

# DIRECT TOUCH

Dabur`s Vigil Mechanism



## Discouraging Stakeholders

(which means Directors, Employees & their representative bodies, Business Associates and Security holders) to report illegal or unethical business practices at workplace without fear of reprisal.

## Preamble

Dabur launched Direct Touch initiative in June 2002. It is a platform, on which our stakeholders (which means directors, employees & their representative bodies, business associates and security holders) can come together and help the organization eliminate any malpractices in the system – referred to as “Whistle Blowing”.

Though normally “Whistle Blowing Policy” allowed employees alone to report malpractices, we went beyond and included our business associates as well. Further in line with vigil mechanism as per Companies Act, 2013 and SEBI regulations, representative bodies of employees, directors and security holders have also been included. The success of this initiative prompts us to formalize a few more related aspects of the disclosures and the protection against victimization, enabling us to move a step forward towards successful Corporate Governance.

Direct Touch will be Dabur’s Whistle Blower & Protection Policy/Vigil Mechanism as described under Companies Act, 2013 and SEBI regulations. The policy is described below:

# *Whistle Blower & Protection Policy*



## Purpose

1. To allow and encourage our stakeholders to bring to the management's notice concerns about suspects unethical behavior, malpractices, wrongful conduct, fraud, violation of the Company's Policies including Code of Ethics and Conducts, violation of law or questionable Accounting or Auditing matters by any employee/director in the company, leak of any unpublished price sensitive information (UPSI) or any suspected leak of UPSI (hereinafter referred to as Wrongful Conduct) without fear of reprisal.
2. To ensure timely and consistent organizational response and thereby ensuring complete transparency.
3. To prohibit initiation of adverse action against a stakeholder or failing to take an otherwise appropriate action, as a result of the employee's good faith disclosure of alleged wrongful conduct to the Direct Touch Team.
4. To build and strengthen a culture of transparency and trust in the organization.

## Applicability

All stakeholders (which means directors, employees & their representative bodies, business associates and security holders) of Dabur India Limited.



## Making A Disclosure

1. Any stakeholder who becomes aware of a suspected wrongful conduct is encouraged to send his/her observations/concrete facts to the Direct Touch Team either through phone or written communication complete with related evidence (to the extent possible) without fear of reprisal or retaliation of any kind.
2. The information on suspected wrongful conduct is such information which the stakeholder in good faith, believe, evidences:
  - a. violation of any law or regulation, including but not limited to corruption, bribery, theft, fraud, coercion and willful omission
  - b. Pass back of Commissions/benefits or conflict of interest
  - c. Procurement frauds
  - d. Mismanagement, Gross wastage or misappropriation of company funds/assets
  - e. Manipulation of Company data/records
  - f. Stealing cash/company assets; leaking confidential or proprietary information
  - g. Unofficial use of Company's material/human assets
  - h. Activities violating Company policies including Code of Ethics and Conduct
  - i. A substantial and specific danger to public health and safety
  - j. An abuse of authority
  - k. An act of discrimination or sexual harassment
  - l. The above list is only illustrative and should not be considered as exhaustive.
3. In alleged wrongful conduct involving Senior Management, the stakeholder can directly approach the Chairman of the Audit Committee. The details of present Chairman of the Audit Committee is specified in Annexure – 1 to this Policy.
4. If Direct Touch Team members and / or the Audit Committee Chairman are unavailable at any given time and matter is very urgent, the stakeholders may contact the Compliance Officer at the contact details as provided in Annexure – 1 to this Policy.

## Disclosure Investigation

The Direct Touch team, upon receipt of disclosure, shall investigate the complaints to ascertain its genuineness and veracity. Basis the outcome of such investigation, within 30 days of the receipt of disclosure, the Direct Touch team shall recommend a corrective action to the Management, including but not limited to:

- 1 Closing the complaint if wrongful conduct remains largely unsubstantiated; or
- 2 Initiating action against concerned person if complaint found correct on investigation; or
- 3 Recommending installation of a proactive system to overcome system weakness/ making it more stringent.

If the Audit Committee Chairman or any of the Direct Touch Team members have a conflict of interest in a given case, they would recuse themselves and other members of the Director Touch Team or the Audit Committee, as the case may be, would deal with the matter.

In case of repeated frivolous complaints being filed by a stakeholder, the Audit Committee may take suitable action against the concerned stakeholder including reprimand in case of director or employee.

Management, on the basis of the recommendations of the Direct touch Team, shall take appropriate action immediately.



## Direct Touch Team

The Direct Touch Team members shall be selected keeping in view, the following criteria:

- Mature, well informed and trained person
- Ability to intelligently analyze the facts of the complaint
- Ability to deter mischief mongers by asking for critically important information in an affable style.

Currently, the Direct Touch Team is comprised of the following officials:

- Chief Financial Officer
- Executive Director – Human Resources
- A Senior Female Employee, nomination by the Chief Executive Officer, from time to time

In addition to the above, a 24 x 7 Independent Hotline Number is available.

Details of the aforesaid Team members and Hotline Number has been provided in Annexure – 1 to this Policy.

## Confidentiality

Disclosure of wrongful conduct may be submitted on a confidential basis or may be submitted anonymously. Such disclosures will be kept confidential to the extent possible, convenient with the need to conduct an adequate investigation.

## Protection against victimization

No adverse action shall be taken against a stakeholder in “knowing retaliation”, who makes any good faith disclosure of suspect wrongful conduct to the Direct Touch team.

No director supervisor or any other employee with authority to make or materially influence significant personnel decisions shall take or recommend an adverse personnel action against a stakeholder in “knowing retaliation” disclosing wrongful conduct in good faith. Any director, supervisor or employee found to have so violated this Policy shall be subject to disciplinary action, in accordance with existing rules, policies, and procedures of the Company.





## Direct Touch Complaint

No later than 30 days after a current or former stakeholder is notified or becomes aware of an adverse personnel action against him/ her, he or she may protest the action by filing a written complaint with anyone in the Direct Touch Team if the employee believes the action was based on his or her prior disclosure in good faith, of an alleged wrongful conduct.

The Direct Touch Team on receipt of such complaint, shall review the complaint expeditiously to determine the genuineness and veracity and within 30 days shall notify the Management and the complainant of the results of the review and whether the adverse personnel action is affirmed, reversed, or modified. In case the Direct Touch Team finds the complaint, not pursuant to this policy, the director/employee shall be referred to other available grievance processes to pursue the complaint.

## Legitimate Employment Action

This policy may not be used as a defense by a director or an employee against whom an adverse personnel action has been taken for legitimate reasons or under company rules and policies. It shall not be a violation of this policy to take adverse personnel action against a director/employee whose conduct or performance warrants that action, separate and apart from that director/employee making a disclosure.

## False Allegations of Wrongful Conduct

A director or an employee who knowingly makes false allegations of alleged wrongful conduct to the Direct Touch Team shall be subject to disciplinary action, in accordance with company rules, policies, and procedures.

## Status Report to Audit Committee

Direct Touch Team shall maintain a log of all disclosures received and shall report the summary of such disclosures and action recommended / taken to the Audit Committee on quarterly basis.

## Review and Amendments

The Audit Committee of the Board of Directors of the Company shall periodically review the existence and functioning of the Direct Touch Policy. The Audit Committee is also empowered to amend this policy at any time consistent with requirement of applicable laws, rules and regulations.

# Annexure: Definitions

## Abuse of Authority

Action or decision which is outside the scope of the alleged violator's position, scope of duties, or level of authority as authorized by the management. However, even actions or failure to take actions which are within the alleged violator's authority may constitute abuse of authority if the violator's motive or purpose is to harass, intimidate, or treat the stakeholder unreasonably or capriciously under the applicable facts and circumstances.

## Conflict of Interest

Conflict of interest arises when an employee is in a position to influence a decision in ways that could lead to any matter or form of personal gain to the employee or for his/her family member, or when the employee has a personal vested interest in the activity or decision.



## Adverse Action

An employment related act or decision or a failure to take appropriate action by a supervisor or a higher level authority, which affects a stakeholder negatively. The following are some of adverse personnel actions:-

Termination of employment/contract, suspension, dismissal, discharge, demotion, harassment, written, reprimand, retaliatory investigation, decision not to promote, awarding an unwarranted performance rating, withholding of appropriate salary adjustments, imposition of involuntary transfer or reassignment, denial of awards, leave, benefits for which the stakeholder, as and wherever applicable, would normally be eligible.

## Disclosure

Oral or written report by a stakeholder to the Direct Touch team of alleged wrongful conduct on a matter of organizational concern.





## **Gross waste or misappropriation of company funds**

Action or decision which is outside the scope of the alleged violator's spending or budgetary authority, or even when the action or decision is within budgetary authority, the action would be considered by a reasonable person to be grossly excessive, wasteful, or an improper use of public funds.

## **Mismanagement**

Action or decision which exceeds the scope of the alleged violator's responsibilities, or even if the action is within responsibilities, the action considered by a reasonable person to be grossly excessive or unfair.

## **Action**

An employment related action or decision, which affects a stakeholder positively or negatively.

## **Knowing Retaliation**

An adverse action taken by a supervisor or other authority against a stakeholder because of a prior disclosure of alleged wrongful conduct.

## **Employee**

Employee means any Director (whether whole time or non-executive) and any person in the employment of the Company.

## **Stakeholder(s)**

Stakeholder(s) shall mean Directors, Employees & their representative bodies, Business Associates and Security holders of the Company.

## **Unpublished price sensitive information (UPSI)**

Any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily include but not restricted to, information relating to the following:

- i. financial results;
- ii. dividends;
- iii. change in capital structure;
- iv. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
- v. changes in key managerial personnel;



- vi. following material events [out of events as per Regulation 30 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015]
- a) Agreements [viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s)] to the extent that it impacts management and control of the Company and termination(s) thereof.
  - b) arrest of key managerial personnel or promoter.
  - c) Corporate debt restructuring.
  - d) Company being referred to NCLT under Insolvency and Bankruptcy code.
  - e) Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc., if found to be material as per Company's Policy on Disclosure of Information under regulation 30 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.
  - f) UPSI with respect to a material subsidiary of the Company shall mean any information, relating to the particular material subsidiary, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Company's securities and shall, ordinarily include but not restricted to, information relating to the particular material subsidiary on
    - (i) financial results;
    - (ii) expansion of business for not less than INR 100 crores.
    - (iii) changes in Chief Executive Officer.



## Details of the Chairman of Audit Committee

Name	Address	Mobile No.	E-mail id
Mr. Mukesh Hari Butani	N-134, Panchsheel Park, Panchsheel Enclave, Malviya Nagar, New Delhi – 110017	9811132000	<a href="mailto:Mukesh.butani@bmrlegal.in">Mukesh.butani@bmrlegal.in</a>

## Details of Direct Touch Team

Direct Touch Team	Tel. No	Mobile No.	E-mail id
Mr. Ankush Jain	(0120) 4182525	9910345422	<a href="mailto:ankushjain@dabur.com">ankushjain@dabur.com</a>
Mr. Biplab Baksi	(0124) 4079870	9811108909	<a href="mailto:biplab.baksi@dabur.com">biplab.baksi@dabur.com</a>
Mrs. Gagan Ahluwalia	(0120) 418-2595	9811105056	<a href="mailto:Gagan.ahluwalia@dabur.com">Gagan.ahluwalia@dabur.com</a>

## Details of Compliance Officer

Name	Tel. No	E-mail id
Mr. Ashok Kumar Jain (EVP Finance & Company Secretary)	011-23222039	<a href="mailto:Ashok.jain@dabur.com">Ashok.jain@dabur.com</a>

24 x 7 Independent Hotline Number: 1800-103-1644.