



*Code of Global Business Ethics  
and Compliance Standards*

*Adopted July 2014,  
Reaffirmed July 2019*

**Dear Fellow Employee:**

*I am pleased to provide you with a copy of the Birla Carbon Code of Global Business Ethics and Compliance Standards. It contains the policies that guide our actions day to day. It represents a reaffirmation of our historic commitment to the highest level of ethical and legal conduct that has served us well through the years.*

*This guide is designed as a resource. It gives you basic information about the legal and policy standards that apply to your assigned duties. It provides direction and limits. It explains how to prevent, detect and report potential violations. Please become very familiar with its contents. Except as may be limited by local law, adherence to these guidelines is a requirement of continued employment.*

*Unethical or illegal conduct, even by one individual, ultimately can jeopardize the integrity of all of Birla Carbon. Employees who violate these policies, whether for personal gain, perceived benefit to the company or for any other reason, will discredit all of us and could result in civil or criminal liability for violators as well as for the company. As an informed Employee, you can help prevent this by recognizing and reporting potential violations.*

*This guide cannot address all possible situations. Accordingly, you should use this reference in conjunction with your own good judgment when making choices and decisions. If you are in doubt or need assistance, please refer to the Compliance Program Administration and Information section, which provides information on who to contact for assistance.*

*After you have studied the contents of this guide, you will be asked to certify that you have read it and agree to abide by its provisions and with the policies described in this Code. You will also be asked to certify that you understand your reporting duties and are aware of our Ethics and Compliance Hotline. You will be asked annually to repeat this process to reaffirm your continued understanding of and compliance with this Code.*

*Our achievements as a company and as individuals require hard work and constant dedication to high standards. As we strive to grow and improve our business, we all must clearly understand that upholding these standards is one of our most important priorities.*

*Sincerely,*

*Dr. Santrupt B. Misra  
CEO, Birla Carbon*

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## **I. Applicability**

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This Code of Global Business Ethics and Compliance Standards (the “**Code**”) applies to each of the companies within Birla Carbon (“**Birla Carbon**” or the “**Company**”) and to all officers, directors, and employees of the Company (“**Employee(s)**”).

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## **II. General Compliance Statement**

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### **A. General Compliance**

Birla Carbon is committed to (i) conducting its business ethically and in accordance with all applicable laws; (ii) adhering to standards of safety and care for the protection of its Employees, the public, and the environment; and (iii) promoting these policies through education, supervision, and regular reviews.

Birla Carbon is a multi-national group with subsidiaries in several countries. If any part of this Code conflicts with local laws in any location, the local law of the appropriate jurisdiction shall prevail.

All Employees must read and understand this Code. In doing so, each Employee has the responsibility to recognize, and to avoid or to prevent situations that may cause possible violations of this Code. If, after reviewing the information in the Code, an Employee has questions about its content or about matters pertaining specifically to his or her area of responsibility, that person should consult with his or her manager. If the manager cannot answer the questions to the satisfaction of the Employee, the questions should be directed to the plant or unit manager, his or her department head, the appropriate Company Regional President or the Chief Legal Officer.

The Company expects that the Code will be followed. Regardless of the sanctions that could be imposed by law, all Employees guilty of a violation will be subject to disciplinary consequences because of the violation of their employment duties.

### **B. Company Values**

*“People contribute when they relate to an organization and they relate when they understand the organization.”*

*“People understand an organization through its values, by experiencing the culture that values create and by using the systems and processes that the values define.”*

*“In large organizations, such shared understanding cannot be created through leadership of individuals alone; it requires leadership of principles, of beliefs, of convictions.”*

Kumar Mangalam Birla

**Integrity. Commitment. Passion. Seamlessness. Speed.** These together constitute what we call our “Values”.

## **INTEGRITY**

Acting and making decisions in a manner that is fair and honest. Following the highest standards of professionalism and being recognized for doing so. Integrity for us means not only financial and intellectual integrity, but encompasses all other forms of integrity.

## **COMMITMENT**

On the foundation of integrity, doing all that is needed to deliver value to all stakeholders. In the process, being accountable for our own actions and decisions, those of our team and those in the part of the organization for which we are responsible.

## **PASSION**

An energetic, intuitive zeal that arises from emotional engagement with the organization that makes work joyful and inspires each one to give his or her best.

A voluntary, spontaneous and relentless pursuit of goals and objectives with the highest level of energy and enthusiasm, that is voluntary and spontaneous.

## **SEAMLESSNESS**

Thinking and working together across functional groups, hierarchies, businesses and geographies. Leveraging diverse competencies and perspectives to garner the benefits of synergy while promoting organizational unity through sharing and collaborative efforts.

## **SPEED**

Responding to internal and external customers with a sense of urgency. Continuously striving to finish before deadlines and choosing the best rhythm to optimize organizational efficiencies.

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### **III. Policy Statements**

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#### **A. Business Conduct and Meaningful Financial Records**

We are committed to conducting our business both ethically and legally and to presenting our financial information, internally and externally, in a complete, fair, accurate and timely manner that will not mislead or misinform the user. In accordance with this policy, the following rules are to be applied:

- the use of Company funds or assets for any unlawful or unethical purpose is prohibited. For example, corporate assets may not be used to influence or obtain favorable treatment from regulatory authorities if doing so would violate the laws of any applicable jurisdiction;
- the establishment of any undisclosed or unrecorded fund or asset is prohibited;
- the making of any false or misleading entry on the Company's books or records is prohibited;
- the making of any payment or other disbursement to any third party for any purpose other than as stated on the voucher is prohibited; and
- the written or oral distribution of any false or misleading financial information or report, whether internal or external, is prohibited.

All corporate books, records and accounts are to be kept in reasonable detail. They must accurately and fairly reflect corporate transactions and the use of corporate assets in a manner that will assist in the preparation of complete and accurate financial reports.

Each Employee of the Company, including those without financial reporting or accounting responsibilities, is required to understand and comply with this policy as it relates to individual job duties.

#### **B. Fair Dealing**

The Company's success depends on building productive relationships with one another and third parties based on honesty, integrity, ethical behavior, and mutual trust. Each Employee should endeavor to deal fairly with each of our customers, suppliers, competitors, and other Employees. No Employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practices.

#### **C. Freedom from Discrimination, Harassment, and Other Abusive Situations**

##### **1. Equal Opportunity/Freedom from Harassment**

Birla Carbon believes in and is firmly committed to a policy that assures equal employment opportunity to all Employees. All employment decisions are made solely on the basis of the qualifications of each Employee.

The Company is also committed to providing its Employees with a work environment that is safe and free from discrimination, including freedom from all forms of harassment based upon race, color, religion, age, sex, national origin, veteran status, disability, or any other characteristic protected in the applicable jurisdiction. Discrimination against, or harassment of, employees is prohibited and may result in disciplinary action up to and including termination of employment.

##### **2. Freedom from Harassment**

No manager or supervisor may threaten or suggest, either explicitly or implicitly, that an Employee's submission to or rejection of sexual advances or requests for sexual favors will either enhance or adversely affect the employee's employment, evaluation, compensation, advancement, assigned duties, or any other terms or conditions of employment.

Certain other actions occurring in the workplace, whether committed by managers, supervisors, or non-supervisory

personnel, are also prohibited. These include derogatory, degrading, or demeaning words, gestures, actions, or similar types of conduct concerning an employee's race, color, religion, age, sex, national origin, veteran status, or disability. Other actions, including unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature are prohibited according to the strictest application allowed under local law.

No manager or supervisor should request a loan or any other favor of significant value from any subordinate.

### **3. Prohibition of Forced Labor and Child Labor**

In addition to the foregoing commitments, Birla Carbon also is committed to ensuring that its workplace is free from other abusive situations. Thus, the Company will comply with all laws and existing employment regulations regarding forced labor. Birla Carbon further recognizes the right of every child to be protected from economic exploitation, and thus will respect the laws in each country in which it operates regarding minimum hiring age for its employees and agents.

### **4. Reporting Employment Issues**

Employees are encouraged to report conduct that is discriminatory or harassing. Employees who believe they have been subjected to discrimination or harassment, or Employees who believe they have observed that kind of behavior, should promptly report the conduct to their manager or by calling the Ethics and Compliance Hotline. A thorough investigation will be conducted. The investigation will be conducted in a confidential manner, to the extent possible. If the investigation confirms the allegations, prompt corrective action will be taken. Regardless of the outcome of the investigation, the Employee making the complaint will be informed of the results of any investigation. If the investigation indicates that there is no merit to the complaint or that no action is required, and if the Employee requests a review of the decision, the matter will be reviewed by the Chief Legal Officer.

### **D. International Business**

It is our commitment when conducting business in any foreign country to act in accordance with both strict adherence and in the spirit of all laws and regulations applicable to the conduct of business wherever Birla Carbon has operations.

### **E. Fair Competition and Antitrust**

Birla Carbon believes fair and open competition benefits customers, consumers, and society as a whole. Throughout the world companies are encouraged to aggressively, but fairly, conduct business. Many countries have competition or antitrust laws to set and enforce standards of corporate and individual behavior in this area. Breaking these laws can result in very severe penalties to both the Company and the Employee. Birla Carbon will fully comply with these laws. This compliance includes the following guidelines:

- Company representatives may not discuss or enter into a formal or informal agreement with any competitor about prices, or matters affecting price, production levels or inventory levels, bids, or dividing production, sales territory, products, customers, or suppliers. A good general rule is not to meet with competitors;
- agreements with customers or suppliers that establish the resale price of a product, limit a customer's right to sell products, or condition the sale of products on an agreement to buy other Company products are not allowed in most jurisdictions; and
- decisions to end a business relationship, or price a product below set levels, may be restricted by local laws.

Because many competition and antitrust issues are very specific, this is an area where you should contact the Company's Chief Legal Officer if you need guidance.

#### *Examples*

- (i) At the last trade fair, I talked to a competitor's employee. After a while I noticed that he was trying to elicit information from me about the Company's business planning for the next fiscal year. In return, he offered to provide the same information about his company. How should I respond in such a situation?

Answer: Make it immediately absolutely clear to the competitor's employee that you will not talk to him about such topics. This type of conversation — in addition to the unauthorized disclosure of business secrets — may violate antitrust laws and the Code. Immediately inform your manager and/or the Company's Chief Legal Officer.

- (ii) I am friends with someone who is a salesperson for a competitor. Sometimes we talk about marketing plans and product pricing. Is this problematic?

Answer: Yes. You are sharing confidential information that the Company has invested time and money to develop. Moreover, you may violate antitrust laws that do not permit discussions with respect to marketing and pricing.

## **F. Insider Trading**

As an Employee, you may become aware of significant and confidential information about the Company or that of other companies. Insider trading laws prohibit individuals from buying or selling stock of publicly traded companies when you know of so called "inside information". Inside information generally is material non-public information and/or non-public information that would influence the share price if it becomes public. Employees (and anyone related to the Employee) may not buy or sell stock or any security, or otherwise derive any financial benefit, on the basis of such information. In order to avoid any potential issues regarding insider trading, you should interpret the term, inside information, broadly before trading securities. Further, Employees shall not use or provide to others inside information for making or giving advice on investment decisions about the securities of the Company or any other company gained through employment with the Company.

Such inside information might include (without limitation) the following:

- acquisition and divestiture of businesses or business units;
- financial information such as profits, earnings, and dividends;
- announcement of new product introductions or developments;
- asset revaluations;
- investment decisions/plans;
- restructuring plans;
- major management changes, joint ventures, and major business agreements;
- major developments in litigation and/or investigations; and
- raising of credits.

Information is considered to be non-public until it is adequately disclosed to the public. In light of the foregoing, we require any employee of Birla Carbon, before trading in securities of affiliates of the Company, competitors of the Company, or of other companies in which Birla Carbon has an ownership interest or with which the Company has a material business relationship, to ensure that such information is public. If you have any questions in this regard, Employees should obtain advice from the Chief Legal Officer before engaging in any securities transaction based on information gathered during your work for the Company.

## **G. Business and Trade Secrets**

The affairs of Birla Carbon include our business systems and methods, identities of suppliers and customers, accounting procedures, manufacturing processes and formulas, plant and machinery designs, marketing and sales concepts and plans, financial data, and personnel matters, as well as all other information which is described or treated as confidential or proprietary within the Company. Treating such affairs confidentially means not only refraining from discussion with others



outside the Company, but also taking care to see that no unnecessary or unauthorized copies, notes, or other records pertaining to any matters come into existence and that copies, descriptions, and other records of such matters are not accessible to persons outside the Company, either during or after your employment. Business affairs and trade secrets should only be discussed with others outside the Company if part of an approved presentation or benchmarking study and only if those with whom such information is discussed have executed an appropriate confidentiality or non-disclosure agreement. Both during and after employment, Employees should not misappropriate or reconstruct confidential or proprietary information, nor assist anyone else to do the same, for use or disclosure outside the Company.

## **H. Trade Controls**

We conduct business on an international scale in a world that can be dangerous. To prevent terrorism, halt the proliferation of weapons, and fight drug trafficking and other crimes, various governments have established trade controls that restrict certain business transactions and the movement of certain goods across national borders.

Birla Carbon complies with all applicable trade embargos, export controls, and customs laws and regulations in the countries where it does business.

Trade control laws can restrict:

- export of certain goods, services, and technologies;
- business dealings (including import, export, and investments) with certain countries, entities, and individuals;
- travel to certain countries; and
- exchange of information.

## **I. Freedom from Conflicting Interests**

Each Employee must avoid at all times any interest that might conflict or appear to conflict with the interests of the Company, or that might deprive the Company of the undivided loyalty of the Employee in business dealings. To this end, an Employee should not become involved in any situation that may create a personal interest in the situation, or place the Employee under an obligation that may interfere with his or her primary duty to serve the Company at all times to the best of his or her ability. Employees who should be especially mindful of this duty include all who may:

- have authority to purchase or sell property, goods, or services on behalf of the Company;
- recommend or influence decisions with respect to purchases or sales; and
- have knowledge of, or access to, the Company's confidential information, processes, or activities.

It is impossible to present an exhaustive list of actions that might give rise to a conflict of interest or the appearance of a conflict of interest. The following guidelines should help to indicate areas where conflicts of interest are most likely to arise.

### *Examples*

- (i) My uncle asked me to help him as he would like his company to be a supplier of Birla Carbon. What shall I do?

Answer: Direct your uncle to the person who may be interested in his product or service. However, inform your manager and the person making the purchasing decision about the relationship and remove yourself from the review and process. Birla Carbon must follow the usual process for selecting a supplier to make sure there is no appearance of special treatment for your uncle.

- (ii) One customer of Birla Carbon is always late with his payment. The employee at the customer responsible for the payment is a friend of mine, and asked me not to do anything about the late payment. What shall I do?

Answer: While it might be in Birla Carbon's interests to tolerate late payments, a company decision should never be influenced by personal interest. Do not make such a decision on your own. Inform your manager and agree on further handling of the situation with him/her.

### **1. Bribes, Kickbacks, and Other Payments**

No matter where in the world you work on behalf of the Company, anti-bribery laws apply to you. Most countries have anti-bribery laws that prohibit bribing a governmental official, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. In many countries anti-bribery laws also apply in the private sector.

Our business decisions should never be influenced by corruption. Corruption may involve payments or the exchange of anything of value, and includes activities such as bribery and kickbacks. An Employee may not offer, promise, grant, authorize, demand, accept, or allow himself or herself to be promised, any bribe, kickback, illegal gratuity, illegal payment, or anything else illegal of value directly or indirectly, to or from any person, organization, or governmental representative. Corrupt activities are not only a violation of the Code that will result in disciplinary action, but they can also be a serious violation of criminal and civil anti-bribery and anti-corruption laws in various countries.

#### *Example*

I am responsible for sales within Birla Carbon and would like to surpass this year's revenue target. I prepared a bid for a major contract that a potential customer (a government official) has issued in an RFP (request for proposal). The decision maker responsible at the customer offers to influence the award of the contract in Birla Carbon's favor. What should I do?

Answer: Question the offer. If there are any signs of improper behavior or corruption (e.g. the decision maker intends to influence the RFP for a cash payment to him/her personally), you must reject the offer. Inform your manager and/or Birla Carbon's Chief Legal Officer immediately if you ever are concerned about improper activity in a bid process or other corrupt activity.

### **2. Gifts, Entertainment, and Loans**

An Employee should not borrow or lend money, or accept or grant gifts, entertainment, or favors, directly or indirectly, from or to any company, government or government representative, organization, or individual if doing so might impair or appear to impair the Employee's ability to perform Company duties or to exercise judgment in a fair and unbiased manner. Employees may accept or grant gifts and offers only if:

- they are of modest value and are customary business items or activities;
- they are not excessive in frequency; and
- they do not violate any law, this Code or any policies of Birla Carbon.

Any gift, loan, favor or offer of entertainment that violates the Code must be returned promptly to the donor with an appropriate explanation. A gift or entertainment to a close relative of an Employee is also treated as a gift to the Employee. If you have any questions concerning whether an offer or gift violates the Code, you should discuss it with your manager, the Chief Legal Officer, or the Chief People Officer.

#### *Example*

A supplier sent me a gift basket although I did not ask for it. I had already agreed to use the supplier for another two years so it did not influence my decision. Can I keep the gift basket?

Answer: You may keep the gift basket if you share it with your colleagues so that you are not viewed as accepting special treatment. You must always comply with our Company's gift and hospitality guidelines.

### **3. Foreign Corrupt Practices Act (FCPA)**

All dealings with officials of foreign governments must be conducted in compliance with the US Foreign Corrupt Practices Act (FCPA) or similar acts in other countries. These laws prohibit payments of, or promises to pay, anything of value to officials of foreign governments in order to obtain or retain business, and apply wherever the Company does business.

To comply with anti-bribery laws, no Employee should ever offer, directly or indirectly, any form of gift, entertainment, or anything of value to any government official or his or her family or representatives to:

- obtain or retain business;
- influence business decisions; or
- secure an unfair advantage.

A “government official” includes a person who works for, or is an agent of, a government owned or government-controlled entity. For purposes of anti-bribery laws such as the FCPA, government officials include elected and appointed officers or employees of national, municipal, or local governments (including individuals holding legislative, administrative and judicial positions), officials of political parties and candidates for political offices, and employees of a government or a state-controlled company.

If an Employee violates the FCPA or any other countries anti-bribery law, the violation creates severe potential criminal and civil liability for himself and for the Company. These prohibitions apply to our business operations and to anyone acting on our behalf, including agents, consultants, suppliers, and contractors.

All payments and gifts to, and entertainment of, government officials should be pre-approved by the appropriate Regional President or the Chief Legal Officer. The need for prior approval applies even if local law permits minimal “facilitating” payments to government officials to expedite or ensure routine actions – such as issuing licenses, permits or visas. All payments, both direct and indirect, made to government officials must be accurately recorded in our books and records.

If you are unsure whether you might be dealing with a government official, or have any other questions on complying with anti-bribery laws, you should contact your Regional President or the Chief Legal Officer for guidance.

#### **4. Financial Interests in Suppliers, Customers, or Competitors**

A conflict of interest may exist where an Employee or a close relative of an Employee has a financial interest in, or is engaged, directly or indirectly, in the management of an organization that deals with the Company as a supplier, contractor, purchaser, or distributor of the Company’s products, or that is a competitor of the Company. The term “financial interest” means any interest, direct or indirect, in the financial success or failure of an enterprise, regardless of the nature of that interest or the manner of its acquisition. It includes, for example, owning stock, being a partner, being a creditor, or any other arrangement in which an Employee or a close relative of an Employee has an interest in or claim on the assets or income of an enterprise.

A conflict of interest is unlikely, however, if the financial interest is insubstantial and consists solely of stocks or bonds listed on a national security exchange or customarily bought and sold in an over-the-counter market. A financial interest may be considered “substantial” if it represents more than one percent of the common stock of the enterprise in which the investment is made or if it is a significant part of an Employee’s assets.

#### **5. Transactions or Competition with the Company**

A conflict of interest may exist where an Employee or a close relative of an Employee buys, sells, or leases any kind of property, facilities, or equipment from or to, or in competition with, the Company. A conflict also may exist where any close relative of an Employee renders services to the Company other than as an Employee, or where an Employee seeks to direct Company purchases or sales to or through a close relative.

#### **6. Transactions with Persons Doing or Seeking to Do Business with the Company or in Competition with the Company**

A conflict of interest may exist where an Employee or a close relative of an Employee buys, sells, or leases any kind of property, facilities, or equipment from or to any company, organization, or individual who is doing or seeking to do business with the Company or who is a competitor of the Company, or where he or she accepts commissions, a share in profits, or compensation in any form from any company, organization, or individual.

#### **7. Rendering of Services to Other Organizations or Individuals**

A conflict of interest may exist where an Employee renders services to another organization or individual as an Employee, agent, consultant, or director, if the company, organization, or individual is doing or seeking to do business with the Company or is a competitor of the Company, or if the outside employment interferes with the Employee's performance of duties for the Company.

#### **8. Corporate Opportunities**

An Employee should not appropriate to himself or herself or divert to others, directly or indirectly, any business opportunity that may be of interest to the Company without first obtaining written authorization from the Chief Operating Officer, the Chief Executive Officer or the Board of Directors, as appropriate, after full disclosure of the material facts. The fact that a particular business opportunity is closely related to an existing line of business of the Company, or represents a desirable avenue of expansion of the Company's activities, is a strong indication that the Company would be interested in the opportunity.

Any property acquired by an employee in violation of this section will be held in trust for the benefit of the Company. Employees should not compete with the Company.

#### **9. Loans**

Providing loans to, or guarantees of obligations of, Employees or their family members will not be allowed unless the specific transaction or policy has been approved by the Chief People Officer or the Chief Executive Officer, and if appropriate, the Board of Directors.

#### **J. Reporting Conflicts of Interests**

All potential and actual conflicts of interest or material transactions or relationships that reasonably could be expected to give rise to such a conflict, or the appearance of such a conflict, must be promptly communicated to their Regional President, the Chief Legal Officer, the Chief People Officer, or the Chief Executive Officer. Employees should take care to report conflicts to a person whom they believe is not involved in the matter giving rise to the conflict.

#### **K. Anti-money Laundering**

We will comply with all applicable anti-money laundering laws, rules, and regulations of all countries in which Birla Carbon does business.

Money laundering is the process of disguising the nature and source of money connected with criminal activity, such as terrorism, drug trafficking, or bribery, by integrating illegal earned money into the stream of commerce so that it appears legitimate or so that its true source or owner cannot be identified.

To avoid problems in this area, Employees must be attentive to, and report, suspicious behavior by customers, consultants, and business partners. Employees must also follow all accounting, record-keeping, and financial reporting requirements applicable to cash and payments in connection with transactions and contracts.

#### **L. Political Contributions and Public Service**

Birla Carbon does not directly or indirectly make contributions or other payments, or provide property or services, to any candidates for public office or to political parties except pursuant to an approved policy in compliance with applicable laws. Any Employee who makes a political contribution personally should ensure that he or she does not imply that it is a contribution from the Company. Company contributions to charitable organizations will be approved and authorized in accordance with the Company's policies and systems of authority.

Birla Carbon encourages its Employees to be actively involved in the civic affairs of the communities in which they live. When speaking on public issues, however, Employees should do so only as individual citizens of the community, and must be careful not to create the impression that they are acting on behalf of or representing the views of Birla Carbon. The only exception to this is Employees who have appropriate authorization to represent or speak on behalf of the Company.

#### **M. Environmental Compliance**

As one of the world's leading carbon black manufacturing companies, Birla Carbon creates products that contribute to an enhanced standard of living for people throughout the world. We pursue environmental performance with the same diligence that we pursue financial, health, and safety performance. We are committed to pollution prevention and responsible environmental stewardship worldwide. To carry out this commitment, we

- design, construct, and operate our facilities by balancing the needs of the environment and local communities with the interests of our shareholders;
- promote energy efficiency and maximize responsible recycling and resource recovery;
- partner with stakeholders to establish reasonable and equitable environmental goals based on sound science;
- operate in conformance with applicable government requirements and good management practices, while striving for continual improvement of our environmental performance and environmental management systems;
- promote accountability for environmental performance at all levels of the organization;
- recognize effective implementation of this policy in evaluating Employee performance; and
- foster a culture where every Employee is encouraged to adopt the ethic of responsible environmental stewardship in his or her daily activities. We encourage our Employees and business partners to incorporate this ethic in their homes and communities.

#### **N. Occupational Health and Safety**

At Birla Carbon, the health, safety, and well-being of our Employees and their families is of utmost importance. For that reason, the Company has in place a longstanding initiative with two objectives: to eliminate workplace injuries and occupational illnesses and to influence Employee behavior so that safety becomes a way of life both on and off the job.

Fundamental to this initiative is the idea that each Employee must take individual responsibility for safety. It is the job of each Employee to create a work environment that eliminates occupational health and safety hazards whenever possible. If a hazard cannot be eliminated, then Employees must work together to ensure that it is effectively controlled.

Birla Carbon is committed to complying with all occupational health and safety laws and regulations in countries in which we do business. We believe that occupational health and safety can and must be integrated with our effort to produce high-quality products at competitive prices. We are dedicated to making occupational health and safety a primary value that drives performance, holding managers accountable for a superior level of occupational health and safety performance at their facilities, and providing the practices, tools, and resources needed to achieve our occupational health and safety objectives.

We expect Employees to strive for zero workplace injuries and occupational illnesses. We also encourage Employees to be constant models and champions of safety for their families and their communities.

#### **O. Drug and Alcohol**

Possession, sale, distribution, use, or purchase of drugs or alcoholic beverages on Company premises is against Company policy and will subject an Employee to disciplinary action up to and including discharge. The only exception to this policy is for prescription drugs for which the Employee has a valid prescription and which are used properly by the Employee. It also is against Company policy to work or report to work while prohibited levels of alcohol, illegal drugs, or abused prescription

or non-prescription drugs are in an Employee's system.

Except as prohibited by local law, any Employee reasonably suspected of possession, use, sale, manufacture, distribution, dispensing, purchase, or of having a prohibited level of drugs or alcohol in his or her system while on Company premises or during work hours may be suspended pending an investigation of the circumstances.

Unless restricted by local law or otherwise, the Company can require alcohol and drug testing of all Employees. Refusal of an Employee to submit to or cooperate fully with the administration of an alcohol or drug test will result in discharge of the Employee. Tests that are positive following a review by a medical review officer will result in disciplinary action up to and including discharge.

## **P. Inventions and Patents**

All inventions, discoveries, improvements, and other ideas related to Company business occurring to you during your employment (whether or not during regular business hours) belong to the Company. The Company may, in its discretion, decide to reward an Employee for an idea, but, unless otherwise stated under local law, ownership of the idea is the Company's right in consideration of regular compensation paid to an Employee. You agree to execute all documents necessary or convenient for securing that right.

## **Q. Information Systems**

### **1. Data Security and Confidentiality**

All Birla Carbon Employees, vendors, contractors, customers, and other non-Birla Carbon employees are responsible for protecting proprietary and confidential information in accordance with Company policy. Except as legally permitted, required, or authorized, an Employee should not disclose or release to anyone any data on decisions, plans, competitive bids, or any other information concerning the Company or any customer. This prohibition does not apply to an Employee who uses the information in the course of performing his or her job. An Employee should not use or disclose confidential Company or customer information for his or her personal profit or for the advantage of anyone other than the Company.

To assure that all corporate information is protected, access will be granted only if the user's job function requires such access in order to fulfill his or her job duties. Birla Carbon's Employees are NOT authorized to disclose any private, confidential, or corporate information of the Company, in any form, to members of the media, to former Birla Carbon employees, or others without prior written authorization.

Other prohibited actions:

- altering or modifying information, except as it relates to an Employee's required job functions;
- any attempt to gain access to information, user IDs, facilities, or other information to which an Employee is not specifically authorized;
- the disclosure or misuse of the personal information of Birla Carbon's applicants, Employees, or former employees; and
- use of data-processing facilities or corporate-information resources in a manner inconsistent with the Company's business, except for minimal, incidental use that is consistent with Information Systems Policy.

Information-system resources and their contents are Company assets and must be protected from unauthorized access, modification, destruction, or disclosure.

Intellectual property is a valuable asset and includes patents, copyrights, trademarks, technical data, and other information that would benefit a competitor if known to it. All Employees are expected to take strict precautions to protect the Company's intellectual assets.

## 2. Acceptable Use of Information Systems

For the purpose of this policy, “Aditya Birla Group” collectively refers to all legal entities within the Aditya Birla Group, including those comprising Birla Carbon. Aditya Birla Group’s Information systems and facilities include any application, computer, server, electronic media, communication devices network, information technology services (including internet & email) provided, supported, procured, leased, or used by the Aditya Birla Group (collectively, “Information Systems”). Any service, or device (including personal computing devices such as smart phones, tablets etc.) owned / procured by the user and used for accessing Aditya Birla Group information must also adhere to this policy. The “user” of the Information System is any person (employees, trainees, contractor, and third party) who has been provided access to Information Systems. The purpose of this policy is to ensure that all users use the Aditya Birla Group computing facilities in an effective, efficient, ethical and lawful manner.

- Aditya Birla Group Information Systems are to be used only for processing data and information relating to Aditya Birla Group businesses. Any use of the Aditya Birla Group’s Information Systems/data for personal gain is prohibited.
- Users are responsible for protecting any information in their possession including that stored on their respective Company workstations, laptops, and personal computing devices.
- Users shall not attempt to access any data or programs contained on Aditya Birla Group's systems for which they do not have authorization or explicit consent of the data owner.
- Users shall not purposely use Information Systems (including internet and email) for any activity with an intent of:
  - discriminating, harassing, vilifying or victimizing others based on gender, race, religious beliefs, disability, political conviction, sexual preferences, age or otherwise;
  - degrading the performance of systems;
  - gaining access to a Aditya Birla Group system for which proper authorization has not been given;
  - depriving an authorized user access to a Aditya Birla Group's information system attempting to gain more system access or privileges than allocated circumventing Aditya Birla Group's Information Security measures;
  - sharing information with a third party outside Aditya Birla Group, which will allow circumvention of security systems by the third party; or
  - causing physical damage to facility or property.
- Users shall use only approved personal computing / hand held devices (e.g. iPad, tablets, Mobile Phones, Blackberry etc.) for accessing, storing, or exchanging Company information like data, email, and SMS. These devices shall be used only in compliance with Section Q.3 hereof, and the users shall take due care to protect such devices and the data stored therein from loss, theft, and misuse.
- Any doubts or queries regarding the appropriate use of Aditya Birla Group’s Information Systems should be raised with users’ respective Managers or Director of Information Systems.
- Users shall comply with security directives, guidelines, and policies at all times. Users shall not circumvent or attempt to circumvent any logical or physical security control or guidelines issued by Aditya Birla Group or the Company. Additionally, users shall proactively participate in all security and safety exercises, drills, or training that may be conducted from time to time.
- Users shall not download and / or install any unauthorized software.
- Users shall not make unauthorized copies of copyrighted software, except as permitted by law or by the owner of the copyright. As used herein, “copyright owner” refers to the person or entity which possesses the exclusive right to

make copies, license, and otherwise exploit a literary, business, musical, or artistic work, whether printed, audio, video, etc.

- At all times, users are responsible for the content that they store or transmit using Aditya Birla Group Information Systems and mobile computing devices. Copyrighted materials belonging to the entities other than Aditya Birla Group may not, subject to the allowable exemptions, be transmitted by employees on Aditya Birla Group e-mail, Internet, or Intranet systems. All users obtaining access to other companies' or individuals' materials must respect all copyrights and may not copy, retrieve, modify, or forward copyrighted materials, except with permission of the copyright owner, or as may be permitted under the appropriate law. Each employee shall observe all terms and conditions of the applicable license agreement under which the license to use a particular copyrighted work has been obtained.
- Use of e-mail or communication facilities not provided or authorized by Aditya Birla Group is prohibited for any official communication. Users shall not use any unauthorized e-mail services, instant messengers or communication facilities for transmission, storage or retrieval of any official information.
- Any messages or information sent by a user to another individual outside Aditya Birla Group via an electronic network are statements that reflect on Aditya Birla Group. Therefore, all such communication should be made keeping Aditya Birla Group's security and image in mind.
- Users shall treat personal data of employees, customers, and business partners fairly and lawfully. Users entrusted with the task of collecting personal data, shall do so only for specific, lawful, explicit and legitimate purposes. Further users shall process this data consistent with those purposes.
- Users shall not, without the prior consent of the Company, divulge Company's confidential information whether electronic, oral, or written to any third party or for any purpose other than the exclusive benefit of the Company and Aditya Birla Group.
- Aditya Birla Group routinely monitors usage patterns for its e-mail, Internet communications, and other IT services. All messages created, stored, sent, or retrieved over the Aditya Birla Group's e-mail, Internet, or Information Systems are the property of Aditya Birla Group and should not be considered private information. Aditya Birla Group Management reserves the right to access and monitor all electronic messages and soft or hard copy files of the user at all times.
- Users will be held personally liable for any defamatory, obscene, offensive, political, proprietary, copyrighted or libelous content they may post, propagate, transmit, or store using internet, personal computing devices, e-mail, social media, or blog sites via Aditya Birla Group Information Systems. Third parties may pursue legal action, as local law allows, against individuals, personally, for their content uploaded onto social media platforms from Aditya Birla Group's Information Systems.
- In case users become aware of weaknesses in security of Aditya Birla Group's Information System or of any incidents of possible misuse or violation of this policy, the user shall report the same to her/his Manager or Chief Information Security Officer (CISO).

Aditya Birla Group may take any breach of this policy as a sign of misconduct by the user and the user may be subject to the following:

- (i) Verbal or written warning
- (ii) Counseling
- (iii) Withdrawal of access and system privileges in part or whole
- (iv) Any combination of above

Serious or repeated breach of this policy can be construed as gross misconduct and disciplinary actions may include:

- (i) Dismissal
- (ii) Loss of benefits
- (iii) Legal proceedings in accordance with local Laws



- (iv) Any Combination of the above

### **3. E-mail/V-mail/Telephones**

The principal purpose of electronic mail (e-mail) and voice mail (v-mail) is to extend Company business communications. Employees should not leave messages containing sensitive or confidential information on voice mail systems.

All e-mail and v-mail is the Company's property, regardless of content. E-mail and v-mail should be treated as other verbal or written business communications. Appropriate language and standards of decency must be used. Offensive, demeaning, defamatory, or disruptive messages are prohibited. System users are responsible for the content of all text, audio, and video sent using the internet or e-mail. All messages must comply with relevant federal and state laws regarding copyright, trademark, intellectual property, and export control.

Company telephones, computers, and other communication devices are supplied for business purposes, and while Employees are allowed to use these devices periodically for personal use, this privilege is not to be abused. All personal calls placed on Company telephones should be kept to a reasonable length and be reimbursed to the Company if made to a long-distance number.

### **4. Internet Use**

Internet access is granted to Employees, vendors, contractors, and customers based on business need. Birla Carbon sites may choose to limit internet access at their discretion. Internet access consumes system resources. Access to the internet must be used to support departmental and business-related missions and responsibilities. Acceptable use of the internet for performing job functions might include:

- communication between employees and non-employees for business purposes;
- information systems downloading software upgrades and patches;
- review of possible vendor web sites for product information;
- reference regulatory or technical information; and
- research.

### **R. Records Management**

The records of the Company are created, managed, and maintained so that corporate business may be conducted effectively and efficiently. The Corporate Records Retention Schedules set forth Birla Carbon's official guidelines regarding retention of those records. These guidelines apply to all recorded information, regardless of medium or format. The purpose of the schedules is to assure that records essential for the Company's business operations are protected and that non-essential, obsolete records are eliminated on a timely basis. Records that are required for ongoing business are retained to meet all identified administrative, fiscal, legal, and historical retention requirements, and are in compliance with current local, state, federal, and international laws regarding the maintenance of business information. All other records should be destroyed according to the disposal policies and procedures outlined in the Records Retention Schedules.

### **S. Protection and Proper Use of Company Assets**

Each Employee is responsible for proper and efficient use of Company and customer assets, such as information (proprietary or otherwise), material, facilities, and equipment, as well as intangible assets. Employees must not use those assets for personal profit for themselves or for others. In addition, Employees must act in a manner to protect those assets from loss, damage, misuse, theft, removal, and waste. Finally, employees must ensure that those assets are used only for legitimate business purposes.

## **T. Use of Social Media**

### **1. Corporate Use of Social Media**

In order to present a unified message to our stakeholders, only designated colleagues may speak on behalf of Birla Carbon. This includes spoken messages, as well as emails and posts on social media websites. You must have authorization to make statements or posts to social media on Birla Carbon's behalf.

You should always

- draft communications in a professional manner;
- respect the intellectual property rights of Birla Carbon and other third parties; and
- follow our Code and other company policies.

You should never

- disclose material non-public information, which could be an insider trading violation;
- disclose or comment upon any company confidential and proprietary information;
- reference Birla Carbon customers, suppliers, or business partners without advance permission;
- disclose any information provided under a non-disclosure agreement;
- respond to rumors or speculation about our company; and
- post material that is defamatory, libelous, sexual, racial, offensive, indecent, obscene, or harassing

### **2. Personal Use of Social Media**

When using social media on a personal basis, the Birla Carbon Code may still apply. Even though your activities on outside websites may be personal rather than professional, you still have a responsibility to protect our Company's confidential and proprietary information. Any interactions Employees have with coworkers or discussions you have about coworkers must be professional and respectful, and never harassing, intimidating, or negative.

## **U. General Directions**

### **1. Reporting**

Situations that are potentially dangerous to life or property, or that appear to be unlawful or might violate the Code, must be reported immediately. In addition, Employees who have a concern about the Company's accounting practices, internal controls, or auditing matters, should promptly report their concerns. If an Employee becomes aware of a situation, it is his or her responsibility to promptly report the matter in good faith to the plant or unit manager, his or her department head, or to the Regional President, whoever seems most appropriate for the situation. If the matter is one that cannot be resolved, the person to whom the Employee has reported the matter will be responsible for promptly consulting with the Chief Legal Officer or Chief People Officer. Employees should take care to report violations to a person whom they believe is not involved in the matter giving rise to the violation.

All reports or concerns may be submitted anonymously and are kept confidential to the extent possible while still allowing Birla Carbon to investigate and take appropriate action. It is expected that reports will be made in good faith and that employees will not intentionally and maliciously submit false reports.

Birla Carbon retains effective and independent auditors, who will periodically report to the Board of Directors on these matters.

### **1.1 Ethics and Compliance Hotline**

The Company maintains an Ethics and Compliance Hotline 24 hours a day, 365 days a year, managed by an external compliance services company, The Network, Inc., which Employees may call anonymously to discuss or ask questions concerning actual or potential situations. Calls made to the Hotline will be handled in full compliance with local law. Employee may access the Hotline by dialing the number for the appropriate country listed in the Appendix.

### **1.2 No Retaliation**

Regardless of the reporting mechanism chosen, there will not be any retaliation against an Employee for reporting an activity that he or she in good faith believes to be a violation of any law, rule, regulation, or this Code.

## **2. Certification**

Each Employee receiving this Code is asked to review its contents and then certify that he or she agrees to abide by its provisions. A record of that certification will then be maintained by the Company as part of the Employee's permanent personnel file. Employees will be asked to repeat this process on an annual basis.

Please note that the certification process also permits the individual to raise any issues regarding compliance with the Code in order to obtain clarification.

## **3. Waiver and Amendment**

Any waiver of any provision of the Code for executive officers of any Birla Carbon company may be granted only by the Board of Directors or by the Chief Executive Officer, as appropriate.

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## **IV. Compliance Program Administration and Information**

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Each of the policies in this Code and all other supplemental statements made by the Company will be implemented in accordance with the following:

The Chief Legal Officer is the Company officer responsible for Company-wide understanding of and adherence to these policies. Any Employee who requires clarification regarding a policy described in this Code or desires to report a violation of one of those policies, can contact the Chief Legal Officer, the Chief Operating Officer, the Chief People Officer, or the Chief Executive Officer.

Each Employee can report immediately any concerns or violations regarding these policies to the Ethics and Compliance Hotline. An Employee may access the Hotline by dialing the number for the appropriate country listed in the Appendix. Calls made to the Hotline will be handled in full compliance with local law. In addition, an Employee can report any concerns or violations to any one of the following, as applicable:

- Supervisor;
- Human Resources Manager;
- Plant or Unit Manager;
- Regional President;
- Chief Legal Officer;
- Chief People Officer;
- Chief Financial Officer;
- Chief Operating Officer;
- Chief Executive Officer; and
- Board of Directors.

Employees should take care to report violations to a person whom they believe is not involved in the matter giving rise to the violation. Employees who prefer not to report a situation to their manager or department head may consult directly with the Regional President, the Chief Legal Officer, or the Chief People Officer. The purpose of these procedures is to ensure compliance with the Code in a manner that will protect the legitimate interests of both the Employee and the Company.

The Company will conduct periodic educational programs and compliance reviews concerning the Code.

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## V. Code of Business Ethics and Compliance Standards Employee Certification Form

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*This will confirm that I have received, recently read and understand Birla Carbon's Code of Business Ethics and Compliance Standards (the "Code"). There are no revisions to the standards within this document.*

I acknowledge that I am responsible for understanding, complying with, and implementing the Code and these policies as they apply to my position, area of accountability, and jurisdiction where employed.

I understand that I also must comply with policies and guidelines that may govern my individual workplace or job function. I accept this responsibility as a condition of my continuing employment and understand that if I do not sign this certification form, my employment with Birla Carbon may be subject to disciplinary action and any disciplinary action taken would be in accordance with local laws and regulations. To the best of my knowledge, I have been and currently am in compliance with these policies, except as noted below or as has been already properly reported to the Company's representatives.

*(Use the bottom or back of this sheet to describe any existing circumstances that may conflict with the Code of Global Business Ethics and Compliance Standards. Please include as much detail as possible.)*

I also understand my duty to report any violations of this Code of Global Business Ethics and Compliance Standards and that I can ask questions or report issues through various methods including my manager, certain corporate officers, or through the Ethics and Compliance Hotline.

I understand the Hotline is available 24 hours a day, seven days a week at the number for the appropriate country listed in the Appendix, and that concerns can be reported confidentially through the Hotline.

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SIGNATURE

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DATE

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NAME (PRINT)

---

EMPLOYEE ID#

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LOCATION

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## Appendix

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### List of Hotline Numbers

Brazil .....	0800-892-1604
Canada .....	888-504-7728
China .....	10-800-110-0737
Egypt .....	8664208370
.....(Access Code – Cairo)	2510-0200
.....(Access Code – Outside Cairo)	02-2510-0200
Germany .....	0800-183-3645
Hungary .....	06-800-12-471
India .....	000-800-100-1640
Italy .....	800-788605
Japan .....	0034-800-900092
Korea .....	00368-11-0129
Spain .....	900-97-1092
Thailand .....	001-800-11-006-7645
United Kingdom .....	0800-051-7039
United States .....	866-420-8370