

## HeidelbergCement India Limited

### Vigil Mechanism & Whistle Blower Policy

#### 1. Preface

HeidelbergCement India Limited (“the Company”) conducts its business in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. Section 177(9) of Companies Act, 2013 provides that every listed company shall establish a vigil mechanism to enable its directors and employees to report their genuine concerns. Clause 49 of the listing agreement which has been recently amended, *inter alia* also mandates establishment of a vigil mechanism called the “Whistle Blower Policy” for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Business Conduct.

The Company is committed to develop a culture where it is safe for employees to raise genuine concerns or grievances about unethical behaviour, fraud, conflict of interest and violation of Code of Business Conduct. The purpose of this policy is to provide framework for an effective vigil mechanism and to provide protection to employees or directors reporting such genuine concerns. The mechanism provided in this Whistle Blower Policy for reporting genuine concerns is in addition to the facility already provided by HeidelbergCement Group for incident reporting to all its employees through the hotline service and the website “My Safe Workplace”. The employees have the option to use any of the aforesaid mechanisms as may be deemed appropriate by them.

#### 2. Definitions

The definitions of some of the key terms used in this Policy are given below:-

- a) “Code of Business Conduct” means Code of Business Conduct of HeidelbergCement India Limited.
- b) “Director” means any member of the Board of Directors of the Company.
- c) “Disciplinary Action” means any action that can be taken on the completion of/during the investigation proceedings, including but not limited to, a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
- d) “Employee” means every employee of the Company.
- e) “Ethics Counsellor” means a person nominated by Audit Committee to deal with Protected Disclosures.

f) “Investigators” mean the persons authorised, appointed, consulted or approached by the Ethics Counsellor / Chairman of the Audit Committee to investigate the charge made in any Protected Disclosure.

g) “Protected Disclosure” means any written communication made in good faith that discloses or demonstrates reliable information pointing towards any unethical or improper activity.

h) “Subject” means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.

i) “Whistle Blower” means an employee or a director making a Protected Disclosure under this Policy.

### **3. Role of Whistle Blowers**

- a) A Whistle Blower’s responsibility is that of a reporting party based on reliable information.
- b) Whistle Blowers shall neither act on their own nor will they have any right to participate in investigating activities other than as requested by the Ethics Counsellor or the Chairman of the Audit Committee or the investigators.
- c) Whistle Blowers shall neither determine any corrective or remedial action nor implement it on their volition.

### **4. Coverage of Policy**

All Employees and Directors of the Company are eligible to make Protected Disclosures under the Policy. The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- a) Abuse of authority
- b) Negligence causing substantial and specific danger to health and safety
- c) Manipulation of the Company’s data/records
- d) Financial irregularities, including fraud, or suspected fraud
- e) Criminal offences
- f) Pilferage of confidential/propriety information
- g) Deliberate violation of laws/regulations
- h) Wastage/misappropriation of company’s funds/assets
- i) Wilful neglect or damage to the Company’s assets
- j) Breach of Code of Business Conduct or Rules
- k) Leakage of Unpublished Price Sensitive Information
- l) Any other act involving unethical behaviour

## 5. Procedure

a) All Protected Disclosures should be addressed to the Ethics Counsellor of the Company for investigation. In exceptional cases, such as against employees at the level of Vice President and above or the Ethics Counsellor, the Protected Disclosure should be addressed to the Chairman of the Audit Committee. Immediately after receipt of a Protected Disclosure, the Ethics Counsellor shall inform the Chairman of the Audit Committee about the same. The Chairman of the Audit Committee may issue such instructions to the Ethics Counsellor for investigation as he deems appropriate, including the members of the investigation team.

b) The contact details of the Chairman of the Audit Committee of the Company are as under :

Ms. Jyoti Narang  
59 Hills & Dales, Undri Off,  
Nitam Road,  
Pune – 411060  
Email id: jyoti.e.narang@gmail.com

c) The contact details of the Ethics Counsellor are as under:

Mr. Shashank Shekhar (Sr. General Manager – Legal)  
Ethics Counsellor  
HeidelbergCement India Ltd.  
2<sup>nd</sup> Floor, Plot No. 68  
Sector-44,  
Gurgaon, Haryana - 122002  
Email id: shashank.shekhar@heidelbergcement.in

d) If a Protected Disclosure is received by any executive of the company, other than the Ethics Counsellor, the same should be promptly forwarded to the Ethics Counsellor. During the process such executive must ensure strict confidentiality of Protected Disclosure and the identity of the Whistle Blower.

e) Protected Disclosures should be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in legible handwriting in English, Hindi or in regional language of the place of employment of the Whistle Blower.

f) If the Protected Disclosure is received by the Chairman of the Audit Committee, he shall detach the covering letter and forward only the Protected Disclosure to the Ethics Counsellor for investigation.

g) Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to facilitate proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

h) The Whistle Blower must disclose his/her identity in the covering letter forwarding such Protected Disclosure. Concerns expressed anonymously will not be investigated as it would not be possible to interview the Whistle Blower.

## **6. Investigation**

a) All Protected Disclosures will be investigated by the Ethics Counsellor. The Ethics Counsellor may involve any of the officers of the Company for the purpose of investigation.

b) The decision to conduct an investigation by the Ethics Counsellor / Chairman of the Audit Committee is not an accusation by itself and is to be treated as a neutral, fact-finding process.

c) The identity of a Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.

d) The Subjects will normally be informed of the allegations at the outset of a formal investigation and shall be given opportunity to provide their inputs during the investigation.

e) The Subjects shall have a duty to co-operate during the investigation process to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.

f) The Subjects 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 Subjects. If the Subject is found indulging in any such action, he/she shall be liable for disciplinary action. Under no circumstances, Subjects can compel investigators to disclose the identity of the Whistle Blower.

g) Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

h) The Subjects have a right to be informed about the outcome of investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

i) The investigation shall be completed expeditiously and in any case within 45 days of the receipt of the Protected Disclosure unless Chairman of the Audit Committee grants further time in exceptional cases.

## **7. Protection**

a) The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against the Whistle Blowers. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. Complete protection will be given to the Whistle Blowers against

any unfair practice. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.

b) It shall be the duty of Ethics Counsellor to ensure that Whistle Blower is protected against any retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.

c) In case a Whistle Blower feels that he/she has been victimized in employment related matters because of reporting Protected Disclosures, he/ she can submit a grievance to the Chairman of the Audit Committee, giving specific details of nature of victimization allegedly suffered by him/her.

d) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under the law. Whistle Blowers are cautioned that their identity may become known for reasons beyond the control of the Ethics Counsellor (e.g. during investigations carried out by Investigators).

e) Any Employee or Director assisting in the investigation process shall also be protected to the same extent as the Whistle Blower.

## 8. Disqualifications

a) While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment, any abuse of this protection will warrant disciplinary action.

b) Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a *mala fide* intention.

c) A Whistle Blower, who makes three or more Protected Disclosures, which have been subsequently found to be *mala fide*, frivolous, baseless, malicious or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy. In respect of such Whistle Blowers, the Company / Audit Committee would reserve its right to take / recommend appropriate disciplinary action.

d) This policy may not be used as a defence by an employee against whom an adverse personnel action has been taken for legitimate reasons. It shall not be a violation of this policy to take disciplinary action against an employee, whose conduct or performance warrants that action, separate and apart from that employee making a Protected Disclosure.

## 9. Investigators

- a) Investigators are required to conduct a process towards fact-finding and analysis. Investigators shall derive their authority and access rights from the Ethics Counsellor / Chairman of the Audit Committee when acting within the course and scope of their investigation.
- b) Technical and other resources may be drawn upon as necessary to augment the investigation. All investigators shall be independent and unbiased. Investigators have a duty of fairness, objectivity, thoroughness, ethical behaviour and observance of legal and professional standards.
- c) Investigations will be launched only after a preliminary review which establishes that:
  - i. the alleged act constitutes an improper or unethical activity or conduct.
  - ii. the allegation is supported by information specific enough to be investigated.

## 10. Decision

If an investigation leads the Ethics Counsellor / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Audit Committee shall recommend appropriate disciplinary action to be taken by the management of the Company against the subject.

## 11. Reporting

The Ethics Counsellor shall submit a report on a quarterly basis to the Audit Committee regarding total number of disclosures received in previous quarter, nature of complaint and the outcome of investigation. The Ethics Counsellor shall also report to the Audit Committee the concern(s) raised for victimization in employment related matters by the Whistle Blower and action taken in this regard. If any of the members of the Audit Committee have a conflict of interest in a given case, they should recuse themselves and the others on the committee would deal with the matter on hand.

## 12. Retention of documents

All Protected Disclosures and documents prepared / gathered during investigation process along with the results of investigation shall be retained by the Company for a period of eight years from the date of completion of investigation.

## 13. Amendment

The Audit Committee reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever.