

PREVENTION OF SEXUAL HARRASEMENT POLICY (POSH) OF HERANBA INDUSTRIES LIMITED (the "Company" / "Heranba")

We, at Heranba, follow the philosophy of respecting the dignity of all individuals. We, therefore, strive to foster a work environment characterized by partnership-based conduct as we believe that the same is an important pre-requisite for the economic success of the Company. Sexual harassment at work seriously undermines the dignity of the victim and, thus, has the potential of creating a hostile work environment. Such conduct is, therefore, irreconcilable with the policy of the Company to provide a work environment free of harassment, discrimination, intimidation and insult. All employees should, accordingly, note that the Company under no circumstance shall permit or condone sexual harassment at work.

OBJECTIVE

The main objective of having this Policy Document is to:

1. Establish a complaint resolution policy and procedure to effectively combat sexual harassment at work
2. To identify and prevent sexual harassment at work and thereby establish a safe working environment
3. To resolve complaints sexual harassment at Heranba's workplace in a fair and timely manner.

APPLICABILITY

This policy is applicable to allegations of sexual harassment at work made by and against employees of the Company and includes complaints made by employees of the company, third parties, employees of vendors and customers or any visitors to Heranba premises.

For the purposes of this policy, the expression 'workplace' or 'at work' is not confined or limited to the actual working place of the employees in the sense of the physical space in which paid work may be performed as per the prescribed duty hours. 'Workplace' or 'at work' would include *inter alia* office parties, work related social functions, phone calls, sending messages through cellular phones or email from home even on an off day, or such other work-related interactions outside office hours or office premises. Thus, it is not the physical workplace that would govern, but the 'access' that a perpetrator has to the recipient of sexually harassing behavior by virtue of a job situation or relation that is relevant.

DEFINITION OF SEXUAL HARASSMENT

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Act") defines 'sexual harassment' as:

"sexual harassment" includes anyone or more of the following unwelcome acts or behavior (whether directly or by implication) namely:

- physical contact and advances; or
- a demand or request for sexual favours; or
- making sexually coloured remarks; or
- showing pornography; or
- any other unwelcome physical, verbal or non-verbal conduct of sexual nature.

The following circumstances, among other circumstances, if it occurs or is present in relation to or connected with any act or behavior of sexual harassment may amount to sexual harassment:

- implied or explicit promise of preferential treatment in her employment; or
- implied or explicit threat of detrimental treatment in her employment; or

- implied or explicit threat about her present or future employment status; or
- interference with her work or creating an intimidating or offensive or hostile work environment for her; or
- humiliating treatment likely to affect her health or safety

Types of Sexual Harassment

- Sexual blackmail (quid pro quo harassment) and
- Hostile environment harassment.

Quid pro quo harassment postulates that the victim has suffered some tangible economic detriment for rejecting a sexual overture or demand, as for instance denial of promotion, dismissal or forced resignation.

However, the harassing conduct is severe or pervasive and thus has the purpose or effect of creating an intimidating, hostile, or offensive working environment for the victim. Such work environment effectively makes the victim's willingness to endure the harassment a term or condition of the victim's employment.

Statement of Principles

- It shall be the responsibility and obligation of the Management and every employee to contribute to maintaining a non-hostile and a pleasant working environment. All employees should respect the dignity and personality of other employees.
- Every employee will have the right to complain against the harassment. It is in the own interest of the complainant to make the complaint promptly. A prompt complaint would enable the Company / person in charge of dealing with such cases to take a quick remedial action in the matter.
- Reported incidents of harassments will be thoroughly and promptly investigated. The Company assures that allegations of sexual harassment will be dealt with seriously, expeditiously and confidentially, and employees will be protected against victimization or retaliation for making or supporting a complaint of sexual harassment
- Any employee who engages in conduct determined to be sexual harassment, or who encourages such conduct by others, or who indulges in victimization or retaliation against the complainant or the complainant's witnesses or the complainant's confidential counsellor or any other employee who supported or supports them shall become liable for corrective action including appropriate disciplinary action, which may even include dismissal from service.
- If the complainant asks for protection of his/her identity, the Company will not disclose it without his/her consent. However, it might not be possible to effectively resolve the concern so raised by the complainant without revealing the complainant's identity. For instance, this may be required for conducting an effective investigation or enquiry. In that case the Company would discuss this issue with the complainant and take further action in the matter.
- The Company would also ensure that the career interest of both the complainant and respondent will not be adversely affected merely on account of the complaint made to the Internal Complaints Committee, pending investigation. However, if any actions are to be taken depending on the complaint to immediately stop the alleged acts of sexual harassment, they would be taken at the discretion of the Complaints Committee.
- Should any employee choose to approach any forum including the media with a complaint of sexual harassment at work, or allow or authorize any other person to do so, without first

exhausting the machinery provided by the Company to redress and resolve such complaints, the Company shall in no case be responsible or liable or answerable to the complainant or any other person in this regard.

Misconduct

The Company shall treat commission of an act constituting sexual harassment by an employee as a disciplinary offence. Victimizing or retaliating against an employee for bringing a complaint of sexual harassment shall also be treated as a disciplinary offence.

Training

The Company recognizes the importance of training its employees, particularly supervisors and managers, so as to better equip them to effectively report and be sensitive to the cases or complaints of sexual harassment. The main objectives of such training would be to make the employees more sensitive to, and aware of the problem of sexual harassment and to understand the causes of sexual harassment as an issue; to enable them to take an objective and sensitive attitude to complaints of sexual harassment; impressing on them the need to maintain confidentiality; training them about their responsibility and the procedures they should follow on receiving a complaint of sexual harassment or on witnessing such conduct, and ensure that their workspace is devoid of sexual harassment. Further, to draw their attention to the dangers of exaggerated reckless and malicious complaints.

Complaints Procedure

The methods of reporting an instance of sexual harassment can be both informal and formal. The Company takes cognizance of the fact that the victims of sexual harassment may be reluctant to complain or to make a formal written complaint against the harasser at the first instance, or the victim maybe unclear about the conduct being sexual harassment or not and therefore, provides the victim the avenue to seek guidance and counseling. It is the option of the victim to approach any of the Internal Complaints Committee (ICC) members. It is clarified that until the victim agrees to file a formal complaint, this communication will not be treated as a formal complaint. Also, a formal procedure has been laid down which is as follows:

Formal Procedure

The complainant can opt to register a formal complaint at the first instance itself without resorting to the informal procedure.

- To invoke the formal procedure the complainant shall give a written complaint against the alleged harasser to a member of the Complaints Committee established by the Company in terms of this policy at contact@heranba.com. Complainant can also submit the hard copy of complaint to any of the complaint committee member or drop the complaint in the Complaint box placed at the designated place in the organization. Complaint must be given within three (3) months of the incident of sexual harassment and must be given in six copies if given in hard copy.
- The Complaints Committee shall at all times be headed by a woman and not less than half of its members shall be women and would include a third party member who is either an NGO or is an independent individual well versed with the issue of sexual harassment at workplace.
- The Complaints Committee will acknowledge the complaint being logged by the employee in not later than 3 business days of the receipt of the complaint.
- On receipt of a formal written complaint, the Complaints Committee shall share a copy of the same with the Respondent within seven (7) days of receipt of the complaint.
- The Respondent is required to file his reply within a period of ten (10) days of receiving a copy of the complaint.

- The Committee shall then conduct an investigation into the complaint in order to determine whether a prima facie case exists against the alleged harasser.
- The ICC shall then proceed to settle the matter, by way of conciliation between the parties to the complaint, at the request of the Complainant. No monetary settlement shall be made as basis of conciliation in the event the settlement does not conclude, or the terms of settlement are violated, the ICC shall commence an inquiry into the Complaint.
- For this purpose, the Presiding Officer of the ICC may constitute a subcommittee from amongst its members to conduct such inquiry which will include the Presiding Officer Chairperson and the third party member or the ICC may engage an independent domestic enquiry officer to conduct the inquiry.
- The inquiry would ordinarily be concluded within 90 days. In case the time period exceeds, the same will be clearly explained in the final report submitted by the Complaint Committee.
- This inquiry would be conducted in a fair manner keeping in view the principles of natural justice and both sides would be given complete opportunities to present their case before the Complaints Committee.
- The complainant and the alleged harasser shall have the right to be assisted and/ or represented in the investigation by a representative of their choice who, however, shall be employed with the Company. Neither party is allowed to be represented by a legal practitioner in the inquiry proceedings.
- After the inquiry has been completed, the Complaints Committee will draft its report of findings on the basis of the statements of both the parties, statements of witnesses, if any and documents relied on, if any. The Committee shall record the entire process of hearing duly signed by the parties to the enquiry as token of their acceptance to the record.
- The Committee after careful trial shall recommend to the Management the disciplinary action which the Committee thinks fit. Such recommendation shall be implemented by the Management within 60 (sixty) days of receipt of the same.
- The ICC would keep a track of all cases pertaining to complaints of sexual harassment at various stages and facilitate closure of such cases as per requirements of law.
- The Complaints Committee would also maintain records of all cases pertaining to complaints of sexual harassment at work and report the outcome of investigations or enquiries and action taken thereon to the Labour Department, Govt. of India.

Write to the Managing Director (MD)

In case a complainant or respondent is not satisfied with the findings and decisions of the Complaints Committee, he/ she can approach MD.

Fairness and Confidentiality

Investigation or enquiry into complaints of sexual harassment would be conducted with due respect for the rights of both the complainant and the alleged harasser. The entire process would be impartial and without any bias for or against any party. The Company stands committed to maintaining confidentiality to the extent reasonably possible. The Management will not disclose the name of the complainant or the circumstances related to the complaint to any person except where disclosure is necessary for the purposes of investigating the complaint or taking disciplinary measures in relation thereto.

To ensure confidentiality, the information obtained would be confined to the smallest group possible. The importance of confidentiality would be emphasized to the witnesses as well.

Responsibility to maintain confidentiality would lie on the complainant and respondent also. The complainant and respondent, thus, would also become part of the confidentiality process and should not discuss the issue with other persons except where it is necessary for substantiating the complaint

or otherwise to secure a fair investigation into the complaint or the Complaints Committee. Breach of confidentiality on the part of employees and! or outsiders involved in the investigative process would render them liable for disciplinary action or a penalty in terms of the Act.

While it is important to maintain full confidentiality throughout the investigation! enquiry, the alleged harasser would be provided with all relevant details of the complaint made against him or her and a reasonable opportunity to respond and defend.

Disciplinary Action

If the result of the investigation! enquiry holds the alleged harasser guilty of an act constituting sexual harassment, the Management shall take appropriate disciplinary action against the harasser as per the Code of Conduct which is as follows:

- Verbal Warning
- Written Warning
- Suspension
- Termination of employment
- Litigation
- Imposition of damages
- Any other penal remedy that may be available to the company under the applicable law of the country where the act has been committed

Transfer of One Party

Where during the enquiry or investigation a complaint of sexual harassment is upheld and it is found necessary to relocate or transfer one party, the Management would give option to the victim in this regard. Management may also look into any other steps as may be suitable to ensure that the complainant does not get victimized further.

Criminal Proceedings

Where an incident amounts to a specific criminal offence under the Indian Penal Code or under any other law, company will make a complaint with the appropriate authority.

False Accusations

In case the Committee is of the opinion that the complaint was false and! or malicious, appropriate disciplinary action up to termination can be taken against the complainant. The committee will give a detailed reasoning for having reached the above said conclusion. This does not, however, include complaints which are difficult to prove or have been made in good faith but do not constitute sexual harassment per se.

Third-party Harassment

The Company also stands committed to take appropriate preventive and remedial action to prevent sexual harassment of its employees by nonemployees. Where sexual harassment occurs as a result of an act by any third party or outsider, the Management would take all steps necessary and reasonable to assist the victim in terms of support and preventive action. Should any employee face sexually harassing behavior at work from a third party, such as a client or customer of the Company, the Management would take appropriate corrective or remedial action. However, it would be necessary for the complainant/ recipient to report promptly such harassments to the Management or to the complaint committee to enable the Management to take appropriate action.

Employee / Complainant Responsibility

In case you are being sexually harassed, do not ignore this conduct. Act, either confront the person or report the conduct to someone in authority. Remember, by ignoring this conduct you are only encouraging the other person to continue with such conduct. Even though it is your prerogative to complain against such behavior, the company as a policy encourages the reporting of such conduct to prevent the workplace from becoming unsafe and hostile.

Internal Complaints Committee (ICC) for Prevention of Sexual Harassment of Women at Workplace

Any woman may file a complaint of sexual harassment to any or all the members of the Internal Complaints Committee (ICC), in the prescribed manner.

It is hereby stated that the ICC members are bound to maintain strict and absolute confidentiality with respect to any aspect of the case and no details howsoever minor will be discussed with any person outside of the ICC and the necessary parties. Any violation to this be dealt strictly and could attract dire consequences.

If the Presiding Officer or the members of the Internal Committee has been found guilty of any disciplinary proceedings or has been convicted of an offence or any inquiry into an offence under any law from time being in force or has abused their position as to render their continuance in office prejudicial to public interest, such Presiding Officer or Member as the case may be shall be removed from the committee and the vacancy so caused shall be filled by fresh nomination.

Initially, and till further notice, the Internal Committee will comprise of the following four members:

1. Presiding Officer: Woman employee at the Senior level
2. Senior Woman Employee from Personnel Function (Member)
3. CFO/ Divisional / Plant Personnel Head / Branch Commercial Manager (Member)
4. External Woman Member from an NGO or Lawyer (Member)

Authority

The committee members may be changed by the management in specific circumstances like transfers, role change, and location change or for any other reason that the management feels are valid reasons that warrants for such change(s).

Review of working of the Committee

With a view to reviewing the working of the Complaint Committee, the Committee shall convene meetings at regular intervals as it thinks fit. Record of the attendees and matters discussed shall be kept.

Miscellaneous

The Policy or any clause of the Policy shall be amended if it is found necessary.