



## **Whistleblower Policy**

**Essar Constructions India Limited**

## **WHISTLEBLOWER POLICY**

### **1. Purpose**

The Whistleblower Policy aims at encouraging and supporting positive action in –Essar Constructions India Limited by clearly defining a framework, which allows reporting of actual or potential violation such as inappropriate conduct or behavior, demanding or accepting bribes, questionable accounting or fraudulent financial transactions, discrimination / harassment at work place and non-compliance with applicable regulations. This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct / behavior is/are noticed, reported or suspected.

To meet the above objectives, the Board of Directors of the Company has decided to adopt this policy by formulating a procedure to bring to attention of the Management incidents of improper conduct/s without fear of victimization.

### **2. Definitions:**

The definitions of some of the terms used in this policy are given below.

- i. “Chief Internal Auditor (CIA)/nominated person (NP)”: shall be appointed by the / Board of Directors. in the case of vacancy in the position of Chief Internal Auditor such person as may be nominated by the Managing Director & CEO to discharge the duties under the Policy.
- ii. “Associates”: means all directors, managerial employees, non-managerial employees, contract workforce, consultants, vendors, customers, franchisees, auditors, advisors and trainees including of its subsidiaries.

- iii. "Defendant": means any Associate against whom an allegation has been made
- iv. "Inappropriate conduct" is defined in paragraph 4 of the Policy.
- v. "Investigation team" means those persons authorized, appointed, consulted or approached by the Chief Internal Auditor/nominated person or the Chairperson of the and may include the auditors of the Company and the police.
- vi. "Whistleblower": means any Associate reporting an inappropriate conduct or behavior.
- vii. "Protected Disclosure" means any complaint made in good faith that discloses or demonstrates information that may evidence inappropriate conduct or behavior, actual or potential fraud or violation of the Company's Codes or any intentional regulatory non-compliances.
- viii. "Frivolous Complaints" means any complaint or allegation reported under this Policy with no evidence or on hearsay basis or with malafide intentions against the Defendant

### **3. Applicability**

This Policy applies to all Associates. This policy also covers within its ambit all third parties who not being in direct employment of the company are involved directly or indirectly in doing business with the company either as vendors or as suppliers of the company. Any Associate can report an inappropriate conduct in the company.

### **4. Coverage and Scope**

#### **Inappropriate Conduct is an act:**

- i. That leads to an intentional waste, mismanagement, abuse of authority, theft, conversion, and sabotage in any field adversely affecting the Company's performance or misuse of Company's property.
- ii. That involves questionable accounting or fraudulent financial transactions or Theft including a misrepresentation that knowingly misleads, or attempts to mislead an Associate to obtain financial

or other benefits or to avoid fulfilling obligations.

- iii. That is corrupt, which means the offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence the actions of other Associates.
- iv. That includes coercive practices by the defendant, which involves impairing or harming, or threatening to impair or harm, directly or indirectly, any Associates or the property.
- v. That involves conspiracy or collusive practices, which means an arrangement between two or more defendants designed to achieve an improper purpose, including influencing improperly the actions of another Associate, which is against the interest of the company.
- vi. Health and safety risks.
- vii. Breach of Business Practice, conflict of Interest policy as adopted by the Company from time to time
- viii. Any instance of failure to comply with legal or statutory obligation either for and on behalf of the Company or in any personal capacity in the course of discharging duties of the Company.
- ix. Abuse of vulnerable adults (e.g. through physical, physiological or financial abuse, exploitation or neglect or discrimination or harassment)

**Note:** The above list of inappropriate conduct/behavior is only illustrative by nature and not exhaustive; Chief Internal Auditor/Nominated person is the final deciding authority on whether a conduct/behavior lies within the scope of this policy.

## **5. Disqualifications**

**The company reserves the right not to investigate cases reported under this policy in the following circumstances:**

- Complaints associated with unsatisfactory probation reports and performance evaluations that shall be referred to the Human Resources Department and redress sought through other mechanisms established within the system. However, where in the view of the Whistleblower, factors such as

probation reports, performance evaluations or work assignments and opportunities are being used by management in a retaliatory manner, the Policy shall apply.

- Complaints made anonymously. Anonymous complaints may be investigated by the Company at its sole discretion through its internal Audit/Vigilance/HR departments.
- Customer complaints, which can be dealt with under defined redressal mechanism defined under the terms of the contract
- In case a conclusion that the Complaint has been made with malafide intentions and is a false accusation or is an abuse of process or the complaint is frivolous, then the complaint may be referred HR for taking appropriate disciplinary action.

The Chief Internal Auditor/Nominated person has the discretion to disqualify any complaint from being investigated under this policy, by recording such decisions specifically in writing. However, such a decision shall be arrived at unanimously, without any dissent.

Hotline Complaint Recording Procedure & Investigation

**Channels for making Protected Disclosures-:**

The Company has appointed an independent third party “KPMG Advisory Services Private Limited” to facilitate Whistle Blower for reporting of protected disclosures through following channels:

| Reporting channel                | Contact information   |
|----------------------------------|---|
| Toll Free no-Valid only in India | 1800 203 9313   |
| Email                            | essar@ethicshelpline.in   |
| Web Portal                       | www.essar.ethicshelpline.in   |
| Post Box                         | P. O. Box No 71, DLF Phase 1, Qutub Enclave, Gurgaon - 122002, Haryana, India |

KPMG will provide a dedicated toll-free “Ethics Helpline Service” (“EHS”) for the use of Associate. Calls will

be received by the KPMG Ethics Helpline Service, on business days between 7 AM and 11 PM (IST). Outside these times, a voice recording would inform the caller of the hours of operation of the KPMG Ethics Helpline Service and request the caller to call back during normal business hours mentioned above on business days. A call back to be arranged within one business day for any calls missed on the Ethics Helpline during the operational window or during out of office hours.

A business day would mean other than (i) Saturday or Sunday and / or (ii) a day on which KPMG is closed for business on public holiday (iii) a day on which normal business cannot be transacted due to technical issues, storms, floods, bandhs, strikes or any other such force majeure event.

It is mandatory for the Whistleblower to share their details with the EHS provider. The EHS provider will not share / reveal the identity if the Whistleblower wishes to remain anonymous. The EHS provider will share the details of the Whistleblower with the Company only if the complaint report is categorized as a Frivolous Complaint after preliminary review or as an outcome of the investigation performed by the Company

#### **6. Confidentiality of Identity of the Whistleblower**

- i. It is the obligation of the Board to ensure total confidentiality of the identity of the Whistleblower unless he/she agrees to be identified.
- ii. Wherever identification of the Whistleblower is necessary to allow Essar entity or the appropriate law enforcement officials to investigate or respond effectively to the disclosure, the same would be done in consultation with the Whistleblower and the relevant law enforcement agencies.

#### **7. Protection from Retaliation**

Retaliation is any act direct or indirect, recommended, threatened or taken against a Whistleblower because the Whistleblower has made a complaint under the policy. A direct quid-pro-quo needs to be established between the action/threat faced by the Whistleblower and the original complaint made under this policy, which forms the basis/purpose of this retaliation.

**Retaliation includes:**

- Discrimination
- physical or mental harassment vengeance by any other means or form including adverse change in job function / location or
- a combination of the above

Retaliation against any Whistleblower(s) by any defendant(s) directly/indirectly, will be treated as an offence meriting Disciplinary Action and (or) Criminal Implication. The acts of Retaliation by those not qualifying as Essar Associates would be reported to the local law enforcement agency, at the discretion of the CIA/NP.

The Whistleblower, any other Associates or anyone outsider can report acts of Retaliation against the Whistleblower, his/her life, property, lives of relatives and acquaintances. The CIA/NP will monitor complaints of Retaliation on an ongoing basis.

**8. Grievances**

If the Whistleblower feels aggrieved with the disposition of his or her complaint or if the Whistleblower or defendant feel that either of them is entitled to or has not been provided protection or has been disregarded / victimized or there are exceptional circumstances, the Whistleblower or defendant, as the case may be, may make a representation in writing of his or her grievance to the Chairperson of the Board who will take such action as he considers necessary to redress the grievance.

**9. Opportunities for Requit**

The Company may provide appropriate requitals in suitable cases to encourage creating an environment where wrongful acts are reported to the management whilst protecting the identity and interest of the Whistleblower at all times.

#### **10. Retention of Documents**

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of Eight years.

#### **11. Review & Evaluation**

The Board of Directors will annually review and evaluate the adequacy of its policy and recommend the changes.

#### **12. Awareness Training**

There will require to have regular communication/circulate/display policy to all existing Associate and Board members and make all aware about their right under this policy for making protected disclosure\complaint. New staff will be made aware of this policy through induction training.

#### **13. Role of the Chief Internal Auditor/Nominated Person(CIA/NP)**

- i. Monitor the complaints received through Helpline Channels etc.
- ii. The CIA/NP is the final decision-making authority regarding the qualification of a complaint for investigation under this policy.
- iii. Guide the Whistleblower to the right forum if the case does not fall under the purview of the Whistleblower Policy but falls under the purview of some other grievance handling mechanism.
- iv. Setting up an Investigation Team: For each qualified complaint reported under the Whistle Blowing Policy, the CIA/NP would be responsible for setting up an appropriate Investigation Team. This will be dependent on the context and content of the complaint.
- v. Ensure confidentiality of the identities of the whistleblowers.
- vi. Monitor receipt of complaints for acts of Retaliation against Whistleblowers.
- vii. Provide Whistleblowers with periodic updates of the progress.



- viii. Decide the appropriate action and penalties in conjunction with the Board against a Whistleblower, who may have lodged a false/mala- fide complaint under this policy.

#### **14. Investigation**

- i. CIA/NP receives the complaint from third party and decides whether the complaint qualifies for further investigation under the Business Whistleblower Policy.
- ii. If the CIA/NP decides that the complaint qualifies for investigation under the Whistleblower Policy, it selects the members of the Investigation Team. The CIA/NP may at its discretion appoint an external agency to carry out the investigation.
- iii. It is the responsibility of the CIA/NP to convene a joint meeting of the CIA/NP and the Investigation Team. In this meeting, the Investigation Team is briefed about the complaint.
- iv. The Investigation Team submits the Investigation Report to the CIA/NP clearly indicating their findings.
- v. If the CIA/NP is satisfied with the findings of the Investigation Team, it takes a decision based on whether the defendant(s) have been found guilty or not guilty and accordingly in appropriate cases will recommend to the Board for imposition of penalties.
- vi. If the defendant(s) has been found not guilty, they are given a letter of exoneration from charges leveled against them by the Whistleblower.
- vii. CIA/NP informs the Whistleblower about the final outcome of the investigation, as well as the action taken.
- viii. The CIA/NP shall report on a periodic basis the details of receipt of hotline complaints, investigations carried out and outcome of the same to the Board.
- ix. If any member of the CIA/NP or has a conflict of interest in a given case, they shall recuse themselves

and the others of the CIA/NP and/or as the case may be, shall deal with the matter on hand.

**Note:** It must be noted here that the decision to conduct an investigation is by itself not an accusation and is to be treated as a neutral fact-finding process.

**15. The objectives of an investigation:**

- i. To collate information relating to the complaint as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment.
- ii. To draw objective and unbiased conclusions from the information collated.

**16. Investigation Guidelines:**

- i. The Investigation Team shall ensure that they do not assume guilt on the part of the defendant(s) until proven otherwise.
- ii. The Investigation Team shall follow principles of natural justice; however it is not a court of inquiry and therefore does not have to strictly adhere to norms of legal evidences as required under the Evidence Laws/Acts of the country
- iii. The identity of the Defendant(s), the Whistleblower and the witnesses shall be kept confidential to the extent possible given the legitimate needs of law and the investigation.
- iv. Fairness and courtesy in the treatment of witnesses and the defendant(s) shall be maintained throughout the investigation process.
- v. Associates shall be subject to disciplinary action, including the termination of employment, or termination of contract with Essar if associate deliberately provides false information during an investigation.
- vi. Defendant(s) shall normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- vii. Defendant(s) shall have a duty to co-operate with the Investigation Team to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- viii. Defendant(s) have a right to consult with person(s) of their choice within the organization.

- ix. Defendant(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated by the Defendant(s).
- x. Unless there are compelling reasons not to do so, Defendant(s) will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Defendant shall be considered as maintainable unless there is good evidence in support of the allegation.
- xi. Defendant(s) have a right to be informed of the outcome of the investigation, if public disclosure of the investigation results would be in the best interest of the Defendant(s).
- xii. Interviews of all Essar Associates shall be conducted in private.
- xiii. The Investigation Team shall make contemporaneous notes of all discussions and phone calls, and all interviews. The Investigation Team shall ensure that information gathered in an investigation is stored securely and confidentiality is maintained.

**17. Investigation Report Guidelines:**

The Investigation Report comprise of the following details:

- Brief description of the process followed for investigation and the sequence of investigation events.
- Reports, documents, correspondences etc. referred to for investigation. Witnesses interrogated during investigation.
- Highlights of each interrogation. List of evidences.
- List of findings.
- Conclusions.

**Process Map**

