

### Reward Framework for ESL Business

#### **Objective:**

The Reward Framework of ESL Business is intended to build and sustain a culture of Rewarding exceptional performers and performances which are beyond call of normal duty. The award also intends:

- ✓ To recognize significant and outstanding value-added contributions of the employees in the field of Safety, Process Improvement, Cost Reduction, Quality Improvement, Capacity Utilization, Systems and Practices etc.
- ✓ To set standards of high performance and to encourage a team-oriented work culture.
- ✓ To create "role models" for others to emulate and surpass.
- ✓ To provide timely recognition to employees to improve employee motivation, productivity and quality of work.

#### **Eligibility/Applicability:**

- ✓ People falling under the following criteria will be eligible for reward and recognition as per this framework and its evaluation Mechanism
- ✓ Applicable to all Staff, Workmen & Contract Workmen working in the company as per scope of different schemes.

#### **Nomination Process:**

HOD/ Peers/ Cross Functional Colleagues/ Subordinates can nominate Standout performances by both Individuals and Teams in the Prescribed manner with name and details of the Contributor(s) and detailed citation of the Significant Contribution done by the Individual/ Team with proper quantification to the HR SPOC (Single Point of Contact). Nomination must be given only for activities or contribution which are done over and above requirements of normal course of duty/ significant contributions which bring about Value Creation, Cost Savings, Margin Protection and System Improvement. Cutoff date for receipt of nominations at HR for the awards that are Monthly, will be before the 5th day of the succeeding month of contribution and for Quarterly awards, nominations should be sent within 15 days from the Closure of the Quarter.

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### Evaluation Committee and Reward Declaration Process:

The Review committee will be the SBU ExCo/ ESL ManCom/ Functional Panel (CFO, CHRO, CCO, CMO) respectively, as the scheme appropriates in the table given below. In case of Business Director award where the SBU ExCo meets for finalization of rewards from the nominations received, Quorum for the Reward Evaluation Committee would be 4 members from the SBU ExCo with Business Director, CFO and HR Head as mandatorily required members and 4th member can be anyone from the SBU ExCo.

The HR SPOC summons for the Reward Committee meeting basis above guidelines and ensures discussion on the merit and quality of the Contributions. The Committee has the liberty to call the Individual/ Team to seek clarity regarding the Contribution that has been submitted for evaluation for the award. The Reward Evaluation committee will declare winners of the award only when they are convinced that the Contribution that is put forth for evaluation has really created value to the Organization. If the Committee feels that the Contributions are not appropriate for rewarding, they may decide to not reward anyone for that month/ quarter too. Post evaluation, the Committee will recommend the Winners to the HR SPOC in the prescribed nomination form, who will further ensure that the Winners are rewarded suitable as per the Framework and is communicated suitably to the larger Workforce. **Details of various Award Schemes and Requirement details for nomination are as given in the Annexure A & B.**

### Key Responsibilities:

|                     |   |
|---------------------|---|
| <b>Employees</b>    | <ul style="list-style-type: none"> <li>To exhibit exemplary performance and contribute beyond the call of duty in lines with Vedanta competency Framework, Vedanta values and 7 Pillars of the Company.</li> </ul>  |
| <b>Managers/HOD</b> | <ul style="list-style-type: none"> <li>Monitoring employee performance and ensuring proper representation/ nomination for Rewards.</li> <li>Nomination for Recognition must be for Performance linked with organizational broader vision and business targets.</li> </ul> |
| <b>HR Function</b>  | <ul style="list-style-type: none"> <li>Communication of policy.</li> <li>To administer the Reward Framework as per the Scheme</li> <li>Evaluation and Reward performance</li> </ul>   |

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|--|---|
|  |   |
| <b>Evaluation Committee &amp; Management</b> | <ul style="list-style-type: none"> <li>• To promote the culture of appreciating, recognizing &amp; rewarding the exemplary contribution of employees</li> <li>• To ensure Meritorious assessment and promoting Performance driven culture.</li> </ul> |
| <b>Corp Communication</b>                    | <ul style="list-style-type: none"> <li>• To ensure appropriate Internal branding of the Winners in all Formal forums – Internal and External</li> </ul>   |

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**Annexure A: Details of various Reward Schemes:**

| Title of the Reward   | Frequency               | Award Objective   | Target Audience                     | Application Procedure   | Evaluation Committee   | Declaration  | Reward Amount   |
|---|-------------------------|---|-------------------------------------|---|--|--|---|
| <b>Chairman Individual Award*</b>                               | Monthly                 | Awarded to Individual employees contributed to business significantly.  | On-roll employees                   | Nomination and discussion in the ESL ManCom and final nominations sent by CHRO              | Chairman Office  | As per Chairman Office                                     | As per Chairman Office                                    |
| <b>CEO Kitty</b>  | Quarterly               | To reward executives for the commendable work toward achieving business targets / special projects.                           | On-roll employees                   | SBU ExCo discussed and SBU Director/SBU HR Head → CHRO ESL                                  | CEO, along with ESL ManCom                                     | Appreciation and reward letter with Internal Communication | As per CEO and ESL ManCom discussion                      |
| <b>ESL BEST PERFORMING UNIT FOR THE MONTH</b>                   | Monthly                 | To reward employees from respective business units for the commendable work toward achieving business plan targets.           | On-roll employees/Business Partners | Finance Team to certify the Financial Numbers and HSE team to certify the Safety Parameters | ESL ManCom   | Appreciation and Reward Letter with Internal communication | As per CEO and ESL ManCom discussion                      |
| <b>ESL Champions Club (Details of the scheme in Annexure B)</b> | Monthly                 | To reward employees from Business and Enabling Functions for their extraordinary contributions at their respective work area. | On-roll employees/Business Partners | HOD/Peers/Cross Functional Colleagues/Subordinates → Unit HR Spoc/Common HR SPOC.           | SBU ExCo & Functional Panel (CFO, CHRO, CCO&CMO) Respectively  | Reward and Recognition in BMG & Functional Review          | Individual : Rs 5000/-<br>Team: Rs. 2000/- per person     |
| <b>Business Partner Employee of the Month</b>                   | Monthly (Max 2 Per SBU) | To recognize the exemplary contribution of the business partner in his respective work area.                                  | Business Partners                   | HOD → Unit HR SPOC / Common HR SPOC   | SBU ExCo/ Functional Panel (CFO, CHRO, CCO&CMO) respectively   | Business ExCo  | Gift/ Gift voucher worth Rs. 5000/ Memento                |
| <b>Business Partner Team of the Month</b>                       | Monthly (Max 2 Per SBU) | To recognize the efforts put in by the business partners as a team towards achievement of their sectional goals.              | Business Partners                   | HOD → Unit HR SPOC/Common HR SPOC   | SBU ExCo/ Functional Panel (CFO, CHRO, CCO & CMO) respectively | Business ExCo  | Gift/ Gift voucher worth Rs. 1500 to each member/ Memento |
| <b>Value Card</b>   | Instant Recognition     | Spot recognition for efforts through Value Card   | On-roll employees/Business Partners | Direct Recognition  | Spot Recognition   | Spot   | Non-Monetary  |

**Note:** \* - Other Chairman's Business Performance Awards, Chairman's Sustainability Awards – as per Chairman office direction or as per changes proposed from Chairman Office.



### Annexure B: Details of ESL Champions Club

| ESL CHAMPIONS CLUB  |  |  |                   |  |                  |                   |
|---|--|--|-------------------|--|------------------|-------------------|
| Name of the Award   | Target Audience  | Maximum No. of Individuals                     | Amount per person | Max No. of Teams                                 | Members in Teams | Amount per person |
| <b>Business Directors Award-</b><br>Operations – Iron & Power, Steel, DIP<br><br>Maintenance - Iron & Power, Steel, DIP | Operations, Maintenance, Planning, Dispatch Projects, SBU tagged Enabling functions stationed at Units like HR, Finance, Commercial, Sales & Marketing | 4 for Steel<br>4 for Iron & power<br>2 for DIP | Rs. 5000/-        | 3 for Steel<br>3 for Iron and Power<br>2 for DIP | Max 6            | Rs. 2000/-        |
| <b>COO Award</b>  | All common technical functions: HSE, Business Excellence. Common Maint, Quality etc  | 2  |                   | 2  | Max 6            |                   |
| <b>CFO Award</b>  | Finance - All, IT and Secretarial (ESL Common Pool Focus)  | 1  |                   | 1  | Max 6            |                   |
| <b>CHRO Award</b>   | HR, Admin & Infrastructure (ESL Common Pool Focus)   | 1  |                   | 1  | Max 6            |                   |
| <b>CCO Award</b>  | Commercial, Logistics and Stores (ESL Common Pool Focus)   | 1  |                   | 1  | Max 6            |                   |
| <b>CMO Award</b>  | Sales & Marketing  | 1  |                   | 1  | Max 6            |                   |
| <b>ER/PR &amp; Security</b>   | ER/PR & Security (ESL Common Pool)   | 1  |                   | 1  | Max 6            |                   |
| <b>CEO office/Corporate Communication / Corp Affairs / Land/ CSR / Legal</b>  | CEO office / Corporate Communication / Land/ CSR / Corp Affairs / Legal (ESL Common Pool Focus)  | 1  |                   | 1  | Max 6            |                   |
| <b>Winners of the Month</b>   | Only for Cross Functional Contribution – Project Based   | 1  |                   | 1  | Max 6            |                   |

- One employee can be rewarded maximum 3 times in the Financial Year under the ESL Champions Club Award.
- Any deviation/ exception approval in terms of the Scheme requirements mentioned above, approval must be obtained from ESL ManCom.
- Effectiveness of the Policy will be reviewed every year.

### Selection Process:

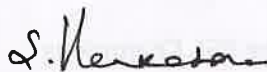
- The Nomination Form is made available on SAP HANA and will be activated. Employees/Teams would nominate themselves in the system through SAP HANA. Entries till 7th of every month will be considered for evaluation.
- All the nominations will be reviewed centrally by 10th of every month.
- On 14th/15th of every month, all the shortlisted nominees will present their contributions to selection committee. After evaluating the presentations, the selection committee will finalize the names of the Award winners.

### Scoring Criteria:

Each presentation will be evaluated based on the following criteria.

- Business Impact
- Cost Reduction
- Time Reduction
- Process/Quality Improvement
- Automation / Technology Advancement

The selection committee will comprise of any 3-4 members out of the ExCo / ExCo invitees.



**Mr. S Venkataraman,**

**CPO - ESL Steel Limited**



**Mr. Pankaj Malhan,**

**CEO & Whole Time Director - ESL Steel Limited**