



## WHILSTLE BLOWING POLICY

## **1.PREAMBLE**

HESCO (the Company) is committed to conduct its business with all relevant stakeholders in a manner that is lawful and ethically responsible in a way to reflect the Company's values. The Company does not tolerate any unlawful and unethical activity and vows to take appropriate actions to ensure compliance with laws and regulations. The Whistleblowing policy formalizes the Company's commitment to enable its stakeholders to make fair and prompt disclosure of any improper conduct or wrongdoing.

The policy sets out the procedure for lodging complaints by the employees/outside parties, handling of complaints by the Company, reporting mechanism, protection of whistleblowers and periodic monitoring of the policy.

## **2. OBJECTIVES OF THE POLICY**

The objectives of this policy are:

- i. To support Company's values in line with its commitment to the highest possible standards of ethical, moral and legal business conduct. <
- ii. To ensure that all stakeholders can raise concerns without fear of retribution and with full confidence that the identities of whistleblowers will not be revealed.
- iii. To provide a swift and confidential process for rectifying malfeasance wherever and whenever it occurs in the Company.

## **3.DEFINITIONS**

- i. "Stakeholders" includes Shareholders, Board of Directors (BoD), Senior Management officers, Employees, Suppliers/Contractors, Regulators etc.
- ii. "Senior Management Officers" means Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Technical Officer, *Company* Secretary and Chief Internal Auditor and such other officers working at the Chief/GM/Director level.
- iii. "Employee" means a person who is hired to provide services to a company on regular/ contract and other type of wages on full time basis in exchange for compensation other than employees working for hired service providers like contractors etc,

- iv. "Allegations" means accusing before proving with evidence;
- v. "**Complaint/Concerns**" means the information about any alleged fraud, improper conduct or wrongdoing;
- vi. "**External Bodies**" means any external person or group of persons or any state regulatory body or institution;
- vii. "Fraud" means the commission of an illegal act or omission of legal duty by an employee of the company either for personal gain or for deliberately causing loss to the company. It also includes the untrue statements by a person, who did not believe the same to be true and active concealment of facts.
- viii. "Improper conduct or Wrongdoing" means any fraudulent activity/theft/corruption,
- A substantial mismanagement of or damage to the Company resources,
  - Any other violation of Company's Code of Conduct and core values, Misuse of Company's funds, belongings and resources,
  - A civil wrong or criminal act,
  - Any action endangering the health or safety of any individual,
  - Improper conduct in Company's operations, accounting, internal controls, auditing. or financial reporting and
  - Any act detrimental to the interests of the company.
- ix. "Protected Disclosure" A communication in good faith based on reasonable grounds duly supported by evidences that disclose or demonstrate an intention to disclose information that may evidence a fraud or an improper conduct or wrongdoing, without the disclosure of the identity.
- x. "Whistleblowing" means the voluntary disclosure of a complaint by a whistleblower to the whistleblowing unit.
- xi. "Whistleblower" means any employee, director, senior management officer, contractor and its employees, customers, an ex-employee, any individual from public or any other stakeholder, who makes or attempts to make a disclosure of fraud and improper conduct or wrongdoing

xii. "Whistleblowing Unit" means the Organization Unit comprises of Company Secretary and Chief Internal Auditor.

xiii. "Wrongdoer" means a person against whom a concern/complaint has been established.

#### **4. APPLICATION OF THE POLICY**

This Policy covers any action which results or likely to result in fraud, improper conduct or wrongdoing or any other act detrimental to the interest of the Company.

This policy shall not be applicable:

- i. To the whistle blows for which an enquiry/ fact finding committee (by whatever name called) has already been constituted by the Company (whether or not the proceedings have started).
- ii. To the whistle blows for which separate committee already exists within the company.
- iii. To personal grievances concerning an individual terms of employment/promotion or disciplinary matters.
- iv. In case of anonymous or pseudonymous (having false name & identity) whistle blows, except in case of protected disclosures to be decided by the Whistleblowing unit.
- v. To question financial or business decisions taken by the Company or any matter which have already been or being suitably addressed.

#### **5. PROCEDURE FOR LODGING WHISTLEBLOWS**

- i. All whistle blows are to be made in writing to ensure a clear understanding of the complaint. It should give the background, the exact nature of concern with supporting evidences, relevant dates where possible, the reasons for the concern and the names of individuals against whom the concern is being reported. Form attached as Annexure-A may be used as a guideline for the purpose.

- ii. Whistleblower may report concern through the following methods:
- **Via Internet**-a link on the Company's Website;
  - **E-mail**-an address (such as whistle@\*\*\*.com), only accessible by Whistleblowing Unit;
  - **Fax**-a dedicated fax number maintained by the Whistleblowing Unit;
  - **Regular Mail**-Captioned "Whistleblowing Unit', Hyderabad.

In case, there is a complaint against whistle blowing unit, the same may be reported directly to the Chief Executive Officer.

#### **6. INCENTIVE FOR PUBLIC PERSON FOR WHISTLEBLOWING AGAINST THEFT OF ELECRICITY**

*A monetary incentive at the rate of 10% of the recovered amount of detection / pilferage shall be given to Whistleblower out of public, reporting the theft of electricity provided the procedure for lodging whistleblows is followed as per Section-5 of this Policy.*

#### **7. PROCEDURE FOR HANDLING WHISTLEBLOWS**

- i. The day-to-day responsibility for overseeing and implementation for the policy rests with the "whistle blowing unit. Each complaint received by the Whistle Blowing Unit is to be logged and assigned a number.
- ii. The Whistle Blowing unit shall initially assess the facts of the complaint, its completeness with respect to all the concerns raised, and reasonableness of the allegations levelled in the complaint to determine whether investigation is appropriate. Some trivial complaints may be resolved by agreed actions without the need for investigation.
- iii. An investigation will only be conducted if the complaint is sufficiently specific and contain adequate corroborating evidence or suitable indications to warrant an action.
- iv. Chief Internal Auditor may authorize any other person or department to conduct the investigation considering the competence and objectivity of the person so nominated and such person shall maintain the confidentiality of the matter under investigation.

- v. A person who is conducting the investigation shall be empowered to get the relevant information and records in the soft and hard form from the relevant department or person.
- vi. The investigation should preferably be completed within 90 days of its lodgment with the Company except under circumstances and for reasons to be recorded in writing.
- vii. If the complaint is worthy of investigation, then the whistleblowing unit shall apprise the whistleblower within 7 days of the receipt of complaint (unless the same is anonymous), acknowledging that the complaint was received and informing that the matter will be dealt with as per Company policy.
- viii. After investigation, a written report that provides the findings and a conclusion as to whether the allegations were substantiated is to be submitted to the Chief Executive Officer for necessary action.
- ix. The requisite action should preferably be taken within 90 days from the date of issuance of report except under circumstances and for reasons to be recorded in writing.
- x. The anonymous whistle blows shall not be taken into consideration, unless the same are carrying specific verifiable facts with supporting evidence and falls under protective disclosure at the discretion of whistleblowing unit.
- xi. Whistle Blowing Unit shall quarterly report to the Board Audit Committee regarding the status of complaints/whistle blows lodged through Whistle Blowing Unit.
- xii. If any whistle blow has been raised against Senior Management Officers, then the investigation on the matter will be processed as per directives of Board Audit Committee.

## **8. TREATMENT OF FALSE ALLEGATIONS**

All stakeholders shall take utmost care while raising whistle blows so as to avoid making a deliberate false complaints or allegations. This is not meant to discourage or limit the rights of Individuals from raising concerns of alleged malpractices or wrongdoings. The Company recognizes that, in some cases, it may not be possible to determine whether a reported allegation is with malafide intention or based on truth.

Stakeholders should not be reluctant to report a wrongdoing or improper conduct because of their uncertainty regarding whether the allegations can be proved or not. At the same time, it is expected from all employees to refrain from spreading the rumors, irresponsible behavior and false allegations. If an employee or a Senior management makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, an employee or any Senior management officer makes allegations with malicious intent, disciplinary action may be taken against them as per Company policy.

#### **9. WHISTLE BLOWER IMPLICATED IN IMPROPER CONDUCT OR WRONGDOING**

The act of whistle blowing shall not relieve the whistle blowers from the reasonable consequences for any of their involvement in improper conduct or wrongdoing. A person's liability for his or her own conduct is not affected by the person's disclosure of that conduct. However, in some cases, an admission may be a mitigating or compensating factor when considering disciplinary or any other action.

#### **10. RECORD KEEPING**

All the record and reports issued as a result of investigation by the Whistle Blowing Unit shall be kept for the period of 10 years or the period specified by record retention policy of the company whichever is later.

#### **11. DISCLOSURE TO EXTERNAL BODIES**

Whistleblowing Unit or any individual nominated to conduct an inquiry by Chief Internal Auditor is not allowed to disclose internal information to any of the external bodies unless required by the law and will be subject to Disciplinary action in case he / she is found guilty of breach of confidentiality.

#### **12. RIGHTS AVAILABLE TO THE COMPANY UNDER ANY OTHER LAW**

The lodging of any concern to the whistleblowing unit shall not prejudice the company's right to take any action against the accused or the wrongdoer under any other law for the time being in force.

### **13. MONITORING & REVIEW OF POLICY**

The Board Audit Committee is responsible for monitoring the effectiveness and compliance of the Whistle Blowing Policy.

### **14. EFFECTIVE DATE**

This policy will be implemented with effect from the date of approval by BOD HESCO. The policy shall be subject to review and any change made to it from time to time shall be made effective from the date of approval of the change by BOD HESCO.

**WHISTLE BLOWER REPORT 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 the form directly to the whistle blowing unit. Please note that you may be called upon to assist in the investigation, if required.

**REPORTER'S INFORMATION**

**SUSPECT'S INFORMATION**

**Name:**

**Name:**

**Employee No:**

**Employee No:**

**Designation:**

**Designation:**

**Department:**

**Department:**

**Contact Numbers:**

**Contact Numbers:**

**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?** (use separate sheet if required).
- 2. When did it happen? When did you notice it? Where did it happen?**
- 3. Is there any evidence that you could provide to whistle blowing unit? Or any other details or information which would assist in the investigation?**
- 4. Are there any other employee / parties involved other than the suspect stated above?**
- 5. Any other comments?**

Signature of Whistle Blower

Date

Designation

CNIC No.

Thumb Impression