



PACKAGES LIMITED

## Anti-Fraud Policy

Particulars	Description
Document title	Anti-Fraud Policy
Review frequency	After every 3 years unless necessitated earlier
Recommended by	Board Audit Committee
Approved by	Board of Directors
Date of approval & applicability	October 23, 2019
Date of revision	March 22, 2023
Version control	2.0

## Contents

1. Purpose.....	3
2. Scope.....	3
3. Definition of Fraud .....	3
4. Policy statement.....	4
5. Responsibility for prevention and detection .....	4
6. Reporting & Investigation .....	4
7. Confidentiality & Non-Retaliation .....	4
8. Disciplinary Action .....	4
9. Recovery Proceedings .....	5
10. Fraud Register .....	5
11. Blacklisting.....	5
12. Fraud red flags monitoring.....	5

## 1. Purpose

Packages Limited (herein referred to as “the Company”) is committed to the highest possible standards of openness, transparency, and accountability in all its affairs. The intent is to promote a culture of honesty and opposition to fraud in all its forms. Therefore, the purpose of this policy is to provide:

- ✓ A clear definition of “fraud”.
- ✓ A statement to employees forbidding any fraudulent activity in all its forms.
- ✓ A statement to define responsibilities for identifying exposures to fraudulent activities and for establishing controls and procedures for preventing such fraudulent activity and/or detecting such fraudulent activity when it occurs;
- ✓ Guidance to employees as to what action should be taken where they suspect any fraudulent activity;
- ✓ Clear guidance as to responsibilities for conducting investigations into fraud related activities; and
- ✓ Protection to employees in circumstances where they may be victimized, because of reporting, or being a witness to, fraudulent activities.

## 2. Scope

This policy applies to any fraudulent activity, detected or suspected, involving employees as well as all other stakeholders of the company, which includes but not limited to any vendor, service provider, customer, contractor, agency, distributor etc. This document is intended to provide guidance on how such activities should be dealt with.

## 3. Definition of Fraud

Fraud is defined as an intentional, false representation or concealment of a material fact for the purpose of securing an unfair or unlawful gain. Fraud that may involve any of the following matters must be reported. This list is only for reference purposes and should not be considered exhaustive:

- ✓ Misrepresentation of facts.
- ✓ Misappropriation/theft or misuse of Company’s assets such as money, equipment or supplies.
- ✓ Unlawfully obtained revenue and/or assets.
- ✓ Falsification of revenue, costs, and expenses.
- ✓ Making profit because of insider knowledge of Company activities.
- ✓ Bribery or corruption.
- ✓ Disclosing confidential and proprietary information to outside parties.
- ✓ Forgery or alteration of documents.

- ❑ Paying of excessive prices or fees to third party with the aim of personal gain; or
- ❑ Accepting or offering kickbacks or gifts intended to, or which may appear to, influence the business judgment.
- ❑ Authorizing payments for goods not received or services not rendered.

## 4. Policy statement

Fraud in all its forms is wrong and is unacceptable to the Company. All stakeholders must carry out their activities/business in such a way that it prevents fraud from occurring.

## 5. Responsibility for prevention and detection

All management personnel are responsible for the prevention and detection of fraud, misappropriation, and other irregularities. All employees are required to be familiar with the types of fraud that might occur in their respective area, be alert for any indication of fraud or improper activity and maintain controls to avoid such occurrences.

In case of knowledge, suspicion, or detection of any such activity by any person, the information should be promptly reported for thorough investigation and prevention.

## 6. Reporting & Investigation

All instances of fraud should be reported under “Whistle Blowing Policy & Procedure” which are follows:

- |                        |  |
|------------------------|--|
| 1. By email:           | “whistle@packages.com.pk”  |
| 2. By mailing address: | Head of Internal Audit<br>Shahrah-e-Roomi. P.O. Amer Sidhu Lahore - 54760<br>Packages Limited Lahore, Pakistan |
| 3. By telephone:       | +92-42-35811541-46 (Ext: 392)  |
| 4. By mobile:          | 0300-4355574   |

All complaints will be investigated by the Internal Audit Department under the “Whistle Blowing Policy & Procedure”. While reporting a fraud, appropriate evidence or supporting information must be given about the incident or situation to allow proper investigation of allegations.

## 7. Confidentiality & Non-Retaliation

All reported instances of fraud including the identity of those providing information will be kept confidential in order to conduct an appropriate, fair and thorough investigation. Necessary protection would be provided to the informant. No retaliatory action against any individual for reporting in good faith under this policy will be tolerated. However, false reporting could result in disciplinary action.

## 8. Disciplinary Action

Disciplinary action will be taken against any person found guilty as per the company policy based on the investigation report and severity of the act(s) involved.

Any non-compliance with policies, procedures, laws, and regulations applicable to the company which results in any risk or loss to the company, would be subject to disciplinary action. Any excuse of ignorance or negligence by concerned employee, would not be acceptable in such cases.

## 9. Recovery Proceedings

Once it is concluded that an act of fraud is committed by a staff, vendor, supplier, customer, or other third-party service provider, etc. an immediate recovery proceeding should be initiated to ensure, in case of misappropriated funds, that funds are not utilized or channeled, and in case of any unfair gain made, the impact of that gain can be contained.

## 10. Fraud Register

A Fraud register should be maintained by Internal Audit department which should contain as bare minimum - brief description of fraud, employee or group of employees / third party involved, brief details of case, case conclusion, amount involved if any, amount recovered to date and status of any civil legal action.

## 11. Blacklisting

Packages Internal Audit department is authorized to blacklist any vendor, service provider, customer, contractor, agency, distributor etc. who are convicted of fraud under this policy. Details of such blacklisted parties will be shared with all Group Companies to curtail business relations with them and avoid potential financial or reputational loss and an updated list of all blacklisted suppliers shall be maintained by the Group Supply Chain department.

## 12. Fraud Red Flags monitoring

Proactive monitoring of fraud red flags would be done for deterring and preventing fraud and to ensure that timely corrective action is taken for its proper mitigation. In this regard the internal audit department will be monitoring the different processes, information and reports during the normal course of their activities as well as during any special assignments on an ongoing basis. Any exception noted as a result, would be reported and further investigated for determining and addressing the root cause.