

Circular No.	769
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Subject	The Aditya Birla Group Code of Conduct / Redressal Process
Category	
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Please note:

The ABMC Circulars are meant exclusively for the perusal of, and strictly for circulation within, the Aditya Birla Group. Time and again there have been reports in the press, on account of it's access to the ABMC Circulars. Please note that sharing of information contained in these Circulars, other than with members of the Aditya Birla Group, would be construed as a breach of the Group's Code of Conduct. Please ensure that contents of these circulars are not shared with persons not belonging to the Group.

The Aditya Birla Group Values of Integrity, Commitment, Passion, Seamlessness and Speed are the foundation for all actions and decisions at ABG. They set standards for the organization and for employee conduct.

To ensure that there is a common minimum standard of professional behavior, all employees are expected to adhere to the Code of Conduct given as Annexure A. This Code clearly lists the identifiable and non negotiable set of actions/behaviour applicable to all employees across the Group, to the Management cadre in particular.

Each management cadre employee of the Aditya Birla Group shall commit to the Code of Conduct on joining and at periodic intervals by signing a copy, which shall be maintained in his/her personal file.

The enclosed Code of Conduct supersedes the earlier one, viz ABMC Circular no 548 and is to be implemented in conjunction with ABMC 725 on Group Vision, Mission and Values. Definition of Group Values, Group standards for stakeholders and expected individual behaviour for all Aditya Birla Group employees are detailed in the handbook: **Values We Value, Our path to excellence**. They are also available in softcopy on AdityaDisha (*microsite: ABG Values*).

Dealing with Violations:

A three tier redressal process to investigate Code of Conduct Violations is detailed in Annexure B. Timely resolution, fair and speedy decisions followed by communication are the critical success factors in ensuring that Group Values and Code of Conduct are taken seriously.

All existing Management Cadre employees, should be given a copy of the new Code of Conduct by October 15, 2006, which they should read and sign the affirmation and return to the HR Department by October 30. The copy should be maintained in their respective personal files. The HR Heads shall be responsible to ensure that all new joinees commit to the Code of Conduct as part of their appointment.

I urge all to work towards making the Aditya Birla Group a value based great place to work.

Kumar Mangalam Birla

The Aditya Birla Code of Conduct

Applicable:

To management cadre with immediate effect, superceding the earlier Code of Conduct and to all employees of the Aditya Birla Group over the long term.

Integrity in Personal Conduct

- All employees shall abide by the laws of the land in whichever country we operate in.
- All employees shall transact with others (including each other) in a fair and dignified manner, including being diversity sensitive.
- Each employee shall be responsible to the best of his/ her knowledge, for fair representation and accuracy of information in the documents prepared or signed off by him / her.
- Each employee shall ensure that his/ her personal information provided to the organization is factual and accurate including prior work experience, educational qualification, compensation details, etc.
- Each employee shall be responsible to ensure that official expenses and personal claims e.g. Travel expenses, Medical, LTA, HRA, Vehicle running expenses, etc shall be factual, correct and within the organization rules.
- No employee shall use organization time and resources for personal gain. e.g. internet surfing, share trading, use of infrastructure.
- No employee shall receive any gift, consideration or favour in cash or kind for self (or any family members or relatives) from business partners or anyone with whom he/she has dealings on behalf of the Group.

Employees are also expected not to receive “expensive gifts” from business partners at the time of social functions or occasions such as their children’s wedding or their own personal anniversaries. However, small business gifts such as pen stands, leather items carrying logo of the gifting organization, sweets, dry fruits, chocolates at the time of Christmas, Diwali, New Year, etc are exempt from this provision. The essential determinant here being: the size and cost of favour received and the obligation that it creates which puts our actions and decisions subsequently in a questionable light.

Conduct at Work

- All employees shall take decisions in the best interest of the Aditya Birla Group/ business.
- All employees shall adhere to Group/ business policies, processes, systems and regulations in letter and spirit.
- All employees shall secure the physical, financial and intellectual property/ assets, interests of the organization by observing the discipline of internal controls.
- Each employee shall highlight deviations to his/her manager from stated organization process and policy by an individual or a team.
- All employees shall ensure safe and secure working environment for themselves and others by observing discipline on internal guidelines.

- Each employee shall support the team / larger organization by sharing knowledge, information and resources available with him/her or within his/her area of influence.
- Each employee, who comes across or handles confidential data about the organization, business and personnel working within the organization, must maintain confidentiality of information (e.g. acquisition plan, personal details, health record, family, performance, etc) and share the same only with authorized personnel for legitimate purposes.
- Each Manager shall take and communicate people related decisions fairly, objectively and only on need to know basis.
- Each employee shall promote cooperative and professional relationship of his/her team with other functions and businesses within the Aditya Birla Group to promote its larger intent.
- No employee shall encourage giving bribe in cash or kind in order to secure illegitimate gain for the organization.
- All employees shall respect and protect the confidential information and intellectual property of the partners and other companies that are provided to us under agreement for specific use and shall pay appropriately for technology / software usage.
- Each employee shall take prompt action/ decision on any complaint that is received regarding a Value departure/ Violation or Code of Conduct.

Conflict of Interest

- Each employee shall ensure that all people related decision including hiring, allocation of job responsibilities, performance rating, promotion, etc are free from bias and personal interest.
- Each employee shall ensure that if there is a perceived conflict of interest in a transaction, e.g. the vendor is “personally known” to individual, he/ she shall inform his/her interest to the team/ individual concerned and his/her manager and refrain from being part of the decision making process.
- No employee shall indulge in any action that may be construed as conflict of interest. e.g. Insider trading, Moonlighting, Personal investment in Business Partners/ Competition, etc
- Each employee shall ensure that all policies of ABG dealing with conflict of interest are adhered to. E.g. Employment of Near relations, Business dealing with friends and relatives, reemployment of Ex- employees, etc.

Interface with the External World

- All employees shall ensure that their interactions and transactions with customers and partners are transparent, professional and leave a positive image of the Aditya Birla Group and its businesses.
- All employees shall ensure that commitments that are legitimately made are honoured.
- No employee shall encourage our business partners to indulge in unfair trade practices with their customers.
- No employee shall deride or criticize the Aditya Birla Group, its businesses and policies at any public forum. Any such criticism shall be voiced within the organization.
- Only official spokespersons shall represent the Group with the Media. In case, the media attempt to talk to any employee either formally or informally regarding the Group, and its businesses, the same should be redirected to the official spokespersons.
- Any disclosure of organization information informally to the media shall constitute violation of Code of Conduct.
- All employees shall ensure that their personal conduct in a public place and with public is dignified and reflective of Group Values.
- All employees shall bring to attention, in case they notice infringement of intellectual property of the Group such as misuse of logo, misrepresentation of product, malicious propaganda, etc.

All employees are encouraged to bring to attention of management i.e. their seniors/ other senior representatives of the Group when they come across a violation of Code of Conduct.

Annexure B: Redressal Process

A three-tiered Committee structure i.e. at Group, Business and Unit level shall be constituted to investigate and recommend action on Code of Conduct violations. The Committees shall also investigate complaints with respect to Value Violations in future. They shall be titled the **Group Value Standards Committee**.

Group Value Standards Committee:

Group Value Standards Committee shall be constituted at Group level, at business level and at Unit level (where employee number exceeds 100). Smaller Units (with less than 100 employees) shall be covered under the next level of Committee. i.e. at the Business level. Role of each Group Value Standards Committee shall be to uphold organization discipline and Group Values.

The **Group level Committee shall** be chaired by the Chairman and will comprise 5-6 members from ABMC Directors/ Business Heads and Corporate Function Heads. The Committee shall also invite one eminent external public person to be a member to ensure objectivity at the highest level.

Business level Group Value Standards Committee, chaired by the respective ABMC Director/ Business Head, shall comprise 4-5 members from amongst Unit Heads and Function Heads of the business.

At the Unit level, the Committee shall be comprise 3-4 function heads and be chaired by the Unit Head. The Head of HR i.e. Unit HR, Business HR shall be a member of the respective Committee. *The nomenclature at the business level shall be: Group Value Standards Committee: Chemical Business; at unit level the Committee shall be: Group Value Standards Committee: Rajashree Cement*

The ABMC Director/ Business Head shall appoint the Unit level and Business Level Committee members. The tenure of each member on the Committee shall be 3 years, with 1/3 retiring each year to help maintain continuity and bring fresh and unbiased perspectives. **The Committees shall be formed at the earliest but not later than October 15, 2006.**

Reporting of Violations/ Breach of Conduct

1. An employee, who identifies non adherence to Code of Conduct or Group Values Standards by another employee or a segment of the organization, must compile information that supports the case. **The template for reporting is enclosed.**
2. The Employee should report to the Group Value Standards Committee at the Unit/ Business/ Group level depending on :
 - a. the level at which the violation is perceived to be happening, or
 - b. the seniority of the individuals involved.

If the breach of Code of Conduct or Values is at:

1. the Unit Head level and above, the employee should write to the Group level Committee.
2. Function Head Level, the same should be reported to the respective Business level Committee.

3. any other level, the same should be reported to the respective Unit level Committee.
3. The names and contact details of the Group Value Standards Committee shall be available on AdityaDisha.
4. The employee should write a common report, addressed to the Committee members of respective Group Value Standards Committee for investigation at their end. A copy should also be marked to the Group level Committee email id (GroupValueStandards@adityabirla.com) for monitoring and recording of complaints across the Group.

Investigation & Recommendation

1. The respective Group Value Standards Committee shall investigate the issue confidentially through its sources such as the Unit Head/ HR / Management Audit functions and if need be engage an external agency to investigate the facts of the case.
2. The identity of the employee reporting the issue shall be kept confidential at all times.
3. All such investigations and recommendations shall be completed within 3 weeks of receiving the complaint.

Consequences for Violations:

1. Based on the above investigations, the Committee shall recommend the action to be taken against the deviant employee/s. The penal action shall constitute a minimum of written warning and may be **withdrawal of last increment/ demotion, dismissal from service and/ or even prosecution in a court of law.**
2. Action would also be recommended against employees who abetted the misconduct knowingly. Written warning would also be issued to employees who were “in the know”, but did not highlight the same.
3. The management i.e. the Unit Head, the Business Head at the respective level shall implement the recommended action immediately, (i.e. within 15 days). It shall however not publicize the name of the employee/s found guilty, to maintain dignity of the individual
4. If the case is false and malicious in intent, the reporting employee would be held guilty of misconduct and appropriate action shall be taken. However, the Committee shall distinguish between mistaken reporting and malicious intent of the employee.

During the current performance year 2006-07, Group Value Violations shall be dealt with leniently, as we are in the learning phase. However from April 2007, the Committees shall take serious note of the same.

Personal Commitment to Aditya Birla Group's Code of Conduct & Group Values

I acknowledge that I have read the Aditya Birla Group's Code of Conduct and the Group Values and understand my obligations as an employee.

I undertake to uphold the Organization Standards that the Group Values set and comply with the principles stated and implicit in the current Code of Conduct (including any amendments in the future.)

Signature: _____

Date: _____

Name: _____

Empl ID: _____