

Pepperfry Limited

(Formerly known as Pepperfry Private Limited)

Vigil Mechanism and Whistle Blower Policy

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I. Introduction

Pepperfry Limited (hereafter referred to as “Pepperfry” or “Company” in this document) believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers, vendors, shareholders and business associates in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Pepperfry encourages its employees and Business Associates, who know or suspect any discrimination, harassment, victimization or any unfair practices, which is not in line with the Pepperfry’s Code of Conduct, to come forward and raise it through this Policy and Pepperfry has an obligation to ensure that there is a procedure in place to enable the reporting of such violations. This Policy of the Company has been approved by the Board of Directors (“**Board**”) of the Company as per the terms of the provisions of Section 177 of the Companies Act, 2013, Rule 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014 and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

It has also been prescribed that the vigil mechanism should also provide for adequate safeguards against victimization of Director(s) or Employee(s) or any other person who use such mechanism and should have provisions for direct access to the Chairperson of the Audit Committee. Further, Regulation 4(2)(d)(iv) of the Listing Regulations, inter alia, provides that entities shall devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

This Vigil Mechanism and Whistle Blower Policy (**‘Policy’**) is framed in context of these statutory requirements and to put in place an appropriate framework for this purpose.

II. Scope of Vigil Mechanism

This Policy is an extension of the Pepperfry Code of Conduct. The Whistleblower’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of

facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.

This Policy is an extension of the Pepperfry Code of Conduct. This policy seeks to ensure that anyone who is aware (director/employee/ stakeholder) of a breach of the Company policies and procedures, suspected or actual frauds and embezzlement, illegal, unethical behavior or violation of Company's Code of Conduct or ethics etc., feels free to bring this to the attention of appropriate personnel in the Company, without fear of victimization, harassment or retaliation.

The Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of Pepperfry. The Policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

III. Applicability

This Policy is applicable to Employees, Directors and stakeholders or third parties.

IV. Definitions

a. "Business Associates" shall include vendors, customers, suppliers, merchants, any third party, contractors, business partners associated with Pepperfry and who have dealt with Pepperfry or have been associated with Pepperfry successfully or unsuccessfully in the past or have not associated with pepperfry.

b. "Disciplinary Action" means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.

c. "Employee" for the purpose of this Policy means every employee of Pepperfry (whether working in India or abroad) and also includes workmen and employee employed on contractual basis, past employees of Pepperfry.

d. “Pepperfry Group” or “Pepperfry” includes Pepperfry Limited (formerly known as Pepperfry Private Limited), PepCart Logistics Private Limited, Clouddio Sleep Private Limited and Pepperfry Modular Private Limited.

e. “Policy” means, “Vigil Mechanism and Whistle Blower Policy.”

f. “Protected Disclosure” means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures shall be factual and not speculative in nature.

h. “Whistle Blower” is someone who discloses a Protected Disclosure under this Policy.

i. “Ethics committee” may be formed comprising of the CEO, the COO, the CFO, and Head – Human Resources. An email id/address – whistleblower@pepperfry.com to be assigned to the Committee and the same to be communicated to all so that the complainant can reach the ethics committee without any hassles.

V. The Guiding Principles

To ensure effective implementation of vigil mechanism, the Company shall:

a. Ensure protection of the whistle blower against victimization for the disclosures made by him/her.

b. Ensure complete confidentiality of the whistle blower identity and the information provided by him/her.

c. Ensure that the protected disclosure is acted upon within specified timeframes and no evidence is concealed or destroyed.

d. Ensure that the investigation is conducted honestly, neutrally and in an unbiased manner.

e. Ensure whistle blower would not get involved in conducting any investigative activities other than as instructed or requested by Ethics Committee.

f. Ensure the subject or other involved persons in relation with the protected disclosure be given an opportunity to be heard.

g. Ensure disciplinary actions are taken against anyone who conceals or destroys evidences related to protected disclosures made under this mechanism.

VI. Coverage of the Policy

The Policy covers any concern with respect to unlawful or unethical or improper practice or act or activity that could have grave impact on the operations, performance of the business or reputation of Pepperfry and may include, but is not limited to, any of the following:

- i. Abuse of authority by an employee or biased or favoured approach or behaviour;
- ii. Breach of contract with Pepperfry;
- iii. Negligence causing substantial and specific danger to public health and safety and the environment;
- iv. Manipulation of Pepperfry Group's data /records;
- v. Financial irregularities, including fraud, or suspected fraud;
- vi. Criminal activity or offence affecting operations or functioning of Pepperfry;
- vii. Unauthorized disclosure of confidential/propriety/ Price Sensitive information;
- viii. Deliberate violation of law/regulation/ legal obligation;
- ix. Wastage/misappropriation of Pepperfry's funds/assets;
- x. Breach of Code of Conduct of Pepperfry or the Policy for Prevention of Sexual Harassment or any other rule or Policy as may be formulated by Pepperfry from time to time
- xi. Any other unethical, biased, favored or fraudulent activity
- xii. Social Media Misuse/breach of IT Security and data privacy

VII. Disqualifications

"Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention or a grievance about a personal situation.

Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious shall be liable to be prosecuted under Company's Code of Conduct.

VIII. Manner in which a concern can be raised

- a. Employees/Business Associates are encouraged to make Protected Disclosures to the Ethics Committee of the Company, on becoming aware of any wrongful conduct or activity, as soon as possible in the form of an email and shall be e-mailed at whistleblower@pepperfry.com which shall be accessed by the members of the Ethics Committee or in the form of a letter (handwritten or typed) addressed to the Ethics Committee, Plant 6, Gate no 2, Godrej and Boyce Industry Estate, LBS Marg, Vikhroli (West), Mumbai 400079.
- b. All Disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation at auditcommittee@pepperfry.com.
- c. The background and the history of the concern, giving names, dates and places where possible, should be set out and the reason why the individual is particularly concerned about the situation.
- d. If a Disclosure is received by any executive of the Company other than Chairman of Audit Committee or the Ethics Committee, the same should be forwarded to them for further appropriate action. Appropriate care must be taken to keep the identity of the Whistle Blower(s) confidential.

- e. The Whistle Blower is not expected to prove the truth of the allegation but should be able to demonstrate that there are sufficient grounds for concern.
- f. Pepperfry strongly encourages that the Whistle Blower discloses his/her name in the Protected Disclosure. Pepperfry will take adequate safeguard measures against victimisation of the Whistle Blower, as a result of making a Protected Disclosure.

IX. How the Compliant will be dealt with

- a. Upon receipt of a Protected Disclosure, an initial enquiry will be made to decide whether an investigation is appropriate and, if so, what form it should take. If an initial enquiry by the Ethics Committee confirms that the Protected Disclosure has no basis, or it is not a matter to be taken up for investigation under this Policy, the Protected Disclosure may be dismissed and the decision will be documented for future reference
- b. If the initial inquiry by the Ethics Committee, indicates that the matter disclosed under Protected Disclosure needs to be investigated further, they shall order investigation and inquiry and appoint such person or persons as they may consider necessary for conducting the investigation (hereinafter referred to as "Investigation Officer")
- c. The Whistle Blower if required should help and also co-operate with the Investigation Officer, when the matter is under inquiry and is expected to disclose such information or provide documents as may be required for the purpose of the investigation.
- d. The Investigation Officer shall hold inquiry in the matter and shall submit a report to Ethics Committee within 15 (Fifteen) working days of receipt of such Protected Disclosure.
- e. Pepperfry accepts and would take such steps as may be required to address the matter.
- f. In case of a protected disclosure is made in form of a letter (written/typed) to any of the member of the Ethics Committee, the

member of the Ethics committee to disclose the letter to the other members of the Ethics Committee for further discussion.

- g. Pepperfry will take adequate safeguard measures against victimisation of the Whistle Blower, as a result of making a Protected Disclosure.
- h. If the compliant is found to be frivolous and with malafide intentions, disciplinary actions can be taken against the complainant.
- i. In the event if the protected disclosure is filed against any of the members of the Ethics committee it should be addressed to the Chairperson of the Audit Committee of the Company at auditcommittee@pepperfry.com or in the form of a letter (handwritten or typed) addressed to the Audit Committee Chairman, Ethics Committee, Plant 6, Gate no 2, Godrej and Boyce Industry Estate, LBS Marg, Vikhroli (West), Mumbai 400079.

X. Confidentiality

The Whistle Blower, the Ethics Committee, the Investigation Officer and any other person involved in the investigation shall maintain complete confidentiality secrecy of the matter, other than if required under any applicable law. All matters reported through the email ID (whistleblower@pepperfry.com) or through letter will also be completely confidential. Disciplinary action may be initiated against anyone found not complying with the below:

- a. Maintain complete confidentiality and secrecy of the matter.
- b. The matter should not be discussed in social gatherings or with individuals who are not involved in the review or investigation of the matter.
- c. The matter should only be discussed only to the extent or with the persons required for the purpose of completing the investigation.

- d. Ensure confidentiality of documents reviewed during the investigation should be maintained.
- g. Ensure secrecy of the whistle blower, subject, protected disclosure, investigation team and witnesses assisting in the investigation should be maintained.

XI. Protection

- a. No unfair treatment will be caused to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this Policy.
- b. The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blower. Complete protection will, therefore, be given to Whistle Blower against any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, discrimination, any type of harassment, biased behavior or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure.
- c. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in any disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- d. The identity of the Whistle Blower shall be kept confidential.
- e. Any other Employee assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

XII. Retention of Documents

All documents relating to the reporting, investigation and action there upon under this policy, as a result of a report of questionable action

defined above shall be kept in accordance with the Company's discretion subject to applicable laws.

XIII. Amendment

The Board of Directors shall have the authority to amend or modify this Policy in whole or in part, at any time, whatsoever and communicating the same to the Employees or any other stakeholders of Pepperfry.

XIV. Mandatory Display of the Policy

A copy of the Policy shall be displayed by all Offices of the Company at a prominent place inside the Company's premises and on the Company's website i.e. www.pepperfry.com .