

Policy Number- WEL-MEPL/HR/DA/ 1

Disciplinary Action Framework





1 **Preamble:**

At Welspun World & all its associate Subsidiaries & JV Companies, we are committed to our core values and foster a work environment that upholds professionalism, respect, collaboration, and excellence. Recognizing the importance of maintaining a harmonious and productive workplace, this document outlines the principles and procedures we adhere to when addressing instances of employee misconduct or behavior that deviates from our established standards.

While our preference is always to prevent misconduct through education, coaching, and support, we recognize that instances may arise where disciplinary actions become necessary to uphold our values and maintain a conducive work environment. This framework is rooted in the principle that disciplinary measures should be proportionate to the severity of the offense and should always prioritize corrective action over punitive measures. It is designed to promote fairness, transparency, and consistency in our approach to disciplinary actions.

2 **Objective:**

This Disciplinary Action framework is a fundamental cornerstone of our organizational framework, meticulously crafted to articulate the purpose, principles, and procedures guiding our approach to managing instances of employee misconduct. This is designed to achieve the following objectives:

- a) **Maintain a Respectful and Productive Workplace:** This framework exists to ensure that our workplace remains a respectful, inclusive, and productive environment for all employees. It serves as a deterrent against behaviors that undermine teamwork, harmony, and overall performance.
- b) **Uphold Company Values, Ethical Conduct, and Standards:** Welspun's core values are the bedrock of our identity. This framework upholds these values by establishing a clear framework to address actions that deviate from our established standards of behavior, ethics, and professionalism.
- c) **Provide Clarity and Transparency:** This offers a transparent outline of the steps to be followed in addressing alleged violations of company policies, leaving no room for ambiguity in the process.
- d) **Ensure Equitable Treatment:** At Welspun, every employee is entitled to fair and equitable treatment. This framework emphasizes the consistent application of disciplinary measures, irrespective of an individual's position, tenure, or role within the organization.
- e) **Safeguard Organizational Reputation:** Our reputation is built on the collective conduct of our employees. This framework safeguards our reputation by addressing behaviors that could potentially tarnish our standing in the industry and community.
- f) **Ensure Compliance with Legal Standards:** By adhering to this framework, we ensure that our actions are compliant with legal and regulatory standards, reducing the risk of legal disputes arising from inconsistent or unfair disciplinary measures.

3 **Coverage/Scope:**

All employees of Welspun Enterprise Ltd & its associate JVs and subsidiary companies, irrespective of their terms of employment are covered.



4 **Definitions:**

- a. **Service Rules:** Service rules refer to all the group and company policies and guidelines that govern the conduct, responsibilities, and rights of employees within Welspun Enterprise Limited & its associate JVs and Subsidiaries companies. **Details of service rules are mentioned in Annexure 1**
- b. **Violations of Service Rules:** Violation of service rules refers to instances where an employee fails to comply with the established policies, regulations, and guidelines set by WEL. These violations can range from minor infractions to more serious breaches of conduct that could potentially lead to disciplinary actions
- c. **Disciplinary Committee:** A disciplinary committee is a formal group or panel within an organization that is responsible for reviewing and making decisions regarding employee disciplinary matters. Its primary role is to ensure fairness, consistency, and objectivity in handling disciplinary cases and violations of company policies.
- d. **Severity:** The severity of action in the context of employee conduct or disciplinary matters refers to how serious or significant the behavior or violation is in relation to the organization's policies, values, and potential consequences. Assessing the severity of action is essential for determining the appropriate disciplinary measures or corrective actions to be taken.

5 **Employee Disciplinary Action Framework:**

5.1 **Violations**

5.1.1 **Who can report Violations?**

- a. Anyone can report a violation against any employee / Whistle Blowing
- b. Self reporting
- c. By the Ethics Team after their investigation.

5.1.2 **Whom to report the Violations?**

- a. The violation needs to be reported to the Disciplinary Committee (DC) or to the Chief Human Resources Officer (CHRO). The CHRO will then pass on the complaint to the Chairperson of the DC unless the complaint is against the chairperson. In such a case, the CHRO will consult with the Managing Director (MD) and proceed accordingly as mentioned later in the document. People can give the complaint to the MD directly if the complaint pertains to the CHRO
- b. Any violation related to ethics and integrity needs to be reported by the employee to the Head - Ethics for conducting an appropriate inquiry.
- c. In case the Secretary of the DC / CHRO receive any ethics and integrity-related violation the same need to be sent to the Head-Ethics.

5.1.3 **How to report the Violations?**

- a. To report a violation, the complainant has to lodge a detailed violation report/complaint with the Secretary of the DC, providing details of the accused employee violating the rules and the specific instance/s of violation/s in chronological order.
- b. The same process will apply to Employees who are self-reporting the violation.
- c. The Ethics and Integrity related complaints can be reported through the following mechanism:
 - Third party Ethics Helpline Number (Toll-free) - 000-800-919-0236
 - Write an email or send by post to Mr. Harish Kesharwani, Head – Ethics, Whistleblower_wel@welspun.com



- Mail to the Chairman of the Audit Committee
- Through the website (welspun.ethicspoint.com)

5.2 Disciplinary Committee (DC):

5.2.1 Financial Integrity-Related Issues for all excluding the DAC members:

- a. The committee will comprise the CHRO, the CFO, and the APEX member pertaining to the function/vertical of the accused.
- b. The Chairperson of the committee will be the CHRO.

5.2.2 Other Disciplinary Issues for all excluding the DAC members:

- a. Project Sites, Project RO- The committee will comprise the Vertical HRBP, the local Project Owner or the Project Manager (PM/PO), the Vertical FC, and the Manager of the accused. The Chairperson of the committee will be the Vertical HRBP.
- b. Delhi and Mumbai Offices- The committee will comprise the Head TM, Head Legal, Respective Vertical FC, and the Manager of the accused. The Chairperson of the committee will be the Head TM.

6 The Process

6.1 **The Validation:** The Chairperson will share the complaint with all the Disciplinary Committee members and nominate one or more DC member/s to talk to the complainant and the accused (If required) to validate the complaint. In the case of Ethics and Integrity-related complaints, the report received from the Head-Ethics will be considered by the DC members.

6.2 Next Steps

- 6.2.1 If the complaint is not validated, the Chairperson on the recommendation of the DC may declare the complaint as invalid and close the matter. Welspun encourages reporting of misconduct to build a compliance and healthy culture however, filing frivolous complaints with an ulterior motive, will be seen as misconduct.
 - 6.2.2 If the complaint is validated, the DC will issue a Show Cause Notice to the accused. In case of an Ethics and Integrity related complaint, the Show Cause Notice will be issued only to the alleged employee and copied to function/vertical Apex Member.
 - 6.2.3 The accused will respond in writing within 48 hours or any extended time as granted by the DC.
 - 6.2.4 If the response is up to the satisfaction of the DC, the case may be closed by the Chairperson with or without minor consequence.
 - 6.2.5 The Chairperson will directly give the recommendations to the CHRO. CHRO will act and close the case.
 - 6.2.6 If the response is unsatisfactory, the Chairperson may decide to further investigate with the help of DC or announce the judgment based on the framework.
 - 6.2.7 The DC chairman will send the judgment order to the CHRO for execution. CHRO will act and close the case.
 - 6.2.8 Inquiry may involve the recording of witness statements, inquiry, questioning, and if required forensic inquiry with the help of an external party.
 - 6.2.9 Head of Ethics will be responsible for conducting any ethics and integrity-related inquiry.
 - 6.2.10 The Chairperson will pass the order giving reference to the inquiry and take the recommended action.
- 6.3 The Appeal if any by the accused will be heard by the DC again, the DC may consult the APEX before



giving the second verdict with detailed reasons.



- 6.4 The Consequence needs to be implemented within 30 days of taking a decision by the DC. In case of any delay in taking action, for Ethics and Integrity cases, the CHRO needs to discuss with the Ethics Committee and conclude the same.
- 6.5 The complaint against the following people will be dealt with directly by The MD with the help of a special committee to be formed specifically for the case.
- APEX and above (Not MD)
 - Head Management Audits

7 Severity:

The severity of violations is of two categories based on the impact:

- 7.1 **Major:** Unprovoked violence causing injury to a colleague, Breach of Financial integrity, a serious breach of work Integrity, Habitual Offender of Code of conduct Violation
- 7.2 **Other:** Other minor violations and First Time Offender

8 Consequences

Following are the possible consequences depending upon the severity of the violation. There can also be more than one consequence.

- 8.1 Verbal Apology to the victim in the presence of the Committee/Chairperson
- 8.2 Written Apology
- 8.3 Record in the personal file
- 8.4 Letter of reprimand by HR
- 8.5 Suspension for a period ranging from 1 day to 5 days
- 8.6 Financial Penalty ranging from Rs 500/- to Rs 25,000/- or equivalent to the estimated loss. In the case of Ethics and Integrity related complaints, the financial penalty is to be considered as per the recommendation of the Ethics Committee.
- 8.7 Separation
- 8.8 Police Complaint / FIR
- 8.9 Defamation Suit

9 Consequence Matrix:

- 9.1 Major Violation: Please Ref point no. 8.6 to 8.9.
- 9.2 Other Violations: 8.1 to 8.9 (Subject to degree, frequency/habitual offense).

10 Deviation on consequences:

- 10.1 In the case of KMP's deviation from the above consequences will be approved by the Audit Committee on the recommendations of the MD
- 10.2 In case of other employees, such deviations will be approved by the Ethics Committee on the recommendations of the DC



Annexure 1

The following is a list of service rules, including the Terms & Conditions mentioned in the Letter of Appointment:

1. Welspun Group & WEL Policies on (Refer the HR policies- [Welspun Team Site - HRPolicyListView \(sharepoint.com\)](#)):
 - 1.1. Code of Conduct
 - 1.2. Welspun Values
 - 1.3. Honest and Ethical Conduct: Work with financial and work integrity
 - 1.4. Responsibilities towards external stakeholders
 - 1.5. Workplace and employee Health and safety including site safety manual
 - 1.6. Workplace and employee safety & Security [Refer Welspun HSEQ Policy Document]
 - 1.7. Digital, Information & Data Security [Refer Welspun IDS Policy]
 - 1.8. Behavioural norms towards fellow colleagues 1.8.1. Norms for proper subordination 1.8.2. Smoking, Drugs, and Alcohol abuse policy
2. Strategic guidance issued from time to time
3. Welspun SOPs including Quality of Material and Workmanship [Refer SOP Document/s]
4. Work Place / Guest House Etiquette:
 - 4.1. Any kind of Misuse of office/guest house assets. Deviation of the rules & regulations applicable at each Guest house circulated by Site Admin/HR team member from time to time.
 - 4.2. Speaking loudly, shouting at colleagues.
 - 4.3. Insensitive comments on others that negatively impact the sentiments of diverse and minority set of employees. These can be on the basis of gender, religion, language, food habits, political affiliations, personal choices etc.,
 - 4.4. Keeping loud phone ring tones and not using speaker phone outside the cabin or meeting room
 - 4.5. Disrespect to fellow colleagues.
 - 4.6. Taking personal favors from subordinates.
 - 4.7. Breach of others' privacy.
 - 4.8. Spreading rumors or indulging in gossip-mongering.
5. Failed Background Verification of a new joiner [Refer to Welspun Offer Letter]:
 - 5.1. At any point in time, if the company becomes aware of any falsification regarding previous employment or any fraudulent act committed by the employee with their previous employer, the company may take appropriate action.
 - 5.2. In the event of false credentials being furnished by any employee during the joining process, the company will take appropriate action as per this framework.
 - 5.3. Undisclosed criminal proceedings in which the person is a party at the time of recruitment.