF WITNESS

- a. Any employee who testifies in any proceedings arising from a protected disclosure shall be accorded the same protection against retaliatory actions as provided in item D.2 hereof
- b. In cases involving grave threats to life and/or safety of the whistleblower, appropriate or necessary action may be taken by the Management for the protection and support of the whistleblower.

9. ASSISTANCE TO THE WHISTLEBLOWER

The Executive Committee and/or LBRDC President and CEO may provide appropriate assistance or support to a whistleblower as may be warranted under the circumstances and situation.

E. REMEDIES AND SANCTIONS

1. VIOLATIONS OF CONFIDENTIALITY

Any employee who violates the protection confidentiality of a protected disclosure shall be subject to disciplinary and/or criminal action as may be provided under existing pertinent, relevant laws, rules and regulations of the Corporation, the GCG and other regulatory bodies.

2. RETALIATORY ACTIONS

Any employee, who does, causes or encourages retaliatory actions as defined under these guidelines against a whistleblower and/or employees supporting him/her or any of his/her relatives shall be subjected to administrative, civil and/or criminal proceedings.

3. FALSE, MISLEADING AND MALICIOUS REPORTS

False, misleading and malicious reports or disclosures shall be sufficient ground for the termination of the protection or assistance to the whistleblowers under these guidelines, including the termination of their immunity from administrative cases, civil and/or criminal actions as may be appropriate.

Further, any employee who, with malice or in bad faith, reports said information against any Bank employee or person shall be subject to administrative, civil and/or criminal action.

4. The venue of action by the Whistleblower against the Employee shall be in the city of Manila.