

## Title

Extract of India Whistleblowing Policy

## Policy

The Policy overview – what is required to achieve effective management of this risk in India is set out in the [Global Policy](#).

## Risk Type

Regulatory Compliance

## Purpose

This policy sets out the minimum requirements to mitigate the following risk:

Regulatory Compliance Risk > Regulatory Licensing, Permissions and Rules > Failure to Operate Effective Whistleblowing Arrangements

The risk of failing to operate effective whistleblowing arrangements.

## Application

### Who this applies to

In addition to the Global Policy, a country policy has been developed addressing specific country legislation and industry-wide settlement between the Indian Banking Association and the Federation of the Employee Unions in India.

### Legislation

Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act 2013 (referred to in this Policy as “the Act”).

### Bipartite Settlement (BS)

The Bipartite Settlement is an Industry-wide settlement between Indian Banking Association and Federation of Employee Unions. Although there is no specific legislation covering the BS, it has statutory force and is legally recognised in certain Acts in India., Hence, HIFSL is required to comply with the same. The BS governs the terms of employment of award staff with banks at an industry level.

This Policy will apply to all employees (who are either the complainant or subject) of the entity:

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- HSBC InvestDirect Financial Services (India) Limited

In the event that the subject employee is from another HSBC entity (not covered above), the Global Policy (or other relevant country policy as applicable) will apply.

This document is owned by the Chief Compliance Officer, HIFSL, who is responsible for its content and ongoing governance.

## Key policy outcomes

This Policy sets out prescribed requirements under the local India legislation and Bi-partite agreement that differ from HSBC's Global Policy.

### Definitions

For the purpose of this policy:

- “Internal Committee” means an Internal Complaints Committee constituted under section 4 of the Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace Act 2013
- Workmen / Award Staff – means the unionised employees

## Minimum control requirements

The key Level 1 controls are covered in the Global policy and are contained in full in the [Operational Risk control library](#). The control library also contains Level 2 controls, and additional controls that are applicable but are mapped to other risks. These must be used in Operational Risk assessments and activities as described in the [Operational Risk FIM](#). Below country requirements are in addition to, and in some instances supersede, the Global Policy and must be incorporated into relevant whistleblowing arrangement procedures. For any questions on how to implement these country requirements the Country Policy owner must be contacted.

### Sexual Harassment cases

HSBC affords equal opportunity, free from any form of gender bias, to all its employees. It is committed to creating and maintaining a safe and comfortable working environment, which is free from sexual harassment and where all employees are treated with dignity, courtesy and respect. Notwithstanding this, there is specific legislation in India (the Act) which prohibits and specifies procedure for handling sexual harassment complaints from women by a HSBC constituted Internal Committee (IC). Further details can be found in the HSBC HR Policy on Prohibition, Prevention, and Redressal of Sexual Harassment of Women at the Workplace (see guidance section below).

This Policy sets out below the key variances between the India country requirements under the Act and the Global Policy as relevant to HSBC. Except as provided below, the Global Policy requirements will apply. These variances are applicable for all employees in the above mentioned entities.

- Cases, which are received via HSBC Confidential, which fall within the remit of the Act must be managed by the Internal Committee (IC) in the country. The IC will be constituted as per the provisions of the Act.
- Such cases will remain within the HSBC Confidential channel for reporting and governance purposes, however will be referred to the IC for investigation and decision in conformity with the Act.
- The Investigation Function Triage team will be responsible for the identification and onward referral of such cases to the IC upon receipt of cases from Global WOT.
- In line with the provisions of the Act:
  - As part of the IC's investigation process, details of the complaint (including a copy of the complaint, the identity of the Whistleblower/complainant, the subject and any witnesses, and their statements) are required to be shared with the respective parties involved.

- Once the investigation is concluded, the IC report must be made available to both parties (complainant and respondent) to enable them to make representations against the findings before the IC, should they wish to do so. The IC report will include the complete case history, statements, conclusions and recommended actions/ consequences.
  - HSBC as an employer is not able to review or overturn the outcomes of the IC. However, either party can appeal against the outcomes externally via the Local Courts.
- The variances to global policy confidentiality requirements and sharing of the identity of the whistleblower, subject and any witnesses only apply within the remit of the IC process. Beyond this, the confidentiality provisions of the Global Policy continue to apply.
- The final outcome of the IC only will be reported back to Global WOT for reporting and governance purposes. For the purposes of reporting back to Global WOT, the prescribed case closure template must be used. Details of the IC's approach and investigation will not be required by Global WOT. The outcome must include:
  - whether the case was or was not substantiated,
  - any operational risk events and causes identified,
  - the outcome risk rating,
  - any operational actions/recommendations and
  - whether the matter is referred for consequence management.
- Any cases that do not fall within the parameters of the Act, or are not made within the necessary timescales, will be investigated through HSBC Confidential in line with the Global Policy.

#### AWARD STAFF

Listed below are the key variances between the India country requirements under the Bi-partite agreements and the global policy as relevant to HSBC. Except as provided below, the Global Policy requirements will apply. These variations are applicable for any kind of Whistleblowing complaints against Workmen/ Award staff in above mentioned entities.

- The investigations for employees who fall in the category of Workmen / Award Staff will be conducted through the domestic enquiry procedure (in line with Bipartite settlement (BS)). They will also need to be supplied with Investigation Report (IR) in Non-Anonymised (NAR) form.
- BS has statutory force. BS requires a charge sheet to be issued to the concerned Award Staff, followed by an inquiry to be conducted in accordance with a specified procedure. The witnesses are produced from both employer and employee sides and cross examination of witness is conducted and submission is made by both the parties, before the inquiry officer. Inquiry officer while preparing the report will record the names of the charge sheeted employee (subject), witnesses and representatives of the employer and subject and supply its IR to Disciplinary Authority (DA). The DA is an internally appointed senior HR member of HSBC. IR is also to be provided to the subject and his/her representative, if any.
- Towards ensuring that the anonymity of the Whistleblower (WB) is maintained, the Charge sheet and Show cause will not call out the name of the complainant and would rely on the specific misconducts/charges to further the DE procedure. A Show cause notice means a notice issued by an organisation asking an individual to explain in writing as to why the disciplinary action should not be taken against the individual involved in certain incidents, misconduct, poor performance and wrongdoing etc.
- In the event of the matter getting litigated and a specific order from the concerned authorities, the WB's name will need to be submitted.

- It is necessary to share the copy of Investigation Report (IR) in non-anonymised (NAR) form (Whistleblower's anonymity will be maintained in the NAR) to all such employees (subject) who fall in the category of Workmen / Award Staff.

**Major investigations requiring disciplinary actions:**

While case closure reports sent to WOT are always anonymised, FCI is required to issue a non-anonymised Major Investigation Report (MIR) to HR for cases, which may require potential Disciplinary Action. The non-anonymised report shall include names of the subject (Sol) and testifying witnesses. MIR issued to HR shall not have any reference to the fact the issue is a whistleblowing concern or that it was raised through HSBC Confidential. Identity of the Whistleblower shall not be disclosed in either case closure report or MIR.

Names of the Sol(s) and the offences thereof are required to be articulated from a consequence management perspective as:

- For a whistleblowing case that consequence management as a personal conduct case (PCC), disclosure of the identity of the Sol is required and recording of consequence action on system requires name of the Sol.
- The local requirements for disciplinary / consequence actions require that disciplinary action must be taken through a detailed administrative order, which effectively means that essential details of the allegations/ charges need to be mentioned along with the factum of such charges being established. The Sol must be given adequate opportunity to defend him/ herself and the need for specific consequence action must be detailed out in the administrative order along with consequence action.
- If the above requirements are not met, a subsequent challenge before any Court/quasi-judicial authority may not be defensible.
- The identity of the whistleblower, or the fact that an issue has been raised through the whistleblowing channel must not be disclosed as part of the above requirements.

**Policy owner and Policy manager**

Policy Owner – Chief Compliance Officer, HIFSL

Policy Manager – Head of Entity, HIFSL

**Effective date**

Immediate

**Minimum review period**

Annual

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