

Honda Motorcycle and Scooter India Pvt. Ltd.
BUSINESS ETHICS PROPOSAL LINE – VIGIL MECHANISM POLICY

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Document Change Approvals

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		- Investigations redefined.	
6.0	1 st April'23	- BEC Management Structure Revised - Location change for BEPL Boxes	24 th April'23
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8.0	1 st April'25	- BEC Management Structure Revised - Resolution of Concern - Change of location of BEPL Boxes	1 st April'25
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BUSINESS ETHICS PROPOSAL LINE – VIGIL MECHANISM POLICY

1. Background

All the businesses of Honda are guided by the two fundamental beliefs derived from the Honda Philosophy, namely:

- *Respect for the Individual, and*
- *The Three Joys*

Thus, Honda Philosophy emphasizes the obligations we have towards our customers, suppliers /dealers and communities, to society and to each other.

HMSI is committed to **conducting business fairly and honestly.**

Our aim is to have our customers and society, as well as our shareholders and investors, place even greater trust in us and to ensure that Honda is striving to be **“A company that society wants to exist by sharing joys with people throughout the world.”**

Therefore, **Honda Corporate Governance (HCG)** has been established. It ensures, commitment to values and ethical conduct of business, transparency in business transactions, statutory and legal compliances, adequate disclosures, effective decision-making to achieve corporate objectives.

1.1. Outline of HCG:

During the implementation of HCG, following actions were taken to ensure that a company is governed in the best interest of all stakeholders:

- 1.1.1.** Establishment of Code of Conduct (i.e. Honda Conduct Guideline)
- 1.1.2.** Establishment of Internal Audit System
- 1.1.3.** Formation of HCG Management Organization
- 1.1.4.** HCG Self Verification System
- 1.1.5.** Establishment of “Business Ethics Proposal Line”, i.e. Vigil Mechanism.

2. Definitions

2.1 Associates

Associates means every employee of the company including Directors.

2.2 Complainant (Whistle Blower)

An individual who makes a protected disclosure under this mechanism. This could be an Employee, Director, Vendor, Supplier, Dealer and Consultant

2.3 Subject (Department/ Individual suspected of violation)

A person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

2.4 Anonymous

An individual who has not disclosed his/her identity

2.5 Protected Disclosure

“Protected Disclosure(s)” means a written communication of a concern made in good faith, which discloses or demonstrates information that may evidence an unethical or improper activity under the title.

2.6 Investigator/Probing Committee

The Investigations shall be carried out as defined by the Business Ethics Committee from time to time.

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3. Purpose of Business Ethics Proposal Line – Vigil Mechanism Policy

HMSI is committed to the highest possible standards of ethical, moral and legal business conduct. In line with HMSI's commitment to open communication and transparency, the Business Ethics Proposal Line (BEPL) has been established with the aim to provide an avenue for directors and associates to raise concerns.

The Companies Act, 2013, vide section 177, has also made it mandatory for certain class of companies to establish a "Vigil Mechanism" in order to provide an avenue to the Directors and employees to report genuine concerns. Accordingly, HMSI has aligned its existing BEPL in accordance with the requirement of the Companies Act 2013 and re-named it as **"Business Ethics Proposal Line – Vigil Mechanism Policy"**

The Policy aims at giving reassurance that complainant (Whistle Blower) will be protected from reprisals or victimization. Anyone can report workplace malpractice without any fear of reprisal or action.

4. Scope

The Business Ethics Proposal Line – Vigil Mechanism Policy is intended to cover serious concerns that may have large impact on HMSI like:

- 4.1.1. Deliberate Violation of Law/Regulation;
- 4.1.2. Incorrect data/MIS related to critical/significant Divisional activities/ responsibilities.
- 4.1.3. Gross waste or Misappropriation of company funds/ assets
- 4.1.4. Actions not in line with company Policy, including the Code of Conduct or Ethics.
- 4.1.5. Negligence causing substantial and specific danger to associate safety and health.
- 4.1.6. Abuse of Authority
- 4.1.7. Breach of Contract
- 4.1.8. Manipulation of company data and records
- 4.1.9. Misrepresentation of Financial Reports or Deliberate error in preparation of Financial Statements
- 4.1.10. Hostile work environment issues
- 4.1.11. Theft of confidential/ propriety information
- 4.1.12. Otherwise amount to serious improper conduct.

Sometimes concerns reported may not be constituted as an improper conduct. The preliminary investigation assesses whether or not these appear to be an improper activity. However, just because an investigation is not launched doesn't mean that the complaint won't be looked into. It might be referred to Human Resource or other appropriate Department/Division/Operation for review rather than investigation.

5. Methods of Reporting Concerns

Investigation may not be possible unless sufficient and specific factual information is provided. Complainant (Whistle Blower) must show sufficient factual grounds for concern. However, someone should not obtain evidence beyond his/her right of access and shouldn't do their own investigation. Complainant (Whistle Blower) is not expected to prove the truth of an allegation.

Although there is no timeline defined for reporting the concerns, but it should be reported as soon as there is enough evidence to make a good faith report. The tools of reporting concerns are:

- E-mail at "bepl@honda.hmsi.in",
- Drop concerns/issues in BEPL boxes through "BEPL Communication Form" (**enclosed Annexure No.1**) located at several locations (**enclosed Annexure No.2**)
- Letter can be written directly to President at:
Mr. Tsutsumu Otani
President, CEO & MD
Honda Motorcycle & Scooter India Pvt. Ltd.
Head Office, Plot No. 1, Sector – 3, IMT Manesar,
Gurgaon -122050 (Haryana)

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6. Access to HM/ASH Business Ethics Proposal Line

Concerns / Issues which the directors and associates feel are difficult to handle or are/have not being addressed appropriately / effectively at the HMSI level itself, can be reported directly to HM / ASH either through mail or letter to:

- **Honda Motor Co., Ltd. Business Ethics Proposal Line**
Address: 8-1 Hon-cho, Wako-shi, Saitama, 351-0188, Japan
E-mail: proposal_shared@jp.honda
TEL: +813-3478-8686 FAX: +81-3-5412-2366
- **Asian Honda Motor Co., Ltd. Business Ethics Proposal Line**
Address: 14 Sarasin Building, Surasak road, Silom, Bangkok 10500, Thailand
E-mail: Ash_Ethics_Line@honda.th.com

7. Safeguards

- 7.1 Harassment or victimization - Harassment or victimization of complainant (Whistle Blower) will not be allowed.
- 7.2 Confidentiality – Protection of complainant's (Whistle Blower) identity to be ensured.
- 7.3 Anonymous allegations - The policy encourages complainant (Whistle Blower) to disclose their names. Investigation may not be possible unless source of information is identified.
- 7.4 Concerns expressed anonymously will also be investigated, but consideration will be given to:
 - The seriousness of the matter raised.
 - The creditability of the concern.
 - The likelihood of confirming the allegations.
- 7.5 Malicious allegations - Malicious allegation may result in disciplinary action.
- 7.6 Any employee serving as a witness or assisting in the investigation would also be protected to the same extent as complainant (i.e., Whistle Blower).
- 7.7 Protected Disclosure is acted upon, and no evidence is concealed or destroyed.
- 7.8 The investigation is conducted honestly, neutrally and in an unbiased manner.
- 7.9 The Whistle Blower does not get involved in conducting any investigative activities other than as instructed or requested by BEC.
- 7.10 The Subject or other persons involved in relation with the Protected Disclosure must be given a fair chance of being heard without any presumption of guilt.

8. Resolution of Concerns

- ❖ On monthly basis, BEPL boxes and E-mail ID will be checked, and concerns will be collected and all the concerns received shall be presented to the Business Ethics Committee (BEC).
- ❖ The Business ethics proposal line – Vigil Mechanism will be implemented through the establishment of a BEC Management. Which includes:
 - Chairman
 - MembersBEC management for the company is as per **Annexure No. 3**.
- ❖ Investigator/ Probing Committee shall carry out preliminary investigation/ probe before placing the matter before the BEC.
- ❖ BEC will decide based on the results of preliminary investigation if a full investigation should be undertaken or not and by whom. Complainant (Whistle Blower) may be contacted for an interview if identity is disclosed.
- ❖ A formal report will be submitted to the Chairman of BEC.
- ❖ The BEC will decide the action based on outcome of the investigation. However, before implementation, BEC Chairman and Director shall have a meeting with the Associate. Approved action to be submitted to HR & Admin Operation through BEC Secretariat.
- ❖ The proceedings of the meetings shall be recorded in the minutes and shall be kept by Governance, Risk & Compliance (GRC) Division.

Further, if any concerns falling within the ambit of the scope as defined under Clause 4.1 of this policy and received directly by any Department/Division/Operation, shall be referred to BEC and the matter shall be dealt with as per this policy.

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- ❖ Acknowledgement of the result of investigation may be shared with the complainant (i.e., Whistle Blower), if identity is disclosed.
- ❖ The investigation shall be completed
 - normally within 45 days of the receipt of the protected disclosure – Internal Investigation
 - Normally within 180 days of the receipt of the protected disclosure – External Investigation

However, the period is extendable as the BEC deems fit.

9. Role and Responsibilities

9.1 Business Ethics Committee (BEC)

- ❖ The committee supervises the level of companywide compliance with Honda Code of Conduct, which is a fundamental compliance policy of the company.
- ❖ As necessary, the committee recommends to BOD to change Honda Code of Conduct and other compliance policies.
- ❖ The committee monitors the operation status of proposals received via Business Ethics Proposal Line, implements necessary measures and reports on these matters to the President.
- ❖ Based on HCG Self-Verification reports or the like (status of system establishment and operation of internal control), the committee monitors the status of companywide compliance and business ethics, implements necessary measures and reports on these matters to the President.

9.2 BEC Secretariat

- ❖ Regularly check BEPL Boxes and BEPL E-mail ID and collect all the concerns.
- ❖ Responsible to provide timely update to Business Ethics Committee and document the entire approach of the investigation.
- ❖ Conduct preliminary investigation along with Investigator/ Probing Committee and keep record of all the relevant documents.
- ❖ In case an incident is required to be investigated through an outside agency, the BEC Secretariat should clearly document the scope and approach.
- ❖ Conduct regular BEC Meetings and prepare Minutes of Meetings.
- ❖ Report number of complaints received under BEPL and their outcome before each meeting of BEC.
- ❖ Periodic review of Vigil Mechanism Policy and Procedure for handling of Ethical Concern.
- ❖ Increase awareness about Business Ethics Proposal Line among all the associates.

9.3 Investigator/ Probing Committee

- ❖ Conduct preliminary investigation.
- ❖ Maintain secrecy of the concern raised.
- ❖ Collect facts and evidence and make recommendations to the BEC on the basis of investigation performed.

10. When Allegation will not be Investigated

10.1 Things that are not improper activities, but are personnel, labor relations or management issues, customer complaints; or

10.2 If after a Preliminary investigation, it appears that there is no improper conduct.

However, the complaint shall be referred to HR or other appropriate Department/Division/Operation for review rather than investigation.

11. Confidentiality

Confidentiality will be maintained to the extent possible within the limitations of HMSI Rules and Regulations and the legitimate needs of the investigation. Complainant's (Whistle Blower) identity

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will, of course, be known to personnel with a legitimate need to know in order to carry out an investigation.

BEC shall determine whether or not to treat an issue as a secret, according to the request of the complainant and the contents thereof. Even otherwise, the intention in each case should be to treat it as confidential.

BEC Members, Governance Risk & Compliance (GRC), Preliminary Investigator/ Probing Committee, the complainant (Whistle blower), persons against whom complaint is being investigated, and other persons engaged in BEPL activities /process shall maintain secrecy in accordance with the previous provision as under:

11.1. Not discuss the matter in any informal/social gatherings/meetings;

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

11.3. Not keep the papers unattended anywhere at any time;

11.4. 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 by the BEC.

12. Training & Communication

- ❖ Directors and associates shall be informed of the Policy on periodic basis through e-mails, putting up of Posters on the notice boards, screensavers, regular awareness sessions, E-portal and the website of the Company.
- ❖ All Operations should ensure regular awareness and adherence to the terms of this Policy.

13. Retention of Documents

All Protected disclosures in writing or documented along with the results of investigation relating thereto, shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other law in force, whichever is more.

14. Amendment

The Company reserves the right to amend or modify the Policy, at any time without assigning any reason.

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Date: -DD/MM/YYYY

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BEPL COMMUNICATION FORM

(The form should be completely filled. Tick mark appropriate boxes, wherever applicable)

I am an Associate of HMSI Yes ☐ No ☐**Part I**☐ I hereby authorize the disclosure of my identity if the HMSI HCG Secretariat reasonably believes it is necessary or appropriate.

Name: _____ Emp. Code (if App): _____

Telephone Number: _____ E-Mail _____

☐ I wish to remain anonymous.**Part II**

Details of Violation: _____

Whether violation is

Ongoing ☐ Completed ☐ Unclear ☐

Department(s) suspected of violation, if applicable: _____

Individual(s) suspected of violation, if applicable: _____

Describe all relevant facts of the suspected violation: _____

Describe how you became aware of the suspected violation: _____

Describe any steps taken to address the violation prior to submitting this complaint, if any: (5 steps process as per Code of Conduct booklet)

Who, if anyone, may be harmed or affected by this violation: _____

(Please attach documents substantiating the above, if any)

Part III

If you are an associate of the Company, would you like to discuss this matter with the HCG Secretariat?

Yes ☐ No ☐**Note:**

- The complainant can use any language for filling the Form in which he/she is comfortable.
- The identity of the complainant shall be kept confidential.

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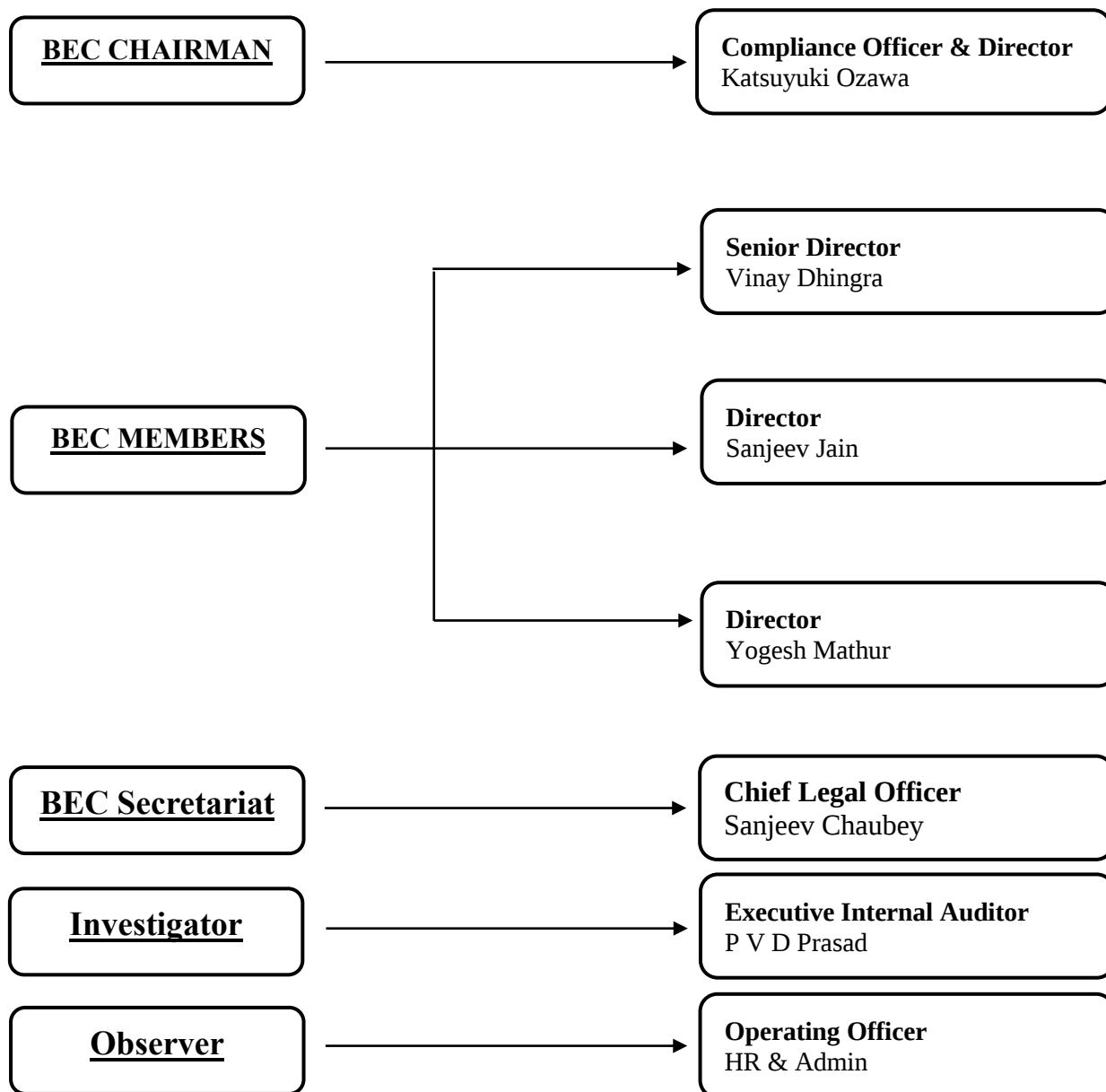
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- **Head Office (Manesar) (2 Locations)**
 - HO building (Staircase)
 - Sales building near reception
- **Manesar Plant (4 Locations)**
 - Technical Center
 - South Wing Canteen
 - West Wing Canteen
 - Manesar plant office
- **Tapukara Plant (4 Locations)**
 - Reception Area
 - Canteen
 - Office Area – First Floor
 - Opposite Engine Assembly Line 2
- **Narsapura Plant (6 Locations)**
 - AE /FA Maintenance area
 - Powertrain area
 - Assembly Frame area
 - Admin Block
 - Line 4 Canteen 2
 - Line 4 Canteen 1
- **Vithalapur Plant (12 Locations)**
 - Admin Ground Floor
 - Canteen A
 - Canteen B
 - AE / MA – Rest Area
 - Paint Assembly - Rest Area (Nr. IR Help Desk)
 - Logistics Training Room
 - MS Rest Area
 - Admin Office – L3
 - AF Rest Area – L3
 - Paint Assembly – L3
 - Logistics – L3
 - Canteen – L3

Such other locations as may be deemed expedient or necessary from time to time.

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01st April 2025*Sanjeev Kumar Chaubey*

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