

## **Speak Up**

### Vigil Mechanism & Whistle Blower Policy



**SPEAK UP**

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## **1. PREFACE & PURPOSE**

Lava International Limited ("Company") follows highest standards of business ethics and management practices in the conduct of its business. To ensure strict compliance with the ethical standards across the company, the Vigil Mechanism & Whistleblower Policy ("Speak Up Policy" or "Policy") has been created. This Policy aims to establish Lava's reputation with its Directors, employees and external stakeholders as an ethical, honest and transparent organization. The purposes of this policy are:

- 1.1. To support Lava Code of Conduct policy and all policies requiring the reporting of unethical or illegal conduct;
- 1.2. To create a window of communication channel for the Directors, employees and any external stakeholders who observe any unethical behavior, actual or suspected fraud, or violation or potential violation of the Lava's code of conduct policy;
- 1.3. To encourage Lava "Speak Up" culture by taking proactive steps to ensure that employees / stakeholders who raise Complaints in good faith are safeguarded and supported.

This Policy is issued pursuant to section 177 of the Companies Act 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and complies with the requirement to establish a vigil mechanism for Directors and employees to report genuine Complaints.

## 2. SCOPE

This Policy defines and lays down the process for raising a 'Complaint', the safeguards in place for the person raising a Complaint, the roles and responsibilities of all stakeholders.

That Complaint may be about:

- i. Abuse of authority or position;
- ii. Unethical practices like bribery, corruption or illegal payments taken / given;
- iii. Criminal conduct or violations of law;
- iv. Misuse of company funds, assets, property, facilities etc.;
- v. Theft of confidential / proprietary information;
- vi. Embezzlement of company funds / assets;
- vii. Receiving / Giving of any illegitimate financial or non-financial benefit by any person (including distributor; modern trade partners and service partners);
- viii. Financial irregularities, including fraud, or suspected fraud and accounting and auditing fraud;
- ix. Reporting instances of leakage of Unpublished Price Sensitive Information;
- x. Any other unethical behaviour (not related to issue related to sexual harassment).



### 3. APPLICABILITY

This Policy applies to all stakeholders of Lava International Ltd, and inter alia includes:

- i. Directors of the Company;
- ii. Regular employees;
- iii. Contract employees, Interns, Trainees, Temporary Staff, Apprentices and those on third party rolls;
- iv. Distributors; Modern Trade Partners; E-Commerce Partners and Service partners (ASP's);
- v. Facilitation Centre's, Contractors and sub-contractors; Agencies, Vendors, Consultants or anyone associated with Lava.

### 4. DEFINITIONS

4.1 **Whistleblower-** A person or entity making a disclosure of any actual or suspected unethical and improper practice that they have observed. Whistleblower could be a Director; regular employees; contract employees; distributors; service partners; contractors, contractor's employees, customers, vendors, consultants or other third parties.

4.2 **Complaint-** means a communication by Lava employees / other stakeholders in good faith that discloses or demonstrates information of unethical or improper activity.

4.3 **Subject-** means a person against or in relation to whom a Complaint is made or evidence is gathered during the course of an investigation.

4.4 **Disciplinary / Corrective Action-** means any action that can be taken on the completion of / during the investigation proceedings, including but not limited to warning, imposition of fine / penalty, suspension from official duties, Termination, cancellation of contract; blacklisting; legal case or any other action as per the applicable code of conduct; terms of agreement or as decided by Management.

4.5 **Ethics Committee** – means a Committee formed or appointed to administer this Policy and conduct preliminary inquiry or detailed investigation, if needed be, in accordance with the internal procedure adopted by the Company and under the supervision and guidance of the Audit Committee.

4.6 **Whistle Officer-** Means the chairperson of ethics committee nominated by the Audit committee as the Whistle officer to receive complaints in terms of policy, and help conduct an investigation of the complaint in the manner outlined in the policy.

### 5. Ethics Committee -

Ethics Committee shall be a cross-functional committee, represented by HR, Finance, Legal, and Secretarial functions, and any other function as Audit Committee or the Board may deem fit.

#### The composition of the Ethics Committee is as under:

1. Ms. Pranjal Yadav, Head HR, Chairperson
2. Mr. Simranjeet Singh, GM Finance, Member
3. Mr. Aayush Gupta, Sr. Manager – Legal, Member

## 6. REPORTING A COMPLAINT

6.1 It is the duty of all stakeholders (as prescribed in Clause 3 above) to "SPEAK UP" if they observe, or learn of, any Unethical and Improper Practices.

6.2 Reports of allegations of suspected unethical and improper practices are encouraged to be made in writing so as to assure a clear understanding of the issues. Such reports should be factual rather than speculative and must contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedures.

6.3 The Whistleblower need not prove the Complaint but must demonstrate sufficient grounds for raising the Complaint.

6.4 Whistleblower can raise their Complaints anonymously; however company encourages Whistleblower to share their identity for an effective inquiry or investigation. Complaints expressed anonymously will be evaluated before an inquiry or detailed investigation.

6.5 One can raise their Complaint on any issue mentioned aforesaid as per Annexure 1

6.6 Hotline will be accessible at all times at all days. Conversations made with the Hotline number may be recorded for future purposes. However, all conversations made at the Hotline will remain confidential.

6.7 Complaint shall be lodged as soon as possible, after the occurrence of incident, and not later than 90 days from the date of occurrence of incident. In case a complaint is received after 90 days, the same shall be taken up for investigation only if the chairman of Audit Committee forms the view that there is prima facie substance in the complaint.

6.8 All the aforementioned communication modes will be administered by the "The Ethics Committee". The communication channels will be widely publicized through different modes across organization and outside.

6.9 Where a whistleblower raises a Complaint for any member of the Ethics Committee or the Audit Committee, that member of the Ethics Committee or the Audit Committee shall be prevented from acting in relation to that Complaint. In case of doubt, then the Chairman of the Audit Committee shall be responsible, provided the Chairman is not subject of the Complaint, for determining whether a member of the Ethics Committee or the Audit Committee must recuse himself or herself from acting in relation to a Complaint. Furthermore, in case the subject of the Complaint is the Chairman of the Audit Committee, then the other members of the Audit Committee shall act in relation to the Complaint and the Chairman shall recuse himself or herself from acting in relation to a Complaint.

6.10 Where the subject of any Complaint is a Director or any member of the Ethics committee, the Audit committee shall guide the Ethics committee on investigation and proceedings. Audit committee shall share their final recommendation in such complaints to board of directors. Board of Directors can accept/ Partially accept or modify the recommendation of audit committee at its discretion.

## 7. PROCESSING OF COMPLAINT BY ETHICS COMMITTEE

7.1 If initial enquiries indicate that the Complaint raised has no basis, or it is not a matter which should be pursued under this Policy, it may be dismissed at this stage and the decision will be documented.

7.2 If initial enquiries indicate that further investigations are necessary, the same will be carried out by the Ethics Committee with or without engaging any external agency.

7.3 The investigation would be conducted in a fair manner, as a neutral fact- finding process and without presumption of guilt.

7.4 Depending upon the seriousness of the matter, the Ethics Committee may choose to refer the matter to the Audit Committee with proposed disciplinary actions / counter measures. In such cases proceeding shall happen as per Clause 6.9 and 6.10.

7.5 The Ethics Committee shall be responsible for making / getting made, a detailed written record of the Complaint. The record will include:

- 7.5.1 Facts of the Case;
- 7.5.2 Findings of Ethics Committee;
- 7.5.3 Evidences available;
- 7.5.4 Final corrective action.

7.6 Investigation proceeding under this policy shall be completed as soon as possible, and within 60 days of receipt of complaint. In exceptional cases, this period may be extended with prior approval from Chairperson of Audit committee, as the case maybe.

7.7 If the Ethics Committee determines that an Unethical and Improper Practice has occurred, such disciplinary action, as deemed fit, will be taken including measures to prevent recurrence.

7.8 In case there is a tie in the voting of Ethics committee, the decision of Chairperson of Ethics committee will be deemed final.

7.9 In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision or in cases of serious Complaints, such Whistle Blower may directly approach the Chairperson of the Audit Committee of the Board of Directors of the Company in the manner as follows:

- 7.9.1 By way of **email**: [auditcommittee.chair@lavainternational.in](mailto:auditcommittee.chair@lavainternational.in)
- 7.9.2 By **Letter** addressed to The Chairperson of Audit Committee marked "Private and Confidential", and delivered to Lava International Limited, A-56, Sector 64, Noida – 201301, Uttar Pradesh, India.

## 8. DISQUALIFICATIONS

8.1 Those disclosures raised by a Channel Partner / Vendor / Franchisee / Contractor against a fellow Partner / Vendor / Franchisee / Contractor, where the Complaints prima facie relate purely to conflicting business interests, will not be pursued further.

8.2 Whistle blowing is not a route to raise business issues where alternative modes of resolution of grievances (e.g. the Infiltration Helpdesk) are available. However, if it is perceived that there is malafide intent behind not addressing the grievances, the same may still be raised under this policy. In such situations, all previous interactions / correspondence should be stated at the very outset.

8.3 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment, any abuse of this protection will warrant disciplinary action, especially where false or bogus allegations are made knowingly and with a mala fide intention of causing harm or disrepute.

## 9. PROTECTION

**9.1 Confidentiality-** The Company will keep the Whistle-blower's identity confidential, unless (a) the person agrees to be identified; (b) identification is necessary to allow the Company or law enforcement officials to investigate or respond effectively to the report; (c) identification is required by law; or (d) the person accused of Compliance violations is entitled to the information as a matter of legal right in disciplinary proceedings.

**9.2 Non-Retaliation-** Complete protection will therefore, be given to Whistle Blower against any unfair retaliation actions like threat or intimidation of termination / suspension of service, disciplinary action, demotion, refusal of promotion, discrimination, any other type of harassment. The Company will take such retaliation actions seriously and will take necessary disciplinary action.

**9.3** Any other Employee / Stakeholder assisting in the said inquiry or investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

## **10. SECRECY OF INQUIRY / INVESTIGATION**

The Whistle Blower, the Subject, the Ethics Committee and everyone involved in the process shall:

- i. Maintain complete confidentiality / secrecy;
- ii. Not discuss the matter in any informal / social gatherings / meetings;
- iii. Discuss only to the extent or with the persons required for the purpose of completing the process and investigations;
- iv. Not keep the papers unattended anywhere at any time and
- v. Keep the electronic mails / files under password

## **11. PROMOTING AWARENESS OF THE WHISTLE BLOWER POLICY**

- 11.1 Wide publicity of SPEAK UP Policy and available communication channels will be made to all Internal and External Stakeholders.
- 11.2 All agreements with vendors, agencies, contractors where signed agreements are made and vetted by the Legal department will have the Whistle Blower Hotline Clause.
- 11.3 Those making a Protected Disclosure at a great risk / personal cost will be suitably rewarded in case the effort is commensurate with the larger Organizational Good. The Reward amount and the Reward process will be kept confidential unless it is felt that doing so poses no harm to the Whistle Blower.

## **12. ROLE OF AUDIT COMMITTEE**

- 12.1 The Audit Committee is responsible for supervising the development and implementation of this Policy, including the work of the Ethics Committee.
- 12.2 The Audit Committee shall periodically review the Policy to consider whether amendments are necessary.
- 12.3 The Audit Committee shall receive reports from the Ethics Committee about the inquiry/investigation and resolution of disclosures made pursuant to the Policy on a periodical basis as per the guidelines given by the Audit Committee.

## **13. AMENDMENTS**

Any amendment or modification of this Policy in whole or in part, can be made without assigning any reason, whatsoever with the approval of the Board of Directors of the Company.



## Annexure 1

**Email Address:** [speakup@lavainternational.in](mailto:speakup@lavainternational.in)

**Hotline Contact No:** +91 8800-59-59-59;

**Post:** "Private and Confidential", and delivered to The Whistle Officer, Lava International Ltd.  
A-56, Sector 64, Noida – 201301

**Drop Box:** Available at each of the following company premises in NOIDA

- NHQ – A-56, Sector 64 Noida- Ground floor, near the reception
- Manufacturing Plant- A- 154D, Sector 63, Noida- Ground floor – Near the stairs area