



# CORPORATE PRINCIPLES AND CODE OF CONDUCT

Effective from: **April 1, 2024**

First Revision: **August 12, 2022**

Second Revision: **February 13, 2024**

\*Placed before the Board of Directors at its meeting held on February 13, 2024, and reviewed/approved thereat.

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# **Table of Contents**

Sl. No	Particulars	Page No.
1	Managing Director's Address	<b>Error! Bookmark not defined.</b>
2	Preamble	4
3	Our Corporate Principles	<b>Error! Bookmark not defined.</b>
4	Commitment to our Corporate Principles	<b>Error! Bookmark not defined.</b>
5	Corporate Principles and Code of Conduct: I. Introduction And Background II. Principles & Code A. Employees B. Customers C. Government D. Environment, Health & Safety E. Compliance to Laws F. Retaliation in the Workplace Policy	5 5 5 8 9 9 9
6	Policy elements	10
7	Why do we need a No Retaliation Policy?	10
8	Actions	10
9	Some Examples of what may be construed as Violations	11
10	Enforcement Mechanism	11



## **Corporate Principle and Code of Conduct**

February 13, 2024

Dear Colleagues,

Sub: **Corporate Principle and Code of Conduct**

In Hindalco, we have always believed in sound, moral, ethical, and business principles. While these underpin all our activities, there is a need to ensure it is practiced in letter and spirit uniformly across the Company and by each employee, regardless of levels.

Given this and based on discussion in the Executive Committee of the Company, the attached document titled 'Corporate Principles and the Code of Conduct' enshrines our guiding business and people philosophy and is to be formally implemented with immediate effect.

Since every employee must live by these principles, it is important that these are well communicated and understood. To make this happen, a detailed document explaining every "Corporate Principles and the Code of Conduct" it entails, as well as the redressal mechanism is also enclosed. The explanatory papers are strictly an internal document, meant only for our employees.

Please ensure that a copy of both these documents is given individually to all employees in the Management Cadre in your Unit and all offices immediately. Kindly keep a few copies in the library as well.

I would urge you to go through this document, on priority, imbibing all its details, given its importance and criticality while running our Company.

**Satish Pai**  
**Managing Director**

*\*Note: This Policy may be updated by the Company in its sole discretion, as and when required and shall be available on the Company's online intranet portal/ website and may be made available through e-mail communication*

## PREAMBLE

Since inception, we have collectively endeavored to steer our Company on the growth path through the practice of sound, moral, ethical and business principles. These mirror the values that we stand for at Hindalco and the Aditya Birla Group and are crucial to our sustainable performance.

As our Company continues to grow, expanding its geographic reach, adding on to our workforce, there is a compelling need to articulate our Corporate Principles and reaffirm how these guide us in the conduct of our business, customer, societal and people relationships. It is also of paramount importance to secure your commitment once again, to always abide by them in letter and spirit.

### **OUR CORPORATE PRINCIPLES**

#### **A. Employees: People build our Company's success.**

We believe that our people provide us with the cutting edge. They help us deliver value for our shareholders, our customers and society at large. Our people are our strength. We respect the individual rights and dignity of all people.

We believe in the inherent potential of employees and are fully committed to people development in our Company in a fair, equitable and transparent manner. We encourage employees to grow professionally and personally to their highest capabilities, regardless of nationality, caste, religion color or sex. We strive to provide an environment that promotes empowerment, achievement orientation, collaboration, teamwork, and self-esteem. We view merit as the sole criterion for all employee related decisions.

A recognized responsibility is to ensure that all our policies, processes, forward looking initiatives, and goals are fully communicated and that all employees understand and relate to these. Integrity, trust, and fairness are the basics that guide our strategies, our behavior, and the relationships we build with people both internally and externally. Each of us have an obligation to exercise the highest level of ethical and professional behavior.

#### **B. Customer: The customer is the focus of everything we do.**

We are committed to our customers, to fulfilling their present needs and anticipating their unmet needs.

We are dedicated to continually improving the quality, usefulness and value of our products and services that help our customers enhance their performance.

We provide value for customers through creativity, innovation, productive relationships, quick response and simplicity in all that we engage in.

We strive to make our Company the customer's business partner of choice.

**We strive to be always a good Corporate Citizen.**

#### **C. The Government**

We respect the Government, laws, and institutions in the jurisdictions where we operate. While participating in democratic processes, we remain apolitical.

#### **D. Environment, Health & Safety**

Respect for the environment forms part of everything we do. As an environment responsive Company, our ongoing endeavor is to manufacture our products through processes that have as little impact on the environment as possible. We maximize ways to preserve the environment through state-of-the-art technology and a commitment to reduce waste in all forms.

We pledge to protect the environment, the health, safety, and well-being of employees and are committed to the development of the communities in and around which we operate.

#### **E. Contributions and sponsorships to third parties**

We are committed to contributing to the society by following meaningful, structured and sustainable intervention. Our charitable contributions, either directly or through collaborations, will mainly-support areas like Education , Livelihood, Healthcare and Infrastructure, while complying with all applicable laws and regulations We publicly disclose that charitable contributions are made by us.

## **Commitment to our Corporate Principles**

Individually and collectively, each of our employees across all levels reaffirm commitment to these Corporate Principles that guide us in the conduct of our business and people relationships. They are our character.

## **Corporate Principles and Code of Conduct**

### **INTRODUCTION AND BACKGROUND**

#### 1. What is the objective of this document?

The objective of this document is to communicate to all employees, the Corporate Principles and Code of Conduct of the Company. It is intended to serve as a guideline to all our employees. They should imbibe and practice these Principles and the Code, while dealing with different stakeholders such as customers, suppliers, fellow employees, etc.

#### 2. What does this document contain?

The document contains the following:

- Definition of Corporate Principles & Code of Conduct
- Applicability of this document
- Corporate Principles & Code of Conduct in detail
- Some examples of what may be construed as violations.
- Enforcement Mechanism

Towards the end of this document, a section has been provided, to address some possible queries.

#### 3. What are Corporate Principles?

'Corporate Principles' are principles which an organization fundamentally believes in. These guide the organization's business decisions and the way it relates to its business constituents such as employees, customers, outside agencies, society, government etc.

#### 4. What is Code of Conduct?

Code of Conduct is application of Corporate Principles by each employee of the Company in their work-life.

#### 5. Whom does this document apply to?

This document applies to all employees, irrespective of their level, across all units and offices of the Company.

However, some sections of this document are directly applicable only to certain categories of employees – for instance, managers responsible for a team of people or personnel in specific functions such as marketing, production, accounts etc.

### **CORPORATE PRINCIPLES & CODE OF CONDUCT**

In the following pages, details about the Principles and Code have been provided. Wherever possible, examples have been provided, to clarify and highlight what kind of acts are consistent / inconsistent with the spirit of this document. The examples are illustrative only and not exhaustive. **It is important to observe the Code in its true spirit.**

#### **A. EMPLOYEES: People build our Company's success.**

- I. A recognized responsibility of all Company employees is to ensure that all our policies, forward looking initiatives and goals are fully communicated and that all employees understand and relate to these.
  1. Adherence to Company policies e.g. as a responsible Manager, in keeping with the Performance Appraisal Policy, I will conduct the performance appraisal of my team members in a professional manner within the stipulated time.
  2. Sharing of information e.g.

- i As a Unit Head, I will hold quarterly meetings to communicate all relevant information such as important circulars, major changes that impact our business and Unit etc. to employees.
- ii I will provide all information which is vital to enable employees perform their job in the best possible manner.

**II. Integrity, trust, fairness, and honesty are the basics that guide our strategies, our behavior, and the relationships we build with people both internally and externally.**

1. Avoiding bribes, kickbacks e.g.

I will not seek or encourage bribes, kickbacks etc. in any form. For instance, I will not deal with a supplier who offers me a bribe to get a contract awarded and I will not engage in offering or paying bribe to obtain or retain business. I understand that offering or paying bribe to any government official is a punishable offence. I understand that bribes, kickbacks etc., are not limited to cash or monetary alone but includes anything of value. I will in fact report any such incident that I come across to my Manager/appropriate person in the Company.

2. Prevention of Money laundering e.g.

I will familiarize myself (and my team) and abide by the Prevention of money laundering act, 2002.

3. Gifts e.g.

I shall not solicit, give, accept or agree to accept anything of value from anyone doing or seeking to do business/dealings with the company: (i) which can or could be perceived as, directly or indirectly, intended to influence any business/ professional decision; and (ii) which creates or can create, any express or implied obligation of preferential treatment, an award of business, better prices or other improved terms of business.

I shall always report the value and nature of the gift received/given to Hindalco Value Committee by disclosing the following particulars – *my name, description of gift, identify of the gift giver, approximate value of the gift, the context / purpose for which the gift was given, reasons for the acceptance, etc.*

Any gift given shall not in any event exceed a total value of Rs. 1500 and shall be pre-approved by the Value Committee and shall only be of the following nature:

- (i) perishable items such as sweets, dry fruits, chocolates, flowers etc;
- (ii) products of the company.

I shall not render any hospitality unless it is pre-approved and provided that it is only for legitimate purposes or out of professional courtesies.

I shall respect and adhere to the decision of the Hindalco Value Committee in relation to gifting and hospitality subject to the above provisions.

4. Intellectual Honesty e.g.

I will explicitly acknowledge and give due credit to my colleague from whom I have borrowed an idea.

5. Conflict of Interest e.g.

I will avoid a conflict, or an appearance of a conflict, between my personal interests and our company's interests. The conflict of interest policy is straightforward – we all always have an obligation to act in the best interest of our Company. Conflicts of interest may arise when you, a family member, or a friend:

- Engage in activities that compete with, or appear to compete with, our Company's interests
- Let your business decisions be influenced, or appear to be influenced, by personal or family interests or friendships
- Use company property, information or resources for personal benefit or the benefit of others
- Hire, supervise, or have a direct or indirect line of reporting to a family member or someone with whom you have a relationship

- Have outside employment that negatively affects your job performance or interferes with your assigned responsibilities
- Receive any personal or financial benefit from, have a financial interest in, provide services to or work for a supplier, customer or competitor or a company that seeks to do business with us. (You may, individually, own stock of less than one percent (1%) of suppliers, customers, or competitors, if you own such stock through a publicly traded mutual fund or bank investment portfolio).

You must disclose potential conflicts of interest to our company. If at any time in your employment you think that you may have a potential or actual conflict of interest, you have an obligation to disclose the conflict promptly to our company. Many times, conflicts can be resolved by an open and honest discussion.

Certain material conflicts may require the acknowledgement of your confidentiality obligations, reassignment of roles, or recusal from certain business decisions. You must disclose any actual or potential conflict to the Company by checking with HR or Legal Department to submit your disclosure through the proper channels.

Putting Conflict of Interest Concepts into Practice.

To determine if you have a conflict of interest that should be disclosed, ask yourself these questions:

- Do my outside interests influence, or appear to influence, my ability to make sound business decisions?
- Do I stand to benefit from my involvement in this situation? Does a friend or relative of mine stand to benefit?
- Could my participation in this activity interfere with my ability to do my job?
- Is the situation causing me to put my own interests ahead of company's interests?
- If the situation became public knowledge, would I be embarrassed? Would the company be embarrassed?

Who Is Considered to Be A "Family Member" Under the Code?

A family member can be any of the following: spouse, domestic partner, parent, sibling, child, grandparent, grandchild, niece or nephew, aunt or uncle, cousin, stepchild, stepparent, or in-law. It can also be anyone living in your household, or anyone you are dependent upon or anyone dependent upon you or one of your relatives. Remember, potential conflicts are not limited to just relationships with relatives or family members. Conflicts of interest may arise with anyone with whom you have a friendship or personal relationship.

6. Misuse of Company resources e.g.

I will not use any resources of the Unit / Company, e.g. office staff, office time, telephones, cars, guest- houses, stationery, etc. (other than those legitimately allowed by virtue of conditions of my employment with the Unit) for personal benefit of myself, family members, relatives, friends etc.

I will not ask subordinates to invest their time to do my personal work.

7. I will ensure that my participation in politics or any political activity including without limitation use of company funds, equipment, resources is strictly in line with the applicable laws and does not in any manner cause prejudice to the Company. I will not conduct political activity during working hours; and will always make it clear that my political views and actions are my own and not that of the Company. I will further ensure that no statement of mine brings dis-repute or causes prejudice to the company.

**Each of us will exercise the highest level of professional behavior. Each employee will conduct himself in a manner that will enhance the image of his position, unit, and the Company.**

1. Conduct e.g.
  - i. I will not reprimand my team members in public.
  - ii. I will focus on positive aspects of the Unit/Company while conversing with an outsider.
2. Accountability e.g.

As a decision- maker, I will be responsible for the consequences of my decision and not shift blame to any of my team members.

3. Handling sensitive information e.g.

- i. I will not use unpublished information to invest in shares of Company/companies.
- ii. I will not partake in insider trading.
- iii. I will abide by the company's Code of practice and procedures for fair disclosure of unpublished price sensitive information.
- iv. I shall familiarise myself with applicable anti-trust and competition laws.
- v. I will not divulge any information that jeopardizes our business or impacts our competitive edge in the sectors in which we operate.

4. Using external resources e.g.

I will explicitly specify the criteria for appointing an external resource (such as consultants, freelancers, advisors) and evaluate several options in an objective manner.

**We respect the individual rights and dignity of all people. We believe in the inherent potential of employees and are fully committed to people development processes in our Company in a fair, equitable and transparent manner. We encourage employees to grow professionally and personally to their highest capabilities, regardless of nationality, caste, religion, color, or sex.**

1. Employee Merit e.g.

- i. I will not hesitate to promote a competent employee, even if he is younger in age over other employees at his level. I will always recognize merit and competence.
- ii. I will hold annual appraisals and give honest, unbiased feedback to my juniors in a constructive manner.

2. Equal opportunity and fair treatment e.g.

- i. I will not be gender-biased while selecting a candidate.
- ii. I will not indulge in any form of harassment and specifically sexual harassment.
- iii. I will not allow the caste or community of an employee to influence my decisions related to him.

3. Employee entitlements e.g.

- i. At the time of appointment or promotion of a team member, I will provide him with accurate and complete information on his entitlements.
- ii. I will ensure that all entitlements due to my team members are disbursed proactively and gracefully, without their having to remind me or the accounts department for the same.
- iii. As an accountant, I will ensure that an employee, who has resigned, receives his dues in the shortest possible time.

4. Competency development e.g.

- i. I will recognize training programs as a competency development tool and release nominated team members.
- ii. I will invest time in my own personal development through measures such as referring to books, networking with professional colleagues, proactively identifying my training needs.

5. Positive environment e.g.

- i. I will encourage open and honest information sharing/discussion/feedback.
- ii. I will discourage bad-mouthing and loose talk and will not indulge in the same.
- iii. I will convey any disagreement with my performance appraisal directly to my manager.
- iv. I will accept an idea generated by my junior, if it is better than my own judgment.

**B. CUSTOMERS:**

The customer is the focus of everything we do, we are committed to our current and potential customers, to fulfilling their present needs and anticipating their unmet needs. We are dedicated to continually improving the quality, usefulness, value of our products and services that help our customers enhance their performance. e.g.



- i. I will attempt to adapt innovative solutions to customer needs.
- ii. I will convey results of customer satisfaction survey to my concerned teams.

We provide value for our customers through productive relationships, quick response and simplicity in all that we engage in. e.g.

- i. I will ensure that I and my team members stick to time limits to attend to customer complaints.
- ii. I will strive to attain high scores for my unit in customer satisfaction survey. Should I get low scores, I will think positively and work genuinely towards improving upon them.
- iii. I will treat a customer complaint as an 'opportunity' and not as a 'complaining customers'.

We strive to make the Company the customers' business partner of choice e.g.

- i. I will always provide the best products and services at a competitive price to our customers so that they prefer to do business with us.
- ii. I will give excellent after-sales service to my customers and help them enhance their performance.

**C. GOVERNMENT:**

We respect the Government, laws, and institutions in the jurisdictions where we operate. While participating in the democratic process, we remain apolitical. e.g.

- i. As an employee, I will not stand for elections for any legislative body.
- ii. Whenever I receive a request from a political party / independent candidate for fund, I will direct them to the HR Department / Legal Department of the Company.
- iii. I will not use any Company resources, except those specifically approved by the management, for furthering the political interest of any party or individual.
- iv. Whenever I receive any request from government agencies for information / opinions, I will forward it to my Unit HR.
- v. I will exercise my right to vote in the general elections.
- vi. If I participate in public discussions to shape policy matters, laws, etc., I will always consult my immediate senior before making such a commitment. I will ensure that these do not adversely affect the business interests of our Company.

**D. Environment, Health & Safety**

Respect for the environment forms part of everything we do. We pledge to protect the environment, health and safety of employees and are committed to the development of the communities in which we operate. e.g.

- i. Whenever any deviations from the environmental norms come to my notice, I shall inform the concerned teams.
- ii. I will participate in community welfare / relief programs such as drought/flood relief literacy campaigns and vocational education, etc. as may be planned by the management.
- iii. I will follow the safety standards at my workplace.

**E. Compliance to laws.**

Compliance to all applicable laws and regulations is critical to ensure we stay compliant in all our operations including manufacturing, distribution, and sale of our products e.g.

- i. I will always ensure compliance of all laws and regulations applicable to my area of work.
- ii. I will check and update myself of the relevant laws and seek clarification where required to ensure compliance.
- iii. I will escalate all situations where I believe we are not complying and take steps in consultation with my superiors to ensure compliance.
- iv. I will consult the Law Department when in doubt regarding applicability of a law to any situation in my work area or those that come to my notice.

**F. Retaliation in the Workplace Policy**

Our No Retaliation policy describes our provisions towards employees who file reports for harmful, discriminatory, or unethical behaviors. Whether accusations are true or false, our Company wants to prevent victimization and other

retaliatory behavior towards the employee. We believe it is important that employees are not afraid to speak up about any issues. It is to our Company's benefit to resolve them as soon as possible. An environment of fear can only be harmful in the long run.

We will follow all legal prohibitions for retaliation and will grant employees the right to speak about misconduct.

### **Policy elements**

- Actions that often bring about retaliation include but are not limited to:
  - Complaints about workplace harassment or discrimination.
  - Complaints about company actions that harm the environment or society.
  - Participation in a pending investigation of misconduct or violations
  - Lawsuits for wrongful dismissal or termination for cause

Employees may file complaints internally to a manager, the Human Resources Department or the 3<sup>rd</sup> party number/website which is provided specifically for this purpose and communicated to all employees. These employees are called "Whistleblowers".

In all such cases we will follow our harassment-free workplace principles. Employees who report misconduct or suspected violation must be protected from retaliation. We do not want to silence complaints, but we encourage open communication in accordance with our open-door policy.

### **Why do we need a No Retaliation Policy?**

We need a no retaliation policy for two reasons. First, when reports have a solid basis, we must consider them and act. Retaliating against an employee who brought attention to inconsistencies or violations will harm our Company's trustworthiness and reliability. Secondly, any kind of retaliatory action, whether intentional or unintentional, may expose us to a serious legal risk.

It is important to note that this policy refers to circumstances when an employee's report is true as well as circumstances when the report is baseless. We do not consider the report's validity when it comes to no retaliation principles. Our company will not malevolently punish its employees in any way and for whatever reason.

Retaliation in the workplace may be expressed in a variety of ways. These include but are not limited to:

- Victimization
- Termination or illegal retraction of benefits
- Reduction of compensation
- Poor work performance evaluation
- Exclusion from corporate events or meetings
- Defamation of character

Retaliation is in general defined as any kind of negative action against an employee that takes the form of punishment, and creates a hostile, threatening or uncomfortable environment because of their reported complaint.

Employees that are found guilty of retaliation will be subject to disciplinary action that may also result in termination.

Disciplinary action may also apply to employees who have repeatedly filed false or unreasonable complaints and are proven to have been intentionally lying, falsifying evidence, acting maliciously or for personal benefit. That way we can ensure that employees do not take advantage of our policy and act always in good faith.

### **Actions**

Employees have the right to communicate problems, suggestions, or issues to any manager. No retaliation policy applies to all official or unofficial reports. All complaints will be kept confidential and investigation will be as little disruptive as possible.

In cases of lawsuits or complaints filed in an authority or legal entity, employees will not be victims of retaliation.

If an employee files a complaint with the Company for another employee, we will take it seriously and investigate thoroughly. If we need to act immediately during our investigation (like in cases of harassment), we will ensure the employee who filed the complaint will not be affected in any way. The alleged wrongdoer may see their employment or position affected until the investigation is concluded.

In some cases, an employee who has filed a report may face disciplinary action on an unrelated offence. We will provide official documentation stating the reason of disciplinary procedures against the employee, along with evidence for their misconduct.

### **SOME EXAMPLES OF WHAT MAY BE CONSTRUED AS VIOLATIONS**

This section enumerates some illustrative examples of what could be construed as a violation. Violations can be categorized in three areas.

#### **Violations causing personal grievances.**

These are violations having a direct impact on an employee and / or members of his family. Illustrative examples of such violations are.

1. Putting forward a colleague's effort as one's own
2. An employee using abusive language.
3. A Manager asking an employee to do his personal work.
4. Using guest houses to accommodate persons not connected with our business.
5. Promoting a colleague based on criteria other than merit.
6. Delays in receipt of dues by an employee.

#### **Violations compromising personal integrity.**

These are violations where an employee has compromised on his personal integrity. Illustrative examples of such violations are:

1. Accepting consideration for favoring a supplier.
2. Pressurizing business associates (e.g. a bank) to employ a relative on criteria other than merit.
3. Using office time or office resources for personal work.
4. Awarding a contract on criteria other than merit.
5. Offering illegitimate commissions to a customer.
6. Showing personal expenses as business expenses.
7. Camouflaging personal trips as official trips.
8. Not reporting a potential conflict of interest.

#### **Violations relating to organizational issues.**

These are violations which an employee feels will impact the organization. These relate to the structures, systems, processes, and policies of the organization. Illustrative examples of such violations are:

1. An employee talking rudely to customers.
2. Making donations to a political party from company funds which are not duly approved.
3. Non-compliance with applicable legislations such as Factories Act, Pollution Control norms etc.

### **ENFORCEMENT MECHANISM**

All concerns, dilemma or complaints for violation of this Code can be raised anonymously or openly at Email id: [abg.ethicshelpline@integritymatters.in](mailto:abg.ethicshelpline@integritymatters.in). Toll free Hotline no.: 1800-102-6969. Web portal: [abgethicshelpline.integritymatters.in](http://abgethicshelpline.integritymatters.in). All the matters raised to ethics helpline will be addressed to the appropriate Hindalco Value Committee and will be dealt with in terms of detailed guidelines framed for this purpose, which is available with all Unit HR teams and is also displayed on notice boards and communicated by email from time to time. Employees may also choose to reach out directly to Values Committee members, HR, or their Managers. As mentioned earlier, wherever possible, we encourage open and direct communication of grievances and complaints, in accordance with our open-door policy. Additionally, for the purposes of Clause II (3), the Hindalco Values Committee should communicate its decision with reasons, by judiciously exercising its power.

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