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Policy Approved by Managing Director as on  
Date 12<sup>th</sup> May 2021

# **WHISTLE BLOWING POLICY & PROCEDURES**

POSCO – India Pune Processing Center Private Limited

May 2021

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## [1A] Preface (Preamble) & Statutory Framework

- 1.1 The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company also recognizes that employees from time to time have concerns about what is happening at work but are afraid to report those concerns.
- 1.2 The Company is committed to developing a culture where it is safe for all employees to raise concerns about any unethical, fraudulent, corrupt or illegal acts or poor or unacceptable practice and any event of misconduct in any of its business operation. Therefore, we are establishing a mechanism called “Whistle Blower Policy” for all employees/Directors/ related parties to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy and to provide for safeguards against victimization of the directors and employees, who use such vigil mechanism hereunder
- 1.3 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees wishing to raise a concern about serious irregularities within the Company.
- 1.4 The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

## [1B] Statutory Framework

Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and Its Powers) Rules, 2014 requires that every listed company or every other company which accepts deposits from the public or every other company which has borrowed money from banks and public financial institutions in excess of Rs. 50 crores to establish a vigil mechanism for the directors and employees to report genuine concerns and also to provide for adequate safeguards against victimization of the directors and employees.

## [2] Policy Statement - Whistle Blower Policy & Objectives

- 2.1 POSCO-India Pune Processing Center Private Limited(POSCO IPPC) is committed to maintain the highest levels of probity and behavior amongst its workforce, and it takes very

seriously any form of malpractice that is identified or uncovered. Our Code of Conduct for employees sets out the standards expected from all our employees, providing staff with a comprehensive frame of reference. As an organization, our values are to be fair, helpful and authoritative and we expect our employees to work in accordance with these values.

- 2.2 Employees who have concerns are able to freely and fearlessly report genuine concerns & raise disclosures about wrongdoing under this policy, so that problems can be identified and resolved quickly. Where employees raise concerns in good faith and reasonably believe them to be true, they will be protected from possible reprisals or victimization. If employees raise a genuine concern under this policy, they will they are acting in good faith, it does not matter whether they are mistaken.
- 2.3 However, in making a disclosure the individual should take care to ensure the accuracy of the information. Employees should give this careful consideration and take advice prior to making a complaint. If it can be shown that the employee who raises the disclosure has done so mischievously, maliciously or for personal gain, a disciplinary action may be taken.
- 2.4 This policy and procedure provides a mechanism for employees to raise serious concerns about wrongdoing and get feedback on any action taken as a result. Employees are encouraged to feel confident in raising such concerns.
- 2.5 The Company assures that all reports will be treated strictly confidential and promptly investigated .The procedure also provides details of how to pursue any appeal, if an employee is not satisfied with any action taken.

### [3] Principles /Applicability

- 3.1 This Policy governs the reporting and investigation of improper or illegal activities at POSCO IPPC as well as the protection offered to the "Whistleblowers". This Policy DOES NOT apply to or change the Company's policies and procedures for individual employee grievances or complaints related to job performance, terms and conditions of employment, which will continue to be administered and reviewed by the company's Control Center.

3.2 To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:

3.2.1 Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so

3.2.2 Treat victimization as a serious matter including initiating disciplinary action on such person(s)

3.2.3 Ensure complete confidentiality

3.2.4 Not attempt to conceal evidence of the Protected Disclosure

3.2.5 Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made

3.2.6 Provide an opportunity of being heard to the persons involved especially to the Subject

3.3 This policy shall be enforced forthwith along with the Code and shall be equally applicable to all the directors and employees of the Company. In case of any inconsistency between this policy and the Code, this policy and the Code shall be harmoniously read, construed and implemented.

#### [4] Definitions

4.1 “Disciplinary Action” means any action that can be taken on the completion of/during the investigation proceedings including but not limiting 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.

4.2 “Employee” means every employee of the Company including permanent and temporary staff. It also includes Koreans stationed in India Or staff working in India or abroad, including all directors on the Board.

4.3 “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.

4.4 “Subject” a person against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

4.5 “Whistle blower” is someone who makes a Protected Disclosure under this policy.

4.6 “Whistle officer /Ethic Officer “ or "Committee" means an officer or a Committee of persons who is nominated/appointed by Board to conduct detailed investigation.

✘In case of POSCO IPPC, Whistle officer/committee indicates Managing Director & Board of directors

4.7 “Ombudsperson / Ethics Officer” will be a Non-Executive Director for the purpose of receiving all complaints under this policy and post investigation places the same before the Chairman for further course of consideration and action and finally informs the whistleblowers the result thereof; ensuring appropriate action.MD/ Chairman shall appoint this Ombudsperson. The MD/ Chairman shall have the authority to change the Ombudsperson, if required.

✘In case of POSCO IPPC, Ombudsperson indicates Control Center member(s).

4.8 “Company” means POSCO India Private Limited, POSCO India Processing Center Private Limited, POSCO India Pune Center Private Limited and, POSCO India Steel Distribution Center Private Limited incorporated under the Companies Act, 1956 and existing and operating under the Companies Act, 2013.

4.9 “Board” means Board of directors of the respective Company;

4.10 “Chairman” means chairman of the Board.

4.11 “Code” means the Code of Conduct and Anti Corruption Guidelines enforced by the Company’s parent company, POSCO in Republic of Korea, and / or any adaptation of the same developed by the Company, being in force from time to time.

4.12 “Complaint” means a concern reported by an employee to qualify as protected disclosure hereunder

4.13 “Investigation” means the fact-finding process carried out by the ethics officer under directions of the Board

4.14 “Policy” means this Vigil Mechanism / Whistle Blower Policy, 2021 approved by the Board and includes any amendments made subsequently;

[5] Coverage/Scope of Policy

5.1 The Policy covers malpractices and events which have taken place or suspected to take place involving:

<b>Category</b>	<b>Description</b>
<b>Misconduct</b>	Abuse of authority
	Manipulation of company data/records
	Criminal offence (eg. fraud, corruption or theft)
	Pilferage of confidential/propriety information
	Any unethical, biased, favored, imprudent event
	Any act does not conform to approved standards of social and professional behavior
<b>Non-compliance</b>	Breach of contract
	Deliberate violation of law/regulation
	Breach of employee Code of Conduct or Rules
<b>Causing a loss of a property or a danger to the public</b>	Negligence causing substantial and specific danger to public health and safety
	Financial irregularities, including fraud, or suspected fraud
	Wastage/misappropriation of company funds/assets
	Damage to the environment

5.2 Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues

## [6] Reporting Procedure & Use of Protected Disclosure

- 6.1 A person may report allegations of suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company. All directors and employees of the Company shall be eligible to make protected disclosures and are entitled to protection by the Company under this policy after determination of the complaint as protected disclosure
- 6.2 Whistle blower can make Protected Disclosure to Ombudsperson, as soon as possible, but not later than 5 working days after becoming aware of the same. However, in special cases such as absence of Ombudsperson, an employee can directly contact Vigil Committee. The format provided in “Appendix 1” shall be used for reporting purposes of Protected Disclosure.
- 6.3 Protected Disclosure can be submitted to Ombudsperson by email or by letter either in English , Hindi , Marathi or Korean . Ombudsperson will Check Email regularly and any such letter received on every Tuesday and Friday.  
Hardcopy Printed Protected Disclosure forms are made available in POREKA , VC room & reception . The same can be filled and scanned along with email or Post (letter) or handed over to Ombudsmen physically.

※ In case of PD sent through email:

- (1) It's recommended to make the subject as “POSCO IPPC Complaint under the Vigil Mechanism / Whistle Blower Policy ” for ease of identification.
- (2) Email should be send to : [Ombudsmen@posco.net](mailto:Ombudsmen@posco.net)

※ In case of PD sent through Postal Letter:

- (1) Give clearly your contact details and personal identification for clarification for further investigation and the subject shall be in a sealed envelope superscripted as "Complaint under the Vigil Mechanism / Whistle Blower Policy”.

6.4 As soon as the ethics officer receives a complaint from an employee, officer shall examine, scrutinize, record the complaint and collect preliminary evidence to prima facie determine the veracity of the complaint within a week of the receipt of the complaint.

Once the ethics officer determines the prima facie veracity of the complaint, the same shall be reported to the Chairman who shall determine within a week whether the complaint should be treated as protected disclosure under this policy.

6.5 Further investigation about the PD will be decided at the Whistle committee meeting. If it indicates that the concern has no basis or it's not a matter to be investigated under this Policy, it may be dismissed at this stage. If case is further investigated then, finally, a notice letter or any other letter /disciplinary letter will be sent to the whistle blower / parties involved to inform the decision/ action/ improvement / disciplinary action as applicable.

※ Criteria to be considered in order to decide the necessity of the investigation:

- (1) Is the subject of the concern clear?
- (2) Is there any evidence or a proof to back up the accusation?
- (3) Is there any witness to support the accusation?
- (4) Did it violate POSCO IPPC's code of conduct?
- (5) Did it harm the well-being/rights/assets of the employees or the Company?
- (6) Concern is under scope of Vigil Mechanism /Whistle blow policy as mentioned in point no 5 of this policy.

6.6 Where initial enquiries indicate that further investigation is necessary, this will be carried through the Ombudsperson /ethic officer alone, or by Committee and the people who are specially appointed for the procedure.

The investigation would be conducted in a fair manner, as a neutral fact-finding process and without presumption of guilt. A Case report of the findings would be made.

6.7 Name of the Whistle Blower shall not be disclosed to the Committee unless it's critical for the investigation.

6.8 Milder sanctions or possible immunity will be given to such Whistle blowers who are

themselves involved in a fraud or crime but has decided to inform the organization of the wrongdoing.

6.9 Verbal or Anonymous or any other channel of communication for reporting under Vigil mechanism/ Whistle blow will not be entertained other than the channels /mode mentioned in the policy.

[7] Investigating procedure

7.1 The Ombudsperson who receives a Protected Disclosure will notify the sender and acknowledge receipt of the reported violation or suspected violation within 5 working days. And Ombudsperson will draft an Interim report, if necessary or as per direction by chairman of committee based on PD which will be provided to the Whistle Committee at the joint meeting.

7.2 After conducting the investigation, an Ombudsperson/Whistle Committee will make a detailed Case Report of the Protected Disclosure. The record will include:

7.2.1 Facts of the matter

7.2.2 Whether any Protected Disclosure was raised previously against the same Subject, and if so, the outcome thereof;

7.2.3 The financial/ otherwise loss which has been incurred / would have been incurred by the Company.

7.2.4 Findings of Ombudsperson/Whistle Officer/ Ethics Officer /Committee;

7.2.5 The recommendations of the Ombudsperson/Whistle Officer/ Ethics Officer /Committee on disciplinary/other action/(s)

7.3 The Ombudsperson(s) and Whistle Officer/Committee shall finalize the Case report and report to MD about the Case report and get an approval for the Action plan.

✘ Action Plan will be:

- i) In case the Protected Disclosure is proved, accept the findings of the Whistle Officer / Committee and take such Disciplinary Action as he may think fit and takes preventive measures to avoid re-occurrence of the matter;

ii) In case the Protected Disclosure is not proved, extinguish the matter.

7.5 Ombudsperson will take action according to the approved Action plan earliest possible after MD's approval. In addition, Ombudsperson will announce the Alarm Notice from the MD on the Bulletin/notice Board of the company groupware , if required & directed by MD and send final Notice letter to the whistle blower / parties involved to inform the decision/ action/ improvement plan / disciplinary action as applicable as output of the investigation.

7.6 The Committee Members will ensure investigations are carried out using appropriate channels, resources and expertise. If any director or employee involved in the investigation has any conflict of interest with the matter, he or she shall immediately disclose to the ethics officer and recuse himself or herself from the investigation

7.7 Some concerns may be resolved by agreed action without the need for an investigation. Concerns about allegations which fall within the scope of specific procedures of POSCO IPPC will be referred for consideration under those procedures.

7.8 The Ombudsperson/ Ethics officer will report to the MD& Board on a periodic basis about the Reports received and actions taken as & when case is received. Also, Ethics officer shall prepare an report annually on the number of complaints received and their outcomes and shall place the same before the Board through the Chairman.

7.9 The Management reserves the right to make any decision based on the findings by the Whistle Officers/Committee.

7.10 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, she/he can make a direct appeal to the MD of the Company within 3 working days from the receipt of an outcome.

## [8] Disqualifications

- 8.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action.
- 8.2 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.
- 8.3 Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

## [9] Protection & Punishment

- 9.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy. The Company, as a policy, condemns any kind of discrimination, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior 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. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- 9.2 The identity of the Whistle Blower shall be kept confidential.
- 9.3 Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.
- 9.4 Punishment  
Where after due investigation it is concluded that the employee had made a mala fide,

frivolous, malicious or false allegation in disguise of complaint with the intention to malign the image and reputation of another employee or to take revenge out of personal grudge or rivalry, or raised issued out of scope of the policy, he/she shall be liable for appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

※ Exception under 9.4

Provided that where the employee has made a complaint with bona fide intention but after due investigation, his or her complaint is found to be merely a suspicion or anxiety, he or she shall not be liable for any appropriate disciplinary action under this policy and case will be dismissed there further.

[10] Reward for the Whistle blower

Classification	Increase in Revenue or Decrease in Loss Amount (INR)	Reward	
		Monetary (INR)	Non-monetary
Possible to Estimate the Financial effect to the company	Amount < 10,000	Actual	Extra 1~3% shall be added to his/her performance evaluation
	10,000 ≤ Amount	10,000 + 5% of excess amount from 10,000 ≤ Amount ≤ 1,000,000	Extra 1~5% shall be added to his/her performance evaluation
Impossible to Estimate the Financial effect to the company	NA	50,000 ≤ Amount ≤ 100,000	Extra 1~5% shall be added to his/her performance evaluation

▣ Cases Excluded from the Reward

1. Protected disclosure which proven to be incorrect
2. Protected disclosure which is Not proven
3. Cases which were investigated earlier or identified by the Control center already so that the investigation is going on/disciplinary action is taken

- |   |
|---|
| 4. Cases which are already announced to public by media and etc<br>5. Protected disclosure related to personal welfare and benefits<br>6. Other cases which doesn't deserve the reward by the management's judgment |
| ◊ In all the cases, the Whistle Committee reserves the right to make any decision regarding the reward which will be given to the Whistle blower.   |

[11] Secrecy/Confidentiality

11.1 The Whistle Blower, the Subject, the Whistle Officer/Committee and everyone involved in the process shall:

11.1.1 Maintain complete confidentiality/ secrecy of the matter

11.1.2 Not discuss the matter in any informal/social gatherings/ meetings

11.1.3 Discuss only to the extent or with the persons required for the purpose of completing the process and investigations

11.1.4 Not keep the papers unattended anywhere at anytime

11.1.5 Keep the electronic mails/files under password

If anyone is found not complying with the above, he/she shall be held liable for such disciplinary action as is considered fit.

[12] Reporting (Communication) & Documentation

12.1 A yearly report with number of complaints received under the Policy and their outcome shall be placed before the MD and Board. This reporting will be proceeded by Ombudsperson.

12.2 All complaints in writing or documented along with the results of investigation relating thereto, shall be preserved for a period of 5 (five) years or for such period as specified by any other law in force, whichever is more.

[13] Notification

13.1 All leaders are required to notify & communicate the existence and contents of this policy to the employees of their department. Every Leader shall yearly submit a certificate duly signed by all the team members to Control Center stating that this policy was notified to each employees of their team.

13.2 This policy and as amended from time to time shall be made available at the Groupware of the Company.

13.3 Result of the investigation may be publicly announced to all the employees as an “Alarming Notice” or as directed by the management.

13.4 **Campaigning** Method of Whistle Blow Policy

<b>Types of Material</b>	<b>Distribution Method</b>
POSCO IPPC Whistle Blow Policy Soft copy	Uploaded on the company E-portal/ Notice Board
POSCO IPPC Whistle Blow Policy Booklet	VC Room, Poreka

[14] Amendment

The Company through its Board reserves its right to amend or modify this Policy in whole or in part, at an time without assigning any reason whatsoever and no such amendment or modification will be binding on the directors and employees unless the same is communicated in the manner described as above

<b>Case No.</b>	
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## **Whistle Blower Protected Disclosure Form**

Please provide the following details for any suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company and submit directly to any Ombudsperson/ Ethic Officer ( Exceptional cases: Committee). Please note that you may be called upon to assist in the investigation, if required.

*☞ Note: Please follow the guidelines as laid out in the Whistle blowing Policy and Procedure*

<b>REPORTER'S CONTACT INFORMATION</b>			
1. Name/Company ID No.			
2. Designation			
3. Department/Team			
4. Contact Number			
5. E-mail Address			
<b>SUSPECT'S INFORMATION</b>			
1. Name/ Company ID No.			
2. Designation			
3. Department/Team			
4. Contact Number			
5. E-mail Address			
<b>WITNESS(ES) INFORMATION (If any)</b>			
1. Name		1. Name	
2. Designation		2. Designation	
3. Department		3. Department	
4. Contact No.		4. Contact No.	
5. E-mail Address		5. E-mail Address	

**COMPLAINT**

*Briefly describe the misconduct / improper activity and how you know about it. Specify what, who, when, where and how. If there is more than one allegation, number each allegation and use as many pages as necessary.*

1. What misconduct / improper activity occurred?

2. Who committed the misconduct / improper activity?

3. When did it happen and when did you notice it?

4. Where did it happen?

5. Is there any evidence that you could provide us? (\* Note)

6. Are there any other parties involved other than the suspect stated above?

7. Do you have any other details or information which would assist us in the investigation?

8. Any other comments?

Date:

Full Name & Signature :

\* Note: You SHOULD NOT attempt to obtain evidence for which you do not have a right of access since whistle blowers are 'reporting parties' and NOT 'investigators.'