



# Integrity:

Guide to Our Policies



**Integrity:**

**The Spirit  
&**

**Letter of Our Commitment**

International Institute of Biotechnology and Toxicology  
(IIBAT)



Formerly known as Fredrick Institute of Plant Protection and  
Toxicology ( FIPPAT )

Padappai 601 301, Tamil Nadu State , India

## **Statement of Integrity**

### **Integrity – The Spirit & Letter of Our Commitment**

Over a quarter century people at IIBAT have created an asset of incalculable value. The institute's worldwide reputation for integrity and high standards of business ethics are its best wealth. We are justifiably proud that IIBAT is a Society of great strength and high values.

The Society and the world in which we operate continue to change with dynamic speed. Despite all the change, one thing is constant: **integrity remains our core value.**

IIBAT's quest for competitive excellence begins and ends with our commitment to lawful and ethical conduct.

As in the past, we ask each person in the IIBAT community to make a personal commitment to follow our Code of Conduct. Guiding us in upholding our ethical commitment is a set of IIBAT policies on key integrity issues. All IIBAT employees must comply not only with the letter of these policies but also their spirit.

If you have a question or concern about what is proper conduct for you or anyone else, promptly raise the issue with your HOD, or the Director-cum Secretary or through one of the many other channels the Society makes available to you. Nothing either internal or external factors should ever compromise our commitment to integrity.

IIBAT leaders have the additional responsibility of overseeing and fostering a culture in which compliance with IIBAT policy and applicable law are at the core of our business activities. Concerns about appropriate conduct must be promptly addressed with care and respect.

We are all privileged to work for one of the globally known institutions. It is now the responsibility of our generation to preserve and further strengthen so that our followers build better on the strong foundation we provide. IIBAT'S commitment to total, unyielding integrity should ever be the guiding force.

**Dr G Ranagaswami**  
**Chairman**

Date: 16<sup>th</sup> October 2002

Place: Padappai, Tamil Nadu State, India.

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## How to Use This Guide

IIBAT has long reinforced its commitment to integrity with written policies concerning key risk areas. This booklet provides you with an introduction to those policies. It is an essential tool that equips you to identify risk areas that you may come across in your job and to learn what to do whenever you have a question or concern about an integrity policy.

### How this book is organized

1. Read the letter from the Chairman called the Statement on Integrity and the IIBAT Code of Conduct to learn about the importance of IIBAT's commitment to integrity and the fundamental ethical principles underlying our policies.
2. Read the Introduction, which explains the responsibilities that all employees have for complying with the society's policies and for raising concerns about possible violations of law or policy.
3. Read the summaries of the IIBAT integrity policies. For each policy you will find a "policy overview," "core requirements," and examples of "what to watch out for."
4. For each policy that relates to your job, be sure to read the complete and latest text of the policy, found on the IIBAT Integrity Website (coming soon). Talk to your manager/HOD to understand how the policies apply to your job. If you do not have Web access, you can obtain a printed copy of any policy from your manager or, if you prefer, from society's legal counsel, human resources manager, or other compliance specialist.

#### Important

**This guide and the policies described in it are not an employment contract. IIBAT does not create any contractual rights by issuing the guide or the policies.**

## 1.0 IIBAT Code of Conduct

- Obey the applicable laws and regulations governing our business conduct worldwide.
- Be honest, fair and trustworthy in all your IIBAT activities and relationships.
- Avoid all conflicts of interest between work and personal affairs.
- Foster an atmosphere in which fair employment practices extend to every member of the diverse IIBAT community.
- Strive to create a safe workplace and to protect the environment.
- Through leadership at all levels, sustain a culture where ethical conduct is recognized, valued and exemplified by all employees.

## 1.1 Introduction

IIBAT has issued one set of policies to implement its Code of Conduct and to help IIBAT employees take a consistent approach to key integrity issues. This booklet contains basic information about each of our policies. The underlying responsibilities of all employees and leaders, penalties for violations and how to handle an integrity concern are described in this introduction.

## 1.2 Who must follow IIBAT policies?

### IIBAT employees

IIBAT policies apply to all employees of the Society/ Institution.

### Subsidiaries and other controlled affiliates

Subsidiaries and other controlled affiliates must adopt and follow corresponding policies. A controlled affiliate is a subsidiary or other entity in which IIBAT owns, directly or indirectly.

### Non-controlled affiliates

Employees serving as directors (or in equivalent positions) of non-controlled affiliates should, to the extent possible, encourage such affiliates to adopt and follow corresponding policies.

### Third parties

All IIBAT businesses must require that others representing IIBAT – such as consultants, agents, representatives, and independent contractors – agree to follow applicable IIBAT policies.

Leaders and employees must:

- Identify those persons and companies/bodies outside IIBAT whose activities on behalf of IIBAT may involve issues covered by IIBAT policies.
- Require those persons and companies to agree to comply with relevant aspects of IIBAT policies.
- Provide those persons and companies with appropriate education on the requirements imposed by IIBAT policies.
- Take necessary action, up to and including terminating a contract with anyone representing IIBAT, after learning that the person failed to honour his or her agreement to abide by IIBAT policies.

## 1.3 Which law applies?

IIBAT conducts business with more than 1000 bodies around the world. Our employees are mostly citizens of India from different ethnic backgrounds who do work for numerous countries, provinces, states, municipalities and organizations such as the European Union. As a result, our operations are subject to the laws of many countries, provinces, states, municipalities and organizations.

An important challenge for all of us is to understand how these laws may apply to our operations. IIBAT, is a Society organized/incorporated in India. The laws of India frequently extend to the operations of IIBAT and its affiliates throughout the world as well as to the business activities of IIBAT employees wherever they live and work.

In the policies that follow, the references to the laws of India and the other countries where we do business reflect the reality that a global Society is regulated by many different laws at the same time. In some instances, there may be a conflict between the applicable laws of two or more countries. When you encounter such a conflict, it is especially important to consult society legal counsel to understand how to properly resolve such conflict.

## 1.4 Employee responsibilities

Each policy identifies specific responsibilities. However, you must also follow these basic obligations common to all policies:

- Learn the details of policies dealing with your work. No one expects you to know all policies word for word. You should have a basic understanding of issues covered by each policy, and you should have a detailed understanding of policies that apply to your job. Check the IIBAT Integrity Website for the complete and latest text of every IIBAT policy that relates to your work.
- Seek assistance from your manager, society legal counsel, or other IIBAT resources when you have questions about application of the policies.
- Promptly raise any concern that you or others may have about possible violations of any IIBAT policy, or about a possible request that you believe might violate an IIBAT policy.
- Understand the many options you have for raising integrity concerns. You may raise them with an IIBAT manager, or, if you prefer, with a society legal counsel, IIBAT auditor, IIBAT Corporate Ombudsman or other IIBAT compliance specialist. Your communication may be written or oral, and it may be anonymous.
- If you raise an integrity concern and the issue is not resolved, raise it with one of the other contacts listed above.
- Cooperate in IIBAT investigations into concerns about an IIBAT policy.

### **Important**

**IIBAT prohibits any employee from retaliating or taking adverse action against anyone for raising or helping to resolve an integrity concern.**

## 1.5.0 Leadership responsibilities

The obligations of IIBAT leaders go beyond those required of all employees. Leaders in our society are expected to:

### 1.5.1 Build and maintain a culture of compliance by:

- Personally leading compliance efforts through frequent meetings with direct reports and regular monitoring of compliance matters and programs
- Leading by example, using their own behaviour as a model for all employees
- Making sure that employees understand that business results are never more important than compliance
- Encouraging employees to raise their integrity questions and concerns
- Using employee actions and judgments in promoting and complying with IIBAT policies as considerations when evaluating and rewarding employees

### 1.5.2 Prevent compliance problems by:

- Ensuring that compliance risks associated with the business processes under the leader's management are systematically identified
- Ensuring that policies and procedures, tailored to the particular risk areas faced by a business, are issued and communicated
- Identifying for each IIBAT policy those employees, controlled affiliates and third parties who represent the society whose activities may involve issues covered by that policy
- Providing education and legal counselling to ensure that employees, controlled affiliates and, where appropriate, third parties understand the requirements of IIBAT policies and applicable law

### **1.5.3 Detect compliance problems by:**

- Implementing appropriate control measures in business processes, such as “dashboards” and “scorecards,” to detect heightened compliance risks and/or violations
- Promoting an effective ombudsperson system that permits employees to raise concerns without fear of retaliation
- Ensuring that periodic compliance reviews are conducted, with the assistance of the Corporate/Society Audit Staff, to assess the effectiveness of the business’ compliance measures and to identify ways of improving them

### **1.5.4 Respond to compliance problems by:**

- Taking prompt corrective action to fix any identified weaknesses in compliance measures
- Taking appropriate disciplinary action
- Consulting with IIBAT legal counsel and making appropriate disclosures to regulators and law enforcement authorities

Regularly, each officer, manager reporting to a business leader (Director-cum-Secretary) must review policy compliance with his or her direct reports and provide the results of those reviews to the business leader.

Periodically, the business leader will report on the results of those reviews in meetings to be scheduled by the Corporate/Society Policy Compliance Review Committee.

## **1.6 Penalties for violations**

Employees who violate the spirit or letter of IIBAT policies are subject to disciplinary action up to and including termination of employment. The following are examples of conduct that may result in discipline:

- Actions that violate a IIBAT policy
- Requesting others to violate a IIBAT policy
- Failure to promptly raise a known or suspected violation of a IIBAT policy
- Failure to cooperate in IIBAT investigations of possible violations of a IIBAT policy
- Retaliation against another employee for reporting an integrity concern
- Failure to demonstrate the leadership and diligence needed to ensure compliance with IIBAT policies and applicable law
- Violation of an IIBAT policy can also mean breaking the law, subjecting you or the society to criminal penalties (fines or jail sentences) or civil sanctions (damage awards or fines).

## 1.7 Your personal commitment

Periodically, IIBAT asks employees to acknowledge their commitment to the spirit and letter of IIBAT policies with the language printed below. Newly hired employees must sign the acknowledgment, “**Your Personal Commitment to Integrity.**” And have a procedure for distributing and collecting these acknowledgments.

<b>Your Personal Commitment to Integrity</b>
I acknowledge that I have received the guide to IIBAT policies, <b>Integrity: The Spirit &amp; the Letter of Our Commitment.</b> I understand that every employee is required to comply with the policies described in the guide. When I have a concern about a possible violation of IIBAT policy, I will raise the concern to a IIBAT manager, society legal counsel, IIBAT auditor, or other IIBAT compliance specialist.
<b>Signature of Employee</b>
Name : _____
Date: _____
Place: _____

## 1.8 Business policies and procedures

Your business management may issue its own policies and procedures. You must follow those policies and procedures in addition to those described in this guide.

FOR COMPLETE TEXT OF POLICIES VISIT THE IIBAT INTEGRITY WEBSITE : SOON TO BE HOSTED
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## 2.0 When You Have an Integrity Concern

One of the most important responsibilities each of us has, as an IIBAT employee, is the obligation to raise a concern about a possible violation of IIBAT policy or the law. Sometimes it may seem difficult to raise such a concern. Some of us may even feel it is a breach of personal ethical standards to do so. If you experience that sense of conflict, it's important to remember the tremendous harm that not raising a concern can cause, including:

- Serious damage to the health, safety and well-being of yourself, your fellow employees, the society as a whole, our customers and the communities in which we operate
- The loss of confidence in IIBAT – by customers, sponsors, governments and neighbours
- Huge fines, damage awards and other financial penalties against the society; fines and/or prison sentences for individual employees

Those are the reasons the Society requires that employees not sit silently when they have a policy concern. The point of raising a concern is not to get a friend in trouble, but to protect a colleague or neighbour from potential harm.

## 2.1 HOW TO RAISE AN INTEGRITY CONCERN?

The society offers you many ways to get answers to your questions about integrity issues and to raise any concern about what might be a violation of IIBAT policy:

- ✓ Your supervisor or manager
  - ✓ Your compliance/auditing resource
  - ✓ Society legal counsel
  - ✓ Next level of management
  - ✓ Ombudsperson
- Generally, your supervisor or manager will be in the best position to resolve the issue quickly.
  - If after raising an integrity concern the issue is not resolved, raise it with one of the other contacts listed above.
  - You can raise your concern orally or in writing, and if you prefer, you can do it anonymously.

**Write or e-mail to :**  
**IIBAT Society / Corporate Ombudsperson**  
No 12 Harleys Road , Kilpauk , Chennai 600 010 ,Tamil Nadu State , India  
e-mail : [iibat1@eth.net](mailto:iibat1@eth.net)

**Ombudsperson**= an official appointed to investigate complaints by individuals against maladministration by authorities or individuals.

**IIBAT policy of Ombudsperson** = Promoting an effective ombudsperson system that permits employees to raise concerns without fear of retaliation.

**The whole idea is to speak up. Ask questions. Get answers. Bring the concern into the open so that any problems can be resolved quickly and more serious harm prevented.**

## 2.2 WHAT HAPPENS WHEN AN INTEGRITY CONCERN IS RAISED?

**Assign Review Team**

**Then**

**Conduct Investigation**

**Then**

**Determine Actions**

**Then**

**Improve Processes**

**Then**

**Provide Feedback**

**Early Identification & Resolution are Critical!**

### **3.0 Working with Customers, Sponsors & Suppliers**

No matter how high the stakes, no matter how great the “stretch,” IIBAT will do business only by lawful and ethical means. When working with customers/ sponsors and suppliers in every aspect of our business, we will not compromise our commitment to integrity. This section offers a summary of five IIBAT policies that relate to the ways that our society interacts with customers/sponsors and suppliers:

- **Improper Payments**
- **International Trade Controls**
- **Money Laundering Prevention**
- **Privacy**
- **Supplier Relationships**

#### **3.1.0 Improper Payments**

##### **3.1.1 POLICY OVERVIEW**

IIBAT employees should not offer anything of value to obtain any improper advantage in selling goods and services, conducting financial transactions or representing the society’s interests to governmental authorities. This policy sets forth IIBAT standards of conduct and practices for certain kinds of payments; entertainment and political contributions. IIBAT must not authorize, involve itself in or tolerate any business practice that does not follow this policy.

A violation of this policy can result in severe civil and criminal penalties. All countries prohibit the bribery of their own public officials, and many also prohibit the bribery of officials of other countries.

IIBAT policy goes beyond these laws and prohibits improper payments in all of our activities, both with governments and in the private sector.

##### **3.1.2 Improper Payments-CORE REQUIREMENTS**

- Never give, offer, or authorize the offer, directly or indirectly, of anything of value (such as money, goods or a service) to a customer or government official to obtain any improper advantage. A business courtesy, such as a gift, contribution or entertainment, should never be offered under circumstances that might create the appearance of an impropriety. This policy does not prohibit lawful reimbursement for reasonable and bona fide expenditures – for example, travel and living expenses incurred by customers and directly related to the promotion of products or services, or to the execution of a contract.
- Never give a gratuity or other payment to government officials or employees to expedite a routine administrative action without consulting with the IIBAT Director-cum-Secretary or legal counsel. If such a “facilitating payment” is made, make sure it is clearly and accurately reflected in financial reports.
- Never contribute society’s funds or other the society assets for political purposes in India. Never contribute society funds or other society assets for political purposes outside India
- Require any person or firm who represents IIBAT (such as a consultant, agent, representative, distributor or contractor) to comply with this policy and related laws.
- Exercise due diligence when selecting persons or firms to represent IIBAT.
- Consult the implementing procedures for this policy, available on the IIBAT Integrity Website,(To be hosted soon) which describe in detail the measures that must be taken to comply with this policy.

### 3.1.3 Improper Payments -WHAT TO WATCH OUT FOR

- Any person or firm representing IIBAT or being considered to represent IIBAT who:
  - Has been accused of improper business practices
  - Has influence on the buying decision and a reputation for bribes
  - Has a family or other relationship that could improperly influence the decision of a customer or government official
  - Approaches you near an award decision and explains that he or she has a “special arrangement” with a government official or the customer
  - Insists on receiving a commission payment before the announcement of the award decision
- Any person who suggests that a IIBAT bid be made through a specific representative or partner
- Any request that a commission or other payment be made in a third country or to another name
- A commission that seems large in relation to the services provided

### 3.2.0 International Trade Controls

#### 3.2.1 POLICY OVERVIEW

Many countries regulate international trade transactions, such as imports, exports and international financial transactions, for a variety of reasons, including national security and foreign policy. In addition, India prohibits any cooperation with boycotts against certain countries from time to time or against firms which may be “blacklisted” by certain groups or countries.

#### 3.2.2 International Trade Controls-CORE REQUIREMENTS

- Follow relevant international trade control regulations, including licensing, shipping documentation, import documentation, reporting and record retention requirements of all countries in which you conduct business or in which your business is located. In some cases, these restrictions will apply to international trade in goods, technology, software and services as well as to financial transactions. Learn and follow your business’ own procedures regarding international transactions.
- Learn and understand the extent to which India trade controls apply to transactions conducted by your business, even outside India.
- Make sure all international transactions are screened against all applicable laws and regulations that restrict transactions with certain countries and persons.
- Do not cooperate with any restrictive trade practice or boycott prohibited or penalized under India or applicable local laws. Make sure you tell your manager about all boycott-related requests, including requests for information.
- Consult with Society legal counsel or your manager in any transaction in which a conflict arises between Indian Law and the law of another country or region, such as the laws blocking certain Indian restrictions or between states restrictions.
- Understand which party to the import transaction bears legal responsibility for the accuracy of import documentation. Where IIBAT bears legal responsibility, establish procedures to monitor and verify the accuracy and completeness of information presented to government authorities by IIBAT or by IIBAT agents. Where an agent or customer is the responsible party, ensure that IIBAT provides the full and accurate information the other party needs to complete import documents.

### **3.2.3 International Trade Controls -WHAT TO WATCH OUT FOR**

#### **a) All transactions:**

- Unfamiliar customer without convincing references
- Unusual transaction or application for this consignee, customer, end use or location
- Evasive, reluctant or otherwise unsatisfactory answers by a customer to questions about end use, end user, delivery dates or delivery locations
- Unusually favourable payment terms
- Lack of concern for normal training and warranty service
- Freight forwarder listed as ultimate consignee
- Abnormal packing, marking or routing of goods
- Unusual security or safety measures
- Links to the military that seem inappropriate to the stated business or to the transaction
- Involvement of parties related to countries engaged in the development of biological, chemical or nuclear weapons, or ballistic missiles
- Transactions involving an embargoed country, a citizen or representative of an embargoed country or an individual or entity subject to government sanction

#### **b) Imports:**

- An invoice price that does not reflect the full value of the imported goods
- Any payment to the exporter or benefiting the exporter that is not included in the invoice price or otherwise reported to customs authorities
- Transfer prices between related parties that fail to cover all costs and profits
- Inaccurate or incomplete invoice description of the imported goods
- Inaccurate identification of country of origin of the imported goods
- Use of an import tariff classification that does not appear to be an accurate description of the imported goods
- Any time IIBAT is designated as the importer of record in a country that does not have an established IIBAT import process
- Entry of goods under a preferential duty program, return of domestically manufactured goods, etc .Without supportive procedures that assure compliance with program requirements

### **3.3.0 Money Laundering Prevention**

#### **3.3.1 POLICY OVERVIEW**

People who are involved in criminal activity (for example, narcotics trafficking, bribery, and fraud) may try to “launder” the proceeds of their crimes to hide them or to make those proceeds appear legitimate.

More than 100 countries now have laws against money laundering which prohibit the acceptance or processing of the proceeds of criminal activities.

IIBAT is committed to complying fully with all applicable anti-money laundering laws throughout the world. IIBAT will conduct business only with reputable customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. Each IIBAT business is required to implement a “Know Your Customer/Sponsor” procedure and to take reasonable steps to ensure that the society does not accept forms of payment that have been identified as means of laundering money.

IIBAT integrity and reputation can be severely damaged by failing to detect those customer relationships and transactions that place us at risk.

### **3.3.2 Money Laundering Prevention -CORE REQUIREMENTS**

- Comply with all applicable laws that prohibit money laundering and that require the reporting of cash or other suspicious transactions. Understand how both types of laws apply to your business.
- Follow your business' "Know Your Customer" procedure. Each business has a due diligence process, tailored to its particular business environment, to obtain enough information and documentation about prospective customers, joint venture partners and affiliates to ensure that they are involved in legitimate business activities and that their funds come from legitimate sources.
- Follow your business' rules concerning acceptable forms of payment. Learn how to identify the types of payments that have become associated with money laundering activity (for example, multiple money orders or travellers cheque, large amounts of cash, or cheques on behalf of a customer from an unknown third party) and follow the rules that restrict or prohibit acceptance of them.
- Learn to identify and carefully watch for warning signs that may indicate money laundering or other illegal activities or violations of IIBAT policies.
- If you encounter a warning sign, raise your concern with society legal counsel and be sure to resolve your concern promptly before proceeding further with the transaction. Resolution should include management review and should be well documented.

### **3.3.3 Money Laundering Prevention-WHAT TO WATCH OUT FOR**

- A customer, agent or proposed joint venture partner who is reluctant to provide complete information, provides insufficient, false or suspicious information, or is anxious to avoid reporting or record-keeping requirements
- Payments by use of monetary instruments that are not consistent with the business activities of the client, appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms
- Requests by a customer, agent or proposed joint venture partner to pay in cash
- Early repayment of a loan in cash or cash equivalents
- Orders or purchases those are unusual or inconsistent with the customer's trade or business
- Unusually complex deal structures, payment patterns that reflect no real business purpose, or unusually favourable payment terms
- Unusual fund transfers to or from foreign countries unrelated to the transaction
- Transactions involving locations that have been identified as tax havens or areas of known money laundering activity
- Structuring of transactions to evade record-keeping or reporting requirements (for example, multiple transactions below the reportable threshold amounts)
- Wire transfer activity that is not consistent with the business activities of the customer or that originates or terminates with unrelated parties to the transaction
- Requests to transfer money or return deposits to a third party or to an unknown or unrecognized account

### **3.4.0 Privacy**

#### **3.4.1 POLICY OVERVIEW**

In our increasingly information-based society, individual consumer, medical, financial and other sensitive personal information must be adequately protected. IIBAT is committed to protecting personal information that we collect from or maintain about individual consumers. Each employee must take care to protect individually identifiable consumer information and other sensitive personal information from inappropriate or unauthorized use or disclosure, and each IIBAT business must implement fair and responsible privacy and information protection procedures and take reasonable steps to ensure compliance with such procedures and by your business' privacy policies, with practices

### **3.4.2 Privacy-CORE REQUIREMENTS**

- Comply with all applicable privacy and data protection laws, regulations and treaties.
- Provide individual consumers, as required by law or by your business' privacy policies, with:
  - Notice of relevant privacy policies
  - Descriptions of the types of information being collected and the uses to be made of the information
  - Choices regarding certain uses of the information by your business
  - Access to the information for verification and correction
  - Security for the information
- Learn and follow your business' implementing procedures for privacy and data protection. Pay particular attention to the protection of individual consumer information, medical and financial records, and other sensitive personal information, such as information from or about children.
- Do not acquire, use, or disclose individual consumer information in ways that are inconsistent with your business' privacy policies or with applicable laws or regulations.
- If you have access to individual consumer information, use that information only for authorized business purposes.
- Keep secure your business' records of individual consumer information, including computer-based information.
- Consult with legal counsel before establishing or updating any system, process, or procedure to collect, use, disclose, or transmit individual consumer information, medical or financial records, or other sensitive personal information.

### **3.4.3 Privacy-WHAT TO WATCH OUT FOR**

- Business or marketing plans that involve the inappropriate or unauthorized collection, use or disclosure of individual consumer information
- Privacy policies or notices that are inaccurate or out-of-date
- Disclosures of (or requests to disclose) individual consumer information, particularly sensitive personal information, to unaffiliated third parties who are not properly authorized to receive the information
- Transfers of individual consumer information to third parties, such as vendors or suppliers, who lack appropriate security safeguards or appropriate restrictions regarding their use of the information
- Transfers of individual consumer information between countries
- Inadequate information security controls, such as those that could permit unauthorized access to individual consumer information

### **3.5.0 Supplier Relationships**

#### **3.5.1 POLICY OVERVIEW**

IIBAT bases its relationships with suppliers on lawful, efficient and fair practices. We also expect our suppliers to adhere to applicable legal requirements in their business relationships, including those with their employees, their local communities and IIBAT. The quality of our supplier relationships often has a direct bearing on the quality of our customer relationships. Likewise, the quality of our suppliers' products and services affects the quality of our own products and services.

#### **3.5.2 Supplier Relationships-CORE REQUIREMENTS**

- Follow government acquisition regulations when purchasing materials and services for use in fulfilling government contracts.
- Provide a competitive opportunity for suppliers to earn a share of IIBAT purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities and women.
- Enlist supplier support in ensuring that IIBAT consistently meets and exceeds customer expectations of quality, cost and delivery.

- Do business only with suppliers who comply with local and other applicable legal requirements and any additional IIBAT standards relating to labour, environment, health and safety, intellectual property rights and improper payments.

### **3.5.3 Supplier Relationships-WHAT TO WATCH OUT FOR**

- Selection of suppliers on any basis other than open, competitive bidding
- Potential conflicts of interest in supplier selection, including the acceptance of gifts or other items of value except in strict compliance with business guidelines
- Directing business to a supplier owned or managed by a relative or close friend
- Unsafe conditions in supplier facilities, or workers who appear to be underage or subject to coercion
- Apparent disregard of environmental standards in supplier facilities

## **4.0 Government Business**

Most IIBAT businesses today count among their customers a least one governmental body, whether it's a city, state, province, country, international organization or government funded enterprise. Virtually all IIBAT businesses interact with government officials. We need to understand and follow the many special rules for companies that do business with governments or otherwise interact with them. The policy summarized in this section describes these rules:

- Working with Governments

### **4.1 Government Business- POLICY OVERVIEW**

IIBAT conducts business with many national governments (including government-owned enterprises), and their political subdivisions such as states, provinces and municipalities. IIBAT also interacts with many government agencies, ministries, officials, and public international agencies. IIBAT is committed to conducting its business with all governmental representatives with the highest ethical standards and in compliance with applicable laws and regulations, including the special requirements associated with government transactions.

### **4.2 Working with Governments-CORE REQUIREMENTS**

- Abide by applicable laws and regulations, with particular emphasis on those special requirements associated with government contracts and transactions.
- Require anyone providing goods or services for IIBAT on a government project or contract – such as consultants, agents, representatives, distributors, independent contractors and subcontract labour – to agree to comply with the intent of IIBAT Working with Governments policy.
- Be truthful and accurate when dealing with government officials and agencies.
- Adopt effective processes to ensure that: 1) reports, certifications, statements and proposals are current, accurate and complete; and, 2) contract requirements are adequately identified and communicated to personnel who have responsibility for contract performance.
- Do not make any unauthorized substitutions for contracted goods and services or deviate from contract requirements without the written approval of the authorized government official.

### **4.3 Working with Governments-WHAT TO WATCH OUT FOR**

- Special requirements associated with government transactions, including “commercial” transactions financed by government agencies such as the EX-IM Bank, ICMR, ICAR, DST and like.
- Incorrect or unauthorized cost-charging on government contracts
- Deviations from contract requirements or unauthorized contract substitutions, including the failure to perform required tests and inspections

- Submission of inaccurate or incomplete cost or pricing data when such data are required by the government
- Violating national, regional or local government regulations that establish gratuity restrictions, entertainment rules, recruiting prohibitions, non-commercial contract requirements or certification procedures
- Acceptance of information related to the government's competitive selection of a supplier, or a competitor's bid or proposal, unless the contracting officer or head of the agency has specifically and lawfully authorized release of such information

## **5.0 Competing Globally**

The competition laws (known in some countries as the antitrust laws) are a critical part of the global business environment in which IIBAT operates. They govern a wide range of IIBAT business activities, including setting prices, purchasing, selling and marketing goods and services. Every IIBAT employee is responsible for complying with the competition laws. The policy included in this section summarizes the requirements in this important area:

- **Complying with the Competition Laws**

### **5.1.0 Complying with the Competition Laws-**

#### **5.1.1 POLICY OVERVIEW**

IIBAT is dedicated to compliance with the competition laws in all of its activities. As part of its competition law compliance program, your business will provide materials and instructions detailing how the competition laws and this policy apply to the issues you might face. Competition law issues may be very complex. As such issues arise, you should review this policy and discuss any issues with society legal counsel.

#### **5.1.2 Complying with the Competition Laws-CORE REQUIREMENTS**

- Comply with all applicable competition laws, policies and treaties, as well as competition law decrees, orders and undertakings affecting IIBAT and its employees.
- Learn and comply with your business' specific procedures that address contacts with competitors, obtaining and handling data concerning competitors, and participating in trade associations, professional societies, and standards development and product certification organizations.
- Do not propose or enter into any agreements or understandings – express or implied, formal or informal, written or oral – with any competitor regarding any aspect of the competition between IIBAT and the competitor for sales to third parties.
- Do not propose or enter into any agreements or understandings with customers which restrict the price or other terms at which the customer may resell or lease any product or service to a third party.
- Do not propose or enter into any agreements or understandings with suppliers which restrict the price or other terms at which IIBAT may resell or lease any product or service to a third party.
- Consult with Society legal counsel early in the process of evaluating any proposed merger, acquisition or joint venture.
- Consult with society legal counsel in connection with business arrangements that could raise competition law issues, including:
  - Exclusive arrangements for the purchase or sale of products or services
  - Bundling of goods and services
  - Agreements that restrict a customer's choices in using or reselling a IIBAT product or service
  - Technology licensing agreements that restrict the freedom of the licensee or licensor
  - Selective discounting
  - Distribution arrangements with competitors
  - Agreements to add an IIBAT employee to another entity's board of directors

### **5.1.3 Complying with the Competition Laws-WHAT TO WATCH OUT FOR**

- Discussions or agreements with competitors on:
  - Prices
  - Terms or conditions of sale
  - Costs, profits or profit margins
  - Product or service offerings
  - Production or sales capacity or volume
  - Market share
  - Coordination of bidding activities
  - Dividing sales territories or allocation of customers or product lines and services
- Any contacts with competitors that could create the appearance of improper agreements or understandings, whether the contact is in person, in writing, by telephone, through e-mail or through other means of electronic communication.

## **6.0 In the IIBAT Community**

Beyond IIBAT specific responsibilities to customers and suppliers, all of us have important responsibilities to each other and to the communities in which we work. Throughout the society, we must ensure that employees are hired and promoted based on merit and that working conditions comply with the law. We must strive to provide safe environments for our employees and the communities in which we do business. Those principles are reflected in the following policies summarized in this section:

- **Environment, Health & Safety**
- **Fair Employment Practices**

### **6.1.0 Environment, Health & Safety-**

#### **6.1.1 POLICY OVERVIEW**

IIBAT is committed to achieving environmental, health and safety (EHS) excellence. This is a responsibility of management and employees in all functions. IIBAT will strive to provide a safe and healthy working environment and to avoid adverse impact and injury to the environment and the communities in which we do business. Our programs must combine clear leadership by management, the participation of all employees and functions, and the use of appropriate technology in developing and distributing IIBAT products and services.

#### **6.1.2 Environment, Health & Safety-CORE REQUIREMENTS**

- Comply with all relevant EHS laws and regulations.
- Create and maintain a safe working environment and prevent workplace injuries.
- Reduce waste, emissions and the use of toxic materials.
- Appropriately assess and manage our EHS risks.
- Eliminate unreasonable risks from our products, activities and services.
- Address site contamination issues in a cost-effective and appropriate manner.
- Respect the environmental rights and interests of our neighbours.

#### **6.1.3 Environment, Health & Safety-WHAT TO WATCH OUT FOR**

- Unsafe activities and conditions, such as:
  - Failure to use personal protective equipment (shoes, safety glasses, hearing protection, etc.)
  - Unlabeled chemicals
  - Exposed or unsafe wiring
  - Blocked fire exits
  - Unsafe driving or failure to wear seat belts
  - Working in high places without fall protection
  - Working beneath heavy, suspended loads, or improperly using cranes
  - Working on electrical or powered equipment without following appropriate lock-out, tag-out procedures

- Failure to comply with health, safety or environmental regulations and procedures
- EHS complaints from employees, customers or neighbours
- Deficiencies noted by government inspectors
- Unreported environmental, health or safety hazards or accidents
- Failing to respond promptly to concerns about possible product safety issues
- Missed opportunities for reducing waste and toxic materials

## **6.2.0 Fair Employment Practices**

### **6.2.1 POLICY OVERVIEW**

IIBAT is committed to fair employment practices, including the prohibition against all forms of illegal discrimination. By providing equal access and fair treatment to all employees on the basis of merit, we improve IIBAT success while enhancing the progress of individuals and the communities where our businesses are located.

IIBAT is committed to following the applicable labour and employment laws wherever it operates. That includes observing those laws that pertain to freedom of association, privacy, and recognition of the right to engage in collective bargaining, the prohibition of forced, compulsory and child labour, and those laws that pertain to the elimination of any improper employment discrimination.

### **6.2.2 Fair Employment Practices-CORE REQUIREMENTS**

- Use merit, qualifications (for example, education, experience, competencies, etc.) and other job related criteria as the sole bases for all employment-related decisions affecting employees and applicants.
- Recruit, hire, train, compensate, promote and provide other conditions of employment without regard to a person's race, colour, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law.
- Provide a work environment free of improper harassment, such as harassment directed at a person because of his or her race, religion, sex, etc.
- Respect the privacy rights of employees by using, maintaining and transferring their personal data in accordance with applicable society guidelines and procedures. While seeking to maintain employee privacy, however, IIBAT must reserve the right to monitor use of society property (for example, computers, e-mail, phones, proprietary information, etc.) in accordance with applicable law.
- Comply with all relevant laws and regulations.
- In India, take affirmative actions to increase opportunities in employment for women, minorities, the disabled and certain veterans.
- If a conflict arises between the requirements of this policy and the laws, customs or practices of a particular area, consult with management and society legal counsel to determine the most appropriate course of action.

### **6.2.3 Fair Employment Practices-WHAT TO WATCH OUT FOR**

- A hostile work environment (for example, telling jokes or displaying materials that ridicule or offend a member of a particular race or ethnic group)
- Allowing race, colour, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law to be a factor in hiring, promotion, compensation, or other employment-related decisions
- Making unwelcome sexual advances to another employee or person with whom you work
- Violating a labour law in your country (for example, hiring a child who is under the legal minimum age)
- Refusing to work, or otherwise cooperate with certain individuals because of their race, religion, sex, etc.
- Disclosing employment data to a person who does not have the business need, authority or the subject's consent

## **7.0 Protecting IIBAT Assets**

As IIBAT employees, each of us has a direct role in helping to maintain the society's financial integrity by keeping society records accurate. We must also safeguard the society's property, whether it is a piece of equipment, an electronic file, an IIBAT trademark or confidential information about an upcoming deal. In addition, we have a fundamental obligation to make sound business decisions on behalf of our society that are undistorted by our individual family, financial or other interests. The following policies, summarized in this section, concern our responsibilities for protecting IIBAT assets:

- **Conflicts of Interest**
- **Controllership**
- **Intellectual Property**

### **7.1.0 Conflicts of Interest**

#### **7.1.1 POLICY OVERVIEW**

IIBAT recognizes and respects that employees may take part in legitimate financial, business and other activities outside their jobs. However, those activities must be lawful and free of conflicts with their responsibilities as IIBAT employees. Employees must not misuse IIBAT resources or influence, or discredit IIBAT good name and reputation.

The effectiveness of this policy depends in large part on the cooperation of all employees in disclosing any situations that may be contrary to the intent of the policy and the ethical standards that it expresses.

#### **7.1.2 Conflicts of Interest-CORE REQUIREMENTS**

- Disclose your outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict. Make your disclosures in writing to your manager as well as society legal counsel or your business' finance manager.
- In addition to complying with the law and IIBAT policies, exercise your own good judgment in all personal and business dealings outside your IIBAT job.
- Avoid actions or relationships which might conflict or appear to conflict with your job responsibilities or the interests of IIBAT.
- Do not misuse IIBAT resources, intellectual property, time or facilities (including office equipment, e-mail, and computer applications).
- Obtain necessary approvals before accepting any position as an officer or director of an outside business concern.
- Obtain the approval of your manager when accepting a board position with a not-for-profit entity, when there may be an IIBAT business relationship with the entity or an expectation of financial or other support from IIBAT.

#### **7.1.3 Conflicts of Interest-WHAT TO WATCH OUT FOR**

- Holding a financial interest in a company or any body where you could personally affect IIBAT business with that company
- Taking a part-time job where you may be tempted to spend time on that job during your normal IIBAT working hours or to use IIBAT equipment or materials
- Receiving gifts of greater than nominal value from suppliers, customers or competitors while you are in a position to influence IIBAT decisions that might affect or appear to affect the outside concern
- Receiving personal discounts or other benefits from suppliers, service providers or customers not available to the general public or similarly situated IIBAT employees
- Accepting an offer to purchase "friends and family stock" in a company issuing shares through an initial public offering (IPO) if you interface with that company in your IIBAT business activities
- Directing business to a supplier that is owned or managed by a relative or close friend

- Misusing IIBAT resources, your position or influence to promote or assist an outside business or not-for-profit activity
- Preferential hiring of, direct supervision of, or making a promotion decision about a spouse, relative or close personal friend
- A romantic or other personal relationship that may create a conflict of interest with the employee's IIBAT responsibilities or compromise the society's interests

## **7.2.0 Controllership**

### **7.2.1 POLICY OVERVIEW**

Controllership comprises three elements that are vital to IIBAT unyielding commitment to maximize the value we create for all concerned with the society: (1) **compliance** with applicable laws, regulations and society policies, (2) **rigorous business processes** to ensure that management decisions are based on sound economic analysis (including a prudent consideration of risks), and that IIBAT's physical, financial and intellectual property assets are safeguarded and optimally employed; and (3) **integrity in communications** to ensure timely and accurate reporting of actual and forecasted financial information. Through the unwavering commitment of all employees to controllership, we create an environment in which we can all take pride.

### **7.2.2 Controllership CORE REQUIREMENTS**

- Follow IIBAT's General Accounting Procedures (GAP), as well as all generally accepted accounting principles, standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.
- Maintain complete, accurate and timely records and accounts to reflect all business transactions.
- Safeguard all physical, financial, informational and other society assets.
- Use economic, risk-based criteria to make business decisions.
- Provide timely, candid forecasts and assessments to management.
- Maintain sound processes and controls.

### **7.2.3 Controllership -WHAT TO WATCH OUT FOR**

- Financial results that seem inconsistent with underlying performance
- Inaccurate financial records, such as overstated travel and living expense reports, or erroneous time sheets or invoices
- Transactions that are inconsistent with good business economics
- Confidential information released to unauthorized third parties
- Absence of controls to protect assets from risk of loss
- Physical assets or other resources that could be more fully utilized reallocated or disposed of.
- Circumventing review and approval procedures
- Adequacy of routines and controls at newly acquired businesses and at remote, thinly-staffed sites

## **7.3.0 Intellectual Property**

### **7.3.1 POLICY OVERVIEW**

Among IIBAT most valuable assets is its intellectual property – patents, trade secrets, trademarks, copyrights and other proprietary information. It is IIBAT policy to establish, protect, maintain and defend its rights in all commercially significant intellectual property and to use those rights in responsible ways. All employees must take steps to safeguard these assets.

In addition to protecting IIBAT intellectual property rights, IIBAT respects the valid intellectual property rights of others. Unauthorized use of the intellectual property rights of others may expose IIBAT to civil law suits and damages. In many countries, theft and misappropriation of trade secrets, proprietary information or other intellectual property may result in significant fines and criminal penalties to both IIBAT and to the individual. New IIBAT products, services (including e-commerce initiatives), processes and

software, and any proposed use of the intellectual property of others, should be timely and reasonably reviewed for infringement.

### **7.3.2 Intellectual Property- CORE REQUIREMENTS**

- Identify and protect commercially significant IIBAT intellectual property.
- Follow the requirements of IIBAT Submitted Ideas Procedure in handling any unsolicited ideas from outsiders as well as any employee ideas not covered by the “Employee Innovation and Proprietary Information Agreement” (EIPIA). For more information, consult the “Intellectual Property Rights” Management Procedure.(Soon to be implemented)
- Respect valid patents, copyrighted materials and other protected intellectual property of others.
- Consult with society legal counsel concerning necessary licenses or approvals to use such intellectual property.
- Consult with society legal counsel before:
  - Soliciting, accepting or using proprietary information of outsiders, such as former employers of any IIBAT employee
  - Disclosing IIBAT proprietary information to outsiders
  - Permitting third parties to use IIBAT intellectual property.
- Assert intellectual property rights only in ways consistent with the law.
- Understand your responsibilities to the society regarding new inventions and ideas that you may develop while an IIBAT employee. Consult with society legal counsel if you have any question about these responsibilities or about the EIPIA which many employees must sign.
- Comply with the guidelines for use of the IIBAT primary trademarks and trade names contained in the IIBAT Identity Manual.
- Follow Society Management Procedures “Intellectual Property Rights” and “Trade Names, Trademarks and the IIBAT Identity Program” available on the IIBAT Integrity Website.

### **7.3.3 Intellectual Property-WHAT TO WATCH OUT FOR**

- Receiving from an employee, proprietary information about his or her prior employer
- Accepting proprietary information from an outsider, without first consulting society legal counsel, under circumstances where a confidential relationship exists or may be implied
- Discussing IIBAT proprietary information with customers or suppliers
- Passing on, for technical or management review, an outsider’s suggestion for a new product, product feature, service or name, without following the IIBAT Submitted Ideas Procedure
- Introducing, or divulging information about, a new product or service before patent applications have been filed or a decision has been made not to file an application
- Introducing a new product or service, or new product or service name, before checking for patent or trademark infringement
- Threatening anyone suspected of infringing any IIBAT intellectual property without first consulting with society legal counsel
- Employing a person who previously worked for a competitor without putting in place safeguards to prevent the person from inadvertently disclosing or using the competitor’s proprietary information



Guide to Our Policies

**VISIT THE INTEGRITY WEBSITE:**

**To be hosted soon**

- Complete Text of Policies, Including Questions & Answers
- Management Procedures
- Compliance Training
- Resources
- Integrity Help lines
- Compliance Tools and Best Practices
- IIBAT Business Integrity Websites

**Integrity:**  
**The Spirit**  
**&**  
**Letter of Our Commitment**

**Integrity:**