



## WHISTLE-BLOWER POLICY

### 1. CONCEPT

Emmbi is committed to operate and grow its business in a socially responsible way. Emmbi want to grow its business whilst reducing the environmental impact of its operations and increasing its positive social impact.

Emmbi Industries Limited recognizes that its business activities have impact on the society in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. Our company is committed towards aligning with nature; and has adopted eco-friendly practices. x

### 1. PREFACE

Emmbi Industries Limited (hereinafter referred to as “Emmbi” or “Company” in this policy) believes in promoting a fair, transparent, ethical, professional and conducive workplace environment within the Company and in relationships with customers and third parties. The whistle-blower policy has been implemented in compliance with the requirements of Companies Act, 2013 and revisions to the clause 49 of Listing Agreement for the use of employees, directors, customers, vendors, suppliers and other stakeholders to report their genuine concerns related to unethical behavior, actual or suspected fraud or violation of Company’s Code of Conduct.

This policy outlines the procedures for reporting, handling, investigating and deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected.

### 2. DEFINITIONS

- a) **“Company”** refers to ‘Emmbi Industries Limited’.
- b) **“Protected Disclosure”** means a concern raised by a whistle-blower through defined channels of reporting in good faith that discloses or demonstrates information about an unethical conduct.
- c) **“Whistle-blower”** means an employee, director, customer, vendor, supplier or any other stakeholder associated with the Company who makes a Protected Disclosure under this policy.
- d) **“Disciplinary Action”** means any action that can be taken upon completion of or during the course of investigation including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit by the

Company management or Audit Committee considering the gravity of the matter

- e) **“Audit Committee”** means an operating committee formed by the Board of Directors in accordance with Section 177 of the Companies Act, 2013. The Audit Committee will provide oversight to whistle-blower mechanism
- f) **“Vigil Committee”** means a committee formed especially for handling and investigating the protected disclosure received through whistle-blower policy for all issues except sexual harassment against women. The members of the committee will be nominated by the Audit Committee
- g) **“Sexual Harassment Committee”** means a committee constituted to receive complaints related to sexual harassment in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **3. APPLICABILITY OF THE POLICY**

The whistle-blower policy is applicable to employees, directors, customers, vendors, suppliers and other stakeholders of the company.

### **4. SCOPE OF THE POLICY**

The issues which are covered under the scope of this policy are:

- a) Misappropriation of company assets or resources
- b) Conflict of interest
- c) Mishandling of confidential information
- d) Procurement fraud
- e) Acceptance of gifts and entertainment
- f) Incorrect financial reporting
- g) Sexual harassment
- h) Bribery and corruption
- i) Insider trading
- j) Tax fraud
- k) Harassment of any nature
- l) Victimization or bullying
- m) Discrimination
- n) Misuse of authority
- o) Violation of environment, health and safety guidelines
- p) Concurrent employment

Please refer to Annexure 1 for indicative examples for issues covered under the scope of the policy.

### **5. DISQUALIFICATIONS**

Cases reported under this policy shall be disqualified under the following circumstances:

- a) Protected disclosure about issue which is not covered under the scope of the policy
- b) Anonymous complaints made by vendor, suppliers, customers and other stakeholders
- c) Anonymous complaint regarding sexual harassment
- d) Protected disclosure which does not include following information:
  - a. Name, designation, department of the alleged

- b. Location of the incident
- c. Incident in brief
- d. Evidence in support of the allegation

## **6. PROCEDURE FOR REPORTING A PROTECTED DISCLOSURE**

The whistle-blower can make a protected disclosure under this policy by:

- a) Sending an e-mail
- b) Posting a letter
- c) Dropping a letter in drop box

The reporting channels have been created especially for this purpose and will be managed by senior personnel from Human Resource Department. The senior personnel managing the reporting channels will share all complaints with the Vigil Committee. Please refer to annexure 2 for the details of reporting channels.

The employees and directors can make the protected disclosure by keeping their identity anonymous however disclosing the identity will be mandatory for customers, vendors, suppliers and other stakeholders of the company.

The complainant may also reach out to Chairman of the Audit Committee directly in appropriate or exceptional circumstances or in case a complaint is made against any member of the Vigil Committee.

## **7. PROTECTION FOR THE WHISTLE-BLOWER**

The Company Management, Chairman of the Audit Committee and Vigil Committee shall be responsible to safeguard the whistleblower from any adverse action which includes discrimination, victimization, retaliation, demotion or adoption of any unfair employment practices.

An individual serving as witness or providing assistance in the investigation of a protected disclosure shall also be protected to the same extent as the whistleblower. A whistleblower reporting issues directly to Chairman of the Audit Committee shall also be protected under this policy.

Protection under this policy shall not mean protection from disciplinary action arising out of false allegations made by a whistleblower.

A whistleblower may not be granted protection under this policy if he/she is subject of a similar or separate complaint or allegations related to any misconduct. The company will exercise its discretion in case a complainant is found to also be a perpetrator during the course of any investigation.

## **8. ROLE OF VIGIL COMMITTEE**

The role of Vigil Committee shall be to:

- a) Act on the incident reports received in an unbiased manner
- b) Take necessary actions to maintain confidentiality of issues reported, identity of whistleblower and subject
- c) Investigate the matter or identify the resources who would help during investigation based on the nature of the issue reported
- d) Recommend disciplinary or corrective action to the relevant board committee based on the outcome of the investigation
- e) Submit the periodic report to Chairman of the Audit Committee.

## 9. ROLE OF INVESTIGATORS

The investigators shall:

- a) Perform the investigation review in a structured manner.
- b) Ensure that the investigation is conducted in an independent and unbiased manner
- c) Ensure that the confidentiality of the issue reported, whistle-blower and subject is maintained
- d) Retain all necessary documentation related to the investigation
- e) Provide timely update to Vigil Committee on the progress of the investigation.
- f) Submit an investigation report to Vigil Committee with all the documents in support of the observations within 45 days.

## 10. COMPANY DECISION

If an investigation leads the Vigil Committee to conclude that an improper or unethical act has been committed, the Vigil Committee shall recommend to the Company Management to take disciplinary or corrective action.

## 11. NOTIFICATION

The establishment of the policy once approved by the Management and Audit Committee shall reflect on the Company's website.

## 12. AMENDMENT

The Company reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever.

## ANNEXURE 1 – INDICATIVE EXAMPLES FOR ISSUES COVERED IN WHISTLE-BLOWER POLICY

### a) Misappropriation of Company Assets and Resources

Indicative examples:

- Use of Company property or information for personal gain or advantage, or for the advantage of others outside the Company, such as friends or family members.
- The office printer, company letter heads and other stationary used by an employee for his personal purposes.
- Use of company provided car for personal travel.

### b) Conflict of interest

Indicative examples:

- Besides being a full time employee of Company, you are working for any other Company or hold a position in that or any other Company (e.g. as a consultant or director) or you are providing freelance services to anyone.
- A member of your household or immediate family is a supplier or customer of the Company and this is not disclosed within the Company.
- Your co-worker happens to be a close relative of a Human Resource Personnel and enjoys pay raises, promotions and other prerequisite benefits that other employees in his same position does not receive.

### c) Mishandling of confidential information

Indicative examples:

- An employee sharing confidential information related to a tender with a competitor for his personal gain.
- You upload confidential information of the Company to a social networking site.
- Sharing of confidential information of the Company with your friends or relatives.

**d) Procurement Fraud**

Indicative examples:

- A Manager in procurement team awards the contract to a vendor in return of monetary benefits.
- An employee in the procurement team accepting kickbacks from the vendors.
- A vendor offers bribe to an employee to accept his quotation at higher price.

**e) Acceptance of gifts and entertainment**

Indicative examples:

- At Diwali, a consultant sends you an expensive watch to thank you for the good working relationship.
- A supplier offers you a free trip to a holiday resort to thank you for the business received from the Company.

**f) Incorrect Financial Reporting:**

Indicative examples:

- In order to be in line with your budget, you prepay future costs and charge it to the current accounting period. Alternately, you defer recognizing an expense and push it forward to the next reporting period so as not to exceed the budget.
- An Accountant, in order to show a high profit for the financial year, misrepresents company books and records.

**g) Sexual Harassment**

Indicative examples:

- Any employee making unwanted sexual advances towards another employee, which may or may not be accompanied by threats or explicit or implicit promises.
- An employee who tries to create an intimidating, hostile, degrading or offensive environment for another employee of an opposite gender.
- Any form of the following constitute to sexual harassment
- Physical contact
- Suggestive remarks or sounds
- Unwanted comments on dress or appearance
- Jokes of sexual nature
- Display of sexually offensive material

**h) Bribery and Corruption**

Indicative examples:

- An employee accepting commission from a vendor or supplier based on number of orders or tenders given to the vendor.
- Any form of financial consideration to government officials for sourcing of business, facilitation or to gain unfair advantage in business.

**i) Insider Trading**

Indicative examples:

- A Manager advises a friend to pull his investment from the company as he is aware of the financial situation.
- An Executive Assistant of a CFO, shares the details of the financial results with her husband and warns him to sell the shares which he owns.

**j) Tax Fraud**

Indicative examples:

- An inflated depreciation shown in the books of accounts in order to show a dip in profit in order to save tax.
- An employee submits fake documents in order to get tax benefits.

**k) Harassment of any nature**

Indicative examples:

- A co-worker annoying his colleague by passing comments about a particular personal matter in front of everyone.
- A Team Leader sets an unachievable target and pressurizes his subordinates to achieve the target by working on the weekends.

**l) Victimization or bullying**

Indicative examples:

- Your co-worker mistreats you because of your mother tongue influence, that goes beyond occasional or a single incident.
- Humiliating an employee for his poor performance in front of the team members; instead of giving him a constructive feedback.

**m) Discrimination**

Indicative examples:

- The Project Manager refuses work allocation to aged employees because according to him they are not capable enough to learn new skills.
- Employees belonging to a particular location receives preferential treatment.

**n) Misuse of authority**

Indicative examples:

- A personnel in higher authority pressurizes and threatens his colleagues to present a misleading report to the senior management.

**o) Violation of environment, health and safety guidelines**

Indicative examples:

- Permanent or contractual employees not adhering to the safety guidelines.
- Non adherence to environment guidelines issued by the government.

**p) Concurrent employment**

Indicative examples:

- An employee providing part time services to other Company and does not make a disclosure of the same to the Company.
- An employee runs his own business along with employment with the Company.

## ANNEXURE 2 – CHANNELS OF REPORTING

Protected disclosures can be made through below mentioned channels:

S. No.	Reporting Channel	Contact Information
1	Email	whistleblower@emmbi.com
2	Letter	To Vigil Committee, Emmbi Industries Limited, Valecha Chambers, 3rd Floor, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai 400 053.
3	Drop-box	Location 1: Survey No. 99/2/1, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of Dadra & Nagar Haveli, Silvassa 396 230. Location 2: Survey No. 99/2/9, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of Dadra & Nagar Haveli, Silvassa 396 230. Location 3: Survey No. 87, Madhuban Industrial Estate, Madhuban Dam Road, Rakholi Village, U. T. of Dadra & Nagar Haveli, Silvassa 396 230. Location 4: Survey No. 191/2/4, Meghwad Road, Masat Village, U. T. of Dadra & Nagar Haveli, Silvassa 396 230. Location 5: Valecha Chambers, 3rd Floor, Opp. Infinity Mall, New Link Road, Andheri (West), Mumbai 400 053.

The e-mail id of Chairman (Mr. Sanjay Rathi) of Audit Committee is <rsanjayr@gmail.com>