



# Supplier Code of Conduct



Birla Cellulose  
Fibres from nature

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Birla Cellulose is part of the Aditya Birla Group. The group is governed by its strong set of values and has a vision of creating value for its multiple stakeholders through its leadership in sustainable business practices.

Birla Cellulose is among the global leaders in Man-made Cellulosic Fibre (MMCF) industry and produces a complete range of MMCF spanning all the three generations of fibres viz. viscose staple fibre (VSF), modal & lyocell.

Birla Cellulose comprises of pulp & fibre manufacturing operations of Grasim Industries Ltd., India; Thai Rayon Public Co. Ltd., Thailand; PT Indo Bharat Rayon, Indonesia; Birla Jingwei Fibres Co. Ltd., China; AV Group NB & AV Terrace Bay, Canada and Domsjo Fabriker AB, Sweden.

**Our values define what we stand for and how we do things. They are akin to a compass that guides our decision making and behaviour.**

**Individually, each value means what it is and when combined together, they shape the culture of our organization and its identity.**

- Integrity
- Commitment
- Passion
- Seamlessness
- Speed

## 1. Purpose and Scope

Birla Cellulose is a values driven organization. Our core values are Integrity, Commitment, Passion, Seamlessness, and Speed. These values are foundation for all actions and decisions in our Business. Based on integrity as a value, we shall maintain complete fairness in all dealings with our vendors (including potential vendors) based on mutual trust and credibility with an objective of achieving highest level of efficiency.

Birla Cellulose aspires to be the global leader in Sustainable Business Practices in the MMCF industry. Sustainability is a key component in our decision-making process and is integral part of our business strategy. We have committed ourselves to the principles of sustainability. The 'Supplier Code of Conduct' of Birla Cellulose is developed based on global best practices such as safety, health, environment, human rights, ethical and fair business practices.

Birla Cellulose's endeavor is to procure sustainable goods and services that represent the best price, quality, delivery and technological offering. Our Suppliers are one of our most valuable stakeholders and most important business partners. For this reason, it is important for us to collaborate and ensure long-term sustenance of all our Suppliers.

We are committed to create a supply chain that is resilient and viable in the wake of risks and opportunities potentially arising from the external legal, technical, environmental and societal megatrends as part of our business future-proofing program. We would like to actively engage and partner with our Suppliers and discuss our approach and collective actions on building sustainable business models.

The 'Supplier Code of Conduct' is aimed at creating a positive impact on the sustainable business practices across its value chain and its compliance is a key criterion for selection and partnerships with our Suppliers. All the material or service Suppliers of Birla Cellulose are expected to fully understand the requirements of this Supplier Code of Conduct and apply it within their operations and in all their dealing with Birla Cellulose.

In dealing with vendors, no decision and / or action will be influenced by any personal favour and/or any extraneous factor other than in the normal course of business.

Embodying the above principle, this code of conduct is prepared to cover all Suppliers of goods and services, contractors, consultants, agents, intermediaries, etc. (collectively referred to as "Supplier" or "Suppliers") who do business with the Company or intend to do business with the Company.

## 2. Birla Cellulose – Supplier Code of Conduct

Birla Cellulose procurement ethics focuses on a) zero tolerance on corruption b) avoiding any form of conflict of interest and c) honest representation of Supplier's capabilities.

Suppliers are strongly urged to familiarize themselves with this code of conduct and to ensure successful working relations with Birla Cellulose, and to comply with all laws and regulations applicable to the following principles:

### A. Human Rights

Suppliers to Birla Cellulose have to:

- Respect the personal dignity, privacy and rights of each individual.
- Employ workers who are legally authorized to work in their location and facility and are responsible for validating employee's eligibility to work status through appropriate documentation.
- Not to use any form of slave, forced, bonded, indentured, or involuntary prison labor.

- Not to engage in human trafficking or exploitation, or import goods tainted by slavery or human trafficking. They shall not retain employee's government-issued identification, passports or work permits as a condition of employment.
- Follow the local applicable laws of working hours, rest days, wages, overtime and other benefits.
- Ensure that no underage labor has been used in the production or distribution of their goods or services.
- Ensure that their workers are paid lawful wages, including overtime, premium pay, and equal pay for equal work without discrimination.
- Work towards making a system to ensure that any concerns of employees or potential unlawful practices are reported.
- Follow fair employment policies & procedures.
- Ensure there is no discrimination based on factors such as gender, nationality, caste, religion or ethnic background for employment and working conditions.
- Respect the right to freedom of association of their workers, fair employment policies.
- Provide women employees full protection from sexual harassment at workplace and compliance to the local regulatory requirements.

#### **B. Environment, Health and Safety**

- Comply with all the applicable Environmental, Health and Safety laws and regulations, and follow Zero tolerance policy on act of safety violence.
- Comply with all international, national, and local environmental laws, regulations and permits as applicable to their business operations. Supplier should ensure that their operational permits are valid at all times.
- Suppliers must strive to implement an Environmental Management System based on international standards such as ISO 14001.
- The Supplier should have a sustainable procurement policy of his or her own.
- Provide a safe work environment, and integrate sound health and safety management practices into their business. Workers shall have the right to refuse unsafe work and to report unhealthy working condition.
- Identify, evaluate, and manage environment, occupational health and safety hazards through a prioritized process of hazard elimination, engineering controls, and/or administrative controls.
- Provide workers with job-related, appropriately maintained personal protective equipment and training and instruction to work with safety and taking care of environment.
- Identify and assess potential emergency situations. For each such situation, Supplier shall develop and implement emergency plans and response procedures that minimize harm to life, environment and property.
- To manage, measure and minimize the environmental impact of their facilities. Specific focus on continuous improvement in air emissions, waste reduction, recovery and recycling, wastewater quality.
- Use natural resources as well as utilities judiciously in their processes and operations.

- Supplier should strive to have a policy for Climate Change, Water Conservation, Chemical Management and take appropriate steps for improvement in this direction.
- Obtain appropriate authorizations to access or use Birla Cellulose's assets, properties, information and intellectual property rights for official purpose only as per the terms of engagement with Birla Cellulose.
- The supplier is expected to continuously improve its working environment all the way through the value chain:
  - a. by means of operational control and monitoring;
  - b. by focusing on awareness training, e.g. by obtaining an ISO 45001 certification; and working dedicatedly with this.

### **C. Applicable Laws and Regulations**

- Suppliers should comply with and implement an appropriate Compliance Management System, which facilitates compliance with all applicable laws, regulations, and standards.
- Suppliers shall comply with the relevant anti-trust laws applicable at all time and not indulge in any anti-competitive practices whether itself or through other entities.

### **D. Business Ethics**

- Maintain the highest degree of integrity in their dealings with Birla Cellulose both in term of commercial confidentiality, and the protection of all sensitive information received in the course of providing the business services concerned. Suppliers shall comply with the privacy and information security laws and regulations applicable from time to time.
- Corrupt arrangements with customers, Suppliers, government officials, or other third parties are strictly prohibited. "Corruption" generally refers to obtaining, or attempting to obtain, a personal benefit or business advantage through improper or illegal means.
- Not to offer/accept bribe or do not let other offer/accept bribe on his behalf.
- Not to accept or acquiescence in kickbacks or other unlawful or improper means of obtaining or retaining business, or taking or refraining from taking any action as an improper inducement or a reward for any act or decision.
- Intellectual Property – Suppliers shall take appropriate steps to safeguard and not infringe any Birla Cellulose confidential and proprietary information/intellectual property/technology, which come to its knowledge during the course of its business relationship.
- Neither engaged, nor shall engage in any other acts or transactions in each case, in violation of or inconsistent with the Prevention of Corruption Act, 1988 as may be amended, re-enacted, replaced or consolidated from time to time and in relation to the offence of abetment, Indian Penal Code 1860 as may be amended, re-enacted, replaced or consolidated from time to time, or any other applicable anti-bribery or anti-corruption Law, which has as its objective, the prevention of corruption.
- Neither directly or indirectly engaged nor shall directly or indirectly engage in or facilitate any activity which will amount to money laundering, including without limitation, smuggling, terrorism and terrorist financing, conversion, concealment or disguise to make appear as legitimate, or acquisition, possession or use, of any economic advantage or property obtained or suspected to have been obtained from or in connection with any category of offences designated under any applicable anti-money laundering or other applicable Law; or
- Supplier shall compete with other suppliers in a fair manner and with integrity. Supplier shall not exchange information or enter into agreements or understandings with competitors, customers or suppliers in a way that improperly influences the market place or outcome of a bidding/negotiation process.

- Not to deal or trade in securities of Birla Cellulose directly or indirectly, when having access to any Birla Cellulose Price Sensitive information and Not to violate any provisions of the Prevention of Money Laundering Act, 2002, as may be amended, re-enacted, replaced or consolidated from time to time, or any other applicable anti-money laundering Law, which has as its objective the prevention of money laundering.

### **3. Non-compliance to Code of Conduct**

The Supplier represents and warrants to comply with the Supplier Code of Conduct and undertakes to indemnify the Birla Cellulose, its affiliates and associated persons against any loss or damages suffered on account of any failure to comply with the Supplier Code of Conduct.

Breach of the Code of Conduct may result in action being invoked against that Supplier, in addition to any contractual or legal remedies. The actions applied will depend on the nature and seriousness of the breach, the degree of commitment shown by the Supplier in corrective actions, and compliance to its obligations under the Code of Conduct. The range of actions available to be imposed on the Supplier includes but is not restricted to the following:

- Formal warnings – that the continued non-compliance will lead to more severe actions
- Disclosure of nature of breach to all Aditya Birla Group and associated companies
- Immediate termination of contract and black listing without recourse

### **4. Management Commitment**

Birla Cellulose believes that sound management systems and commitment are key to enriching the social and environmental well-being of our supply chain. Birla Cellulose holds its Suppliers accountable to this Code and all of its standards. Supplier shall implement or maintain, as applicable, a management system that facilitates compliance with this code and the law, identifies and mitigates related operational risks, and facilitates continuous improvement.

Birla Cellulose encourages openness and will support anyone who raises genuine concerns about any violations or corrupt practices, in good faith.

### **5. Reporting Mechanism**

If Supplier or any of its Affiliates or associated persons becomes aware of or reasonably suspects a violation or potential violation of the Supplier Code of Conduct, by either of the Supplier or of the Birla Cellulose, such Persons may report the same to Birla Cellulose by sending email to '[grasim.legal@adityabirla.com](mailto:grasim.legal@adityabirla.com)'.

### **6. Right to Audit**

Birla Cellulose reserves the right to conduct a full audit if necessary to ensure compliance of the Supplier Code of Conduct.

### **7. Grievance Redressal**

Suppliers can refer Grievance Redressal Mechanism [here](#) and can report their grievance by sending email to '[bc.grievance@adityabirla.com](mailto:bc.grievance@adityabirla.com)'.

We accept to implement and follow the Birla Cellulose's Supplier Code of Conduct.

Signature:

Name of Authorized Signatory:

Supplier Name:

Date:

Address of Supplier:

Seal of Supplier:

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