

## **Whistle-blowing Policy and Procedures for Pangea Trust**

### **1. What is whistle-blowing?**

To blow the whistle is to alert a third party that a person or entity has done, or is doing, something wrong. So, literally, “whistle-blowing” means that a party, in good faith, conveys or transmits a concern, allegation or information indicating that a prohibited practice is occurring or has occurred in the Pangea Trust or in a Pangea Trust funded project-financed operation.

By blowing the whistle on misconduct in an organization, one alerts the organization to the fact that its stakeholders are being wrongfully put at risk or have been, or are being, harmed.

All Pangea Trust stakeholders, including staff, Start Up Ecosystem, Principal Recipients, Donors and Board members, have a duty to report misconduct occurring in relation to any of the Pangea Trust’s activities.

### **2. The Pangea Trust’s duty of trust**

Pangea Trust is business accelerator program and an investment platform that matches African startups with its pool of investors from Nordic region, registered in Kenya as a Trust with Ministry. The Trust creates an enabling environment, where African entrepreneurs can develop competence, access relevant network and capital in order to reach their full potential

It follows that it is the Pangea Trust’s overriding duty to manage the funds it receives from its partners responsibly, including proactively protecting those funds from abuse or misdirection so that they can reach their intended destinations for their intended purposes.

For Pangea Trust, local or intentional mismanagement or misappropriation of its funds is a serious breach of trust, for two obvious reasons:

- First, the intended beneficiaries — namely, Africa startups and the startup ecosystem in general— would be harmed as the funds earmarked for their benefit are diverted and not used for their benefit.
- Second, donors cannot be expected to continue donating funds that are managed irresponsibly or wasted.

### **3. Why have a whistle-blowing policy?**

The main purpose of this whistle-blowing policy is to help Pangea Trust exercise its duty of trust to protect its funds and to protect employees from behavior that does not adhere to Pangea Trust’s core values or employee Handbook and Code of Conduct. The policy applies both to internal whistle-blowers (Pangea Trust employees), and to third-parties involved with the programs under Pangea Trust.

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Therefore, this document sets out the Pangea Trust's written, formal whistle-blowing policy, consisting of effective and confidential procedures for reporting possible misconduct or irregularities so that appropriate remedial action can be taken. A written, formal policy — properly communicated — is also a means of preventing and deterring misconduct that might be contemplated but has not yet taken place.

A written, formal policy is also a transparent method of addressing issues relating to whistle-blowing, such as answering standard questions, giving assurances, providing information, and offering explanations.

With its whistle-blowing policy, Pangea Trust calls upon others to assist it with its outlined responsibility of the funds designated for and provided to intended recipients and deserving beneficiaries.

Pangea Trust abides by a philosophy that its duties as custodian or trustee of donated funds clearly outweigh possible personal, cultural, or historical objections to a practice of whistle-blowing.

Through this whistle-blower policy, Pangea Trust calls on all who care about the worldwide startup ecosystem and the society in general to support this further step to safeguard donated funds intended for benevolent purposes. In summary, this whistle-blowing policy springs from the duty of Pangea Trust to act as a responsible custodian or trustee of funds entrusted to it, by protecting the interests and assets of all its stakeholders — donor countries, recipient countries, or diverse beneficiaries alike.

#### **4. Who are whistle-blower reports made to?**

Whistle-blower reports are made to the Office of Legal Counsel. Pangea Trust Legal Counsel is an independent unit of its operations, reporting directly to the Board of Pangea Trust through its Audit and Ethics Committee.

The Office of the Legal Counsel provides Pangea Trust with independent and objective assurance over the design and effectiveness of controls or processes in place to manage the key risks impacting Pangea Trust's programs and operations, including the quality of such controls and processes.

Further details on the Office of the Legal Counsel can be found on Pangea Trust's web-pages through the following link: <http://www.pangeatrust.co/>

The Legal Counsel has been tasked to provide appropriate mechanisms for whistle-blowers to report all irregularities relating to Pangea Trust activities. The types of matters that should be reported to the Legal Counsel and further information on the process of reporting are provided below.

The Legal Counsel will ensure all reports by whistle-blowers are reviewed and properly followed-up by Legal Counsel or referred to the appropriate entity, as appropriate given the nature of the claims and the mandate and priorities of the Legal Counsel.

Allegations to be investigated in areas within the responsibility of Pangea Trust's Human Resources department will be considered at the discretion of the Head of Human Resources in consultation with the Legal Counsel. In the exercise of this discretion, the factors to be considered will include, without limitation, an assessment of the seriousness of the allegations and the extent to which the allegations can be corroborated by attributable sources.

In all cases however, Pangea Trust will maintain confidentiality and/or anonymity of the claimant, as detailed in sections 8 and 9 below.

## **5. Who should report misconduct and what should be reported?**

All Pangea Trust stakeholders, including staff, Startups Ecosystem, Principal Recipients, donors and Board members, have a duty to report past or present misconduct occurring in relation to any of the Pangea Trust's activities. This encompasses notably any of the circumstances listed below, occurring in connection to persons and entities involved in the management of funded programs, such as Pangea Trust Staff, grant recipients, suppliers, contractors:

- a. Misconduct by Pangea Trust staff or contractors;
- b. Theft or diversion of funds or other assets (including embezzlement, theft of assets procured with grant funds);
- c. Fraud against Pangea Trust or its grant recipients (e.g. bribery, kickbacks, inappropriate gratuities, forged signatures, false travel claims, travel with no legitimate purpose);
- d. Knowingly communicating false information (including false financial or programmatic reporting and other misrepresentation of information) and inappropriate disclosure of information;
- e. Waste or misuse of resources, assets and monies (e.g. knowingly purchasing expired products, supplying faulty products);
- f. Unethical conduct (Conduct that undermines universal, core ethical values, such as integrity, respect, honesty, responsibility, accountability, and fairness), including issues related to violations of human rights in relation to Pangea Trust supported activities;
- g. Actions damaging Pangea Trust's reputation and which may lead to an investigation;
- h. Abuse of power or authority;
- i. Mismanagement;
- j. Inappropriate use of program assets;
- k. Non-compliance with Pangea Trust Procurement Policies (including irregularities in tender processes);
- l. Maladministration (for example, failure to take proper action to rectify reported problems, failure to respond to complaints);
- m. Conflict of interest;
- n. Any breach of the Code of Conduct for Suppliers
- o. Any breach of the Code of Conduct for Recipients.

Any other person who has information relating to any such matter should report the matter to the Legal Counsel through one of the services described in section 10 below.

## **6. Assurances of confidentiality and anonymity**

Pangea Trust is committed to safeguard whistle-blowers, and provides the opportunity to treat all whistle-blowing reports as either confidential or anonymous. The choice between confidential or anonymous whistle-blowing is that of the whistle-blower alone.

## **7. What is the difference between confidential and anonymous whistle-blowing?**

Allegations notified to the Legal Counsel may be made confidentially (in which case the person's identity will be known to the Office of the Legal Counsel only and will be kept confidential) or anonymously (in which case no one, not even the Office of the Legal Counsel, will know that person's identity).

If you provide your personal details when making a confidential report, the Office of the Legal Counsel

will not disclose these details to other areas of Pangea Trust or to external organizations (EACC) unless you give your consent. The only exceptions to this assurance may be where the Pangea Trust is required to comply with a separate legal obligation such as an order issued by a court, or when an allegation has been determined as being malicious and needs to be referred, as stipulated in section 9 below. Importantly, the Pangea Trust assurance of confidentiality can only be completely effective if the whistle-blower likewise maintains confidentiality.

Anonymous reports are sometimes difficult to assess where it is not possible to obtain further information from the complainant. Therefore, if an allegation is made anonymously, it should be as complete as possible, providing as much detail as possible to enable the investigator to follow up on information that may be needed to pursue the investigation, and include any supporting documentation. Whistleblowers are therefore encouraged to report misconduct confidentially, as such a report has the greatest likelihood of impact as the Legal Counsel will have a greater ability to pursue the complaint, and will be able to seek clarifications from the complainant, if and when, necessary. To be actionable, complaints ultimately must be supported by sufficient evidence to find misconduct has occurred.

- For persons nevertheless wishing to report irregularities anonymously while at the same time providing a mechanism for further (anonymous) contact where necessary may use the Legal Counsel or EACC respectively: [info@kckglobal.net](mailto:info@kckglobal.net) , phone number 0715 004 976 or phone numbers 0729 888881 / 2 / 3; 0736 996600 / 33 or email at [eacc@integrity.go.ke](mailto:eacc@integrity.go.ke)
- The reporting can also be done anonymously by writing an email to [admin@pangeatrust.co](mailto:admin@pangeatrust.co)
- Or filling the reporting form under contact us on the Pangea Trust website [www.pangeatrust.co](http://www.pangeatrust.co).
- Only the Managing Director has access to the admin email or the report from the website.

By using this method of reporting, a report number and PIN are assigned. The identity of the person making the report is not known to the third-party reporting agency or to the Legal Counsel unless the person making the report chooses to pass on this information.

By using the report number and PIN, the person making the report is able to check back at a later time to obtain an update – and this also allows the Legal Counsel to pass on any questions that have or requests for clarification.

## **8. Whistle-blower protection**

Both confidential and anonymous whistle-blowing options are aimed at safe reporting.

Pangea Trust is also committed to preventing those who benefit from misconduct from attempting to retaliate against or victimize a whistle-blower for loss, or potential loss, of that ill- gotten benefit. Pangea Trust will not tolerate any retaliation, i.e. any act of discrimination, reprisal, harassment or vengeance, direct or indirect, which is recommended, threatened or taken against a whistle-blower or its relatives or associates by any person because the whistle-blower has made a disclosure under this policy in good faith, reasonably believing it to be true.

The reporting process outlined above has been introduced by the Office of the Legal Counsel under Pangea Trust to allow confidential or anonymous reports to be made, while at the same time safeguarding the identity of the person making the report to the fullest extent possible.

Where an individual makes a report under this policy in good faith, reasonably believing it to be true, no retaliation against the individual will be tolerated should the disclosure turn out to be misguided or false.

Where retaliation by the Head of the Human Resources Department, Procurement and Compliance Department or other member of the Management Executive Committee is alleged, an assessment of the allegation will be prepared by the Legal Counsel, with the participation of an external party to Pangea Trust, and presented to the Executive Director for further action or investigation. Where retaliation by the Executive Director or Managing Trustee, an assessment of the allegation will be prepared by an external party chosen by the Chair and the Vice-Chair of the Audit and Ethics Committee or in absence of the Committee the Board of Trustee shall appoint the external party and the assessment will be presented to the Chair and Vice-Chair of the Audit and Ethics Committee and the Board, for further action or investigation.

In the case of internal whistle-blowers, where it is considered necessary, the Legal Counsel or Pangea Trust's Human Resources department may recommend the temporary reassignment of a person who has allegedly been the subject of retaliation or other measures appropriate to protect against further acts of retaliation. Any such recommendation will only be submitted with the approval of the staff member involved and appropriate measures will be taken to safeguard employee confidentiality to the fullest extent possible.

Reporting under this policy in no way protects a whistle-blower from sanctions arising from their own wrongdoing. In other words, blowing the whistle is no "escape hatch" for complicity in misconduct.

#### **9. Legal Counsel action in the case of retaliation or false reports.**

Any staff member of Pangea Trust who is alleged to have retaliated against a person who has made a report to the Legal Counsel in good faith will be the subject of a disciplinary procedure as outlined in section 17 of Pangea Trust's Employee Handbook. Should the allegation be substantiated, it will be considered gross misconduct and the staff member will face disciplinary action including possible contract termination.

Allegations of retaliation by people and entities external to Pangea Trust, such as in-country partners and suppliers, will be dealt with through governance mechanisms and other appropriate action including the debarment of suppliers through the Pangea Trust Sanctions Procedures.

Making allegations through the whistle-blowing mechanism that the individual knows to be false or with an intent to misinform will also be investigated by the LC and may result in disciplinary or other action (such as the sanctions procedures in the case of suppliers or referrals to local law enforcement agencies in the case of third parties).

#### **10. How do I report fraud or abuse?**

There are two ways to make a complaint.

##### ***i. Through a third-party reporting service***

You can make a complaint by telephone or internet through a reporting service provided above. This service will provide the details of your report to the Office of the Legal Counsel. It will ask if you wish to be anonymous or if you wish to provide your contact information.

If you provide your contact information, the Office of the Legal Counsel will contact you directly for more information.

If you choose to be anonymous, LC will provide you with a report number, a PIN number and a follow-up date. Because office of legal counsel will not have your contact information any further contact will need to be initiated by you.

## **11. What details should I include in my report?**

Please make your complaint as specific as possible and include details such as:

- a. The type of alleged wrongdoing you are reporting;
- b. Where and when did these events occur;
- c. Who are the people involved and who has knowledge about the matters you are reporting;
- d. How the individual, organization or company committed the alleged wrongdoing;
- e. Why do you believe the conduct should be investigated and why are you reporting the matter;  
and
- f. All documents and references to other sources that support the complaint.

Complainants are strongly encouraged to submit all supporting documents, or advise the office of Legal Counsel where such documents might be located, and identify other possible witnesses who could provide relevant information. Disclosure of further information or evidence (for example, documents) that you believe will enable to make a proper assessment, should be provided to the Office of the Legal Counsel as soon as possible.

## **12. What happens after I make a report?**

All reports to the legal counsel are acknowledged within one day of receipt wherever possible and all reports are reviewed by LC staff.

To determine whether a matter falls within the Charter of the LC, an initial screening will be made, resulting in a determination of the most appropriate action. This may lead to an investigation by the Office of the Legal Counsel, or a referral of the matter, for example to national authorities for prosecution in the event of a breach of national criminal laws. Alternatively, where appropriate, the matter may be communicated for management action to other areas of Pangea Trust if there is no apparent conflict of interest with that area and if confidentiality can be maintained.

Issues of misconduct by Pangea Trust staff may fall within the responsibility of Pangea Trust's Human Resources Department. In such cases the office of the legal counsel will refer the matter to the Head of HR for

assessment and action. It is important to reiterate that the Office of Legal Counsel will not pass on the identity of a person making a report of irregularities unless that person has consented to the LC doing so.

An investigation is a professional, systematic and analytical process designed to gather information in order to determine whether wrongdoing occurred and, if so, the persons or entities responsible.

Investigations are conducted by the Office of the Legal Counsel and Pangea Trust's Human Resources Department in a diligent, complete, focused and objective manner. All reasonable steps are taken to ensure that pertinent issues are sufficiently examined. The Office of Legal Counsel exercises complete independence from other parts of Pangea Trust in conducting investigations.

Periodic reports are provided by the Office of the Legal Counsel on the number and nature of matters reported to the LC. The LC also analyses reports and the results of investigations to identify any systemic issues, which are passed to the Board of Trustee to assist in the development of more robust controls where appropriate.

### **13. Need more information?**

We hope that this document has provided a useful overview of the Pangea Trust's Whistle-blower process. Should you have any questions, please contact the Office of Legal Counsel through any of the contact mechanisms listed above.