

Tata Hitachi Code of Conduct 2016

As amended up to February 2019

Guidebook

FOREWORD

The Tata Hitachi Code of Conduct is a set of guidelines, compiled from those found in the Tata Code of Conduct (TCOC) and the HCM Group Codes of Conduct. The Code lays down the ethical standards that Tata Hitachi employees and associates need to observe in their professional lives. It defines a value system which has endured since the inception of our company. In 2015, the Tata Code of Conduct underwent a major refresh in its structure and content to make it more inclusive and culturally sensitive, from a global perspective. This resulted in our bringing out a refreshed Tata Hitachi Code of Conduct (THCOC 2016) book this year.

The Code is a 'living' document. While it has remained unaltered in its essence, it has been amended over the years to stay aligned with changing cultural and regulatory norms prevalent across the multiple jurisdictions in which we conduct our business.

In keeping with global best practices and regulatory changes in key markets in which we operate, the Code has undergone a significant refresh. It explicitly defines our values, clarifies the duties and responsibilities of the company and colleagues in relation to the stakeholder groups. The Code is intended to be a contemporary and relevant guide for our times. The Tata Hitachi Code of Conduct is not intended to provide answers to all possible questions or ethical dilemmas that may arise at the workplace. Colleagues who feel uncertain about the appropriate professional conduct in any situation must seek guidance from the designated persons in the company, including the ethics counsellors, and utilise appropriate channels or platforms as identified in the Code.

All employees and associates of the Company, including its directors, supply chain partners and other stakeholders, are encouraged to read the Code, understand its contents, and furnish a declaration to the management every year of having read and complied with the Tata Hitachi Code of Conduct during the previous financial year.

Our success and the reputation enjoyed by our company, we owe, in a large measure, to the integrity and professional commitment of our colleagues. Consequently, we must not only comply with the laws and regulations that govern our business, but also strive to go beyond and set an example of business conduct that meets the highest ethical standards.

Each Tata Hitachi colleague has the ability to make a vital difference to the quality of life of the communities we serve. This Code represents our individual and mutual commitment to discharge our responsibilities through the most sustainable and ethical means, and emphasises our shared determination to reinforce our reputation of providing reliable solutions.

Sandeep Singh
Managing Director

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A. TATA HITACHI VISION AND MISSION

Vision

- "Reliable Solutions for Building a Greater Tomorrow"

Mission

- Be the preferred partner for providing reliable solutions for mining and infrastructure sectors.
- While dominating the domestic market, we will become a global manufacturing and development hub.
- Our hallmark shall be our motivated people, customer-centric culture, superior technologies, and strong partnerships, all working safely in unison with Environment and society.

B. TATA HITACHI VALUES

TATA HITACHI has always been value-driven.

The five core values that underpin the way we conduct our business activities are:

ETHICAL BEHAVIOUR

- Integrity
- Credibility
- Transparency

II. PASSION FOR CUSTOMERS

III. INNOVATION & LEARNING AS A WAY OF LIFE

IV. HIGH PERFORMANCE CULTURE AND TEAM WORK WITH RESPECT FOR INDIVIDUALS

V. COMMITTED TO THE ENVIRONMENT AND SOCIETY

These values serve as the foundation for the Tata Hitachi Code of Conduct.

C. SCOPE AND PURPOSE OF THIS CODE

1. This Code sets out how we behave with:

- Our employees, or those who work with us,
- Our customers,
- The communities and the environment, in which we operate,
- Our value-chain partners, including suppliers and service providers, distributors, sales representatives, contractors, channel partners, consultants, intermediaries and agents,
- Our joint venture partners or other business associates,
- Our financial stakeholders,
- The governments of the countries in which we operate,
- The Group companies under Tata Hitachi Construction Machinery Co. Pvt Ltd.

2. Definitions

(a) In this Code, the term "the company /our company" means Tata Hitachi Construction Machinery Company Private Limited (THCM).

(b) In this Code, the term "we /us" means our company or a group company, its executive directors, officers, employees and those who work us, as the context may require.

(c) The term "our group companies" in this Code typically means those companies, which THCM intends this Code to apply to, and /or THCM has issued this Code to.

3. This Code sets out our expectations of all those who work with us. We also expect those who deal with us to be aware that this Code underpins everything we do, and in order to work with us they need to act in a manner consistent with it.

D. OUR GUIDING PRINCIPLES

As leaders, we will:

- Always put our customers first
- Empower and develop people
- Encourage open and transparent communication
- Build teamwork and partnership with trust and respect
- Align and guide people towards timely achievement of organizational goals
- Inculcate a culture of Kaizen, PDCA, 5S, Visualization and SGA
- Develop a 'do it right the first time' attitude
- Be committed to the environment and to society

E. OUR EMPLOYEES

Equal Opportunity Employer

1. We provide equal opportunities to all our employees and eligible applicants for employment in the company. We do not unfairly discriminate on any ground including race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin, disability or any other category protected by applicable laws.
2. When recruiting, developing and promoting our employees, our decisions will be based solely on performance, merit, competence and potential.
3. We shall have fair, transparent and clear employee policies which promote diversity and equality, in accordance with applicable laws and other provisions of this Code. These policies shall provide clear terms of employment, training, development and performance management
4. Our employee policies shall support work-life balance through diverse working styles and vacation planning, whereby employees will be free to take leave for pregnancy, childbirth, child raising and family nursing care as and when required, as per the rules of the company.

Dignity and respect

5. Our leaders shall be responsible for creating a conducive work environment built on tolerance, understanding, mutual cooperation and respect for individual privacy.
6. Everyone in our work environment must be treated with dignity and respect. We do not tolerate any form of harassment: sexual, physical, verbal or psychological.
7. We have clear and fair disciplinary procedures, which necessarily include an employee's right to be heard.
8. We respect our employees' right to privacy. We have no concern with their conduct outside our work environment, unless such conduct impairs their work performance, creates conflicts of interest or adversely affects our reputation or business interests.

Human rights

9. We will promote our understanding of internationally recognized human rights, and will respect and not infringe on the human rights of all those involved in our business activities and we do not employ children at our workplaces.

10. We do not use forced labour in any form at our workplaces. We do not confiscate personal documents of our employees, or force them to make any payment to us or to anyone else in order to secure employment with us, or to work with us.

11. Every employee of the company shall preserve the human rights of every individual and the community, and shall strive to honour commitments.

Bribery and corruption

12. Our employees and those representing us, including agents and intermediaries, shall not, directly or indirectly, offer or receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favours for the conduct of our business.

Gifts and hospitality

13. Business gifts and hospitality are sometimes used in the normal course of business activities. However, if offers of gifts or hospitality (including entertainment or travel) are frequent or of substantial value, they may create the perception of, or an actual conflict of interest or an 'illicit payment'. Therefore, gifts and hospitality given or received should be modest in value and appropriate and in compliance with our company gifts and hospitality policy.

Freedom of association

14. We recognise that employees may be interested in joining associations or involving themselves in civic or public affairs in their personal capacities, provided such activities do not create an actual or potential conflict with the interests of our company. Our employees must notify and seek prior approval for any such activity as per the 'Conflicts of Interest' clause of this Code and in accordance with applicable company policies and laws.

Working outside employment with us

15. Taking employment, accepting a position of responsibility or running businesses outside employment with our company, in your own time, with or without remuneration, could interfere with your ability to work effectively at our company or create conflicts of interest. Our employees must notify and seek prior approval for any such activity as per the 'Conflicts of Interest' clause of this Code and in accordance with applicable company policies and law. Any such activity must not be with any customer, supplier, distributor or competitor of our company.

Integrity of information and assets

16. Our employees shall not make any wilful omissions or material misrepresentation that would compromise the integrity of our records, internal or external communications and reports, including the financial statements.

17. Our employees and directors shall seek proper authorisation prior to disclosing company or business- related information, and such disclosures shall be made in accordance with our company's media and communication policy. This includes disclosures through any forum or media, including social media.

18. Our employees shall ensure the integrity of personal data or information provided by them to our company. We shall safeguard the privacy of all such data or information given to us in accordance with applicable company policies or law.

19. Our employees shall respect and protect all confidential information and intellectual property of our company.

20. Our employees shall safeguard the confidentiality of all third party intellectual property and data. Our employees shall not misuse any intellectual property and data that comes into their possession and shall not share it with anyone, except in accordance with applicable company policies or law.

21. Our employees shall promptly report the loss, theft or destruction of any confidential information or intellectual property and data of our company or that of any third party.

22. Our employees shall use all company assets, tangible and intangible, including computer and communication equipment efficiently and effectively for the purpose for which they are provided, and in order to conduct our business. Such assets shall not be misused. We shall establish processes to minimise the risk of fraud, and misappropriation or misuse of our assets.

23. We shall comply with all applicable anti-money laundering, anti-fraud and anticorruption laws and we shall establish processes to check for and prevent any breach of such laws. The company, in the course of its business activities, shall exercise due caution and care to avert any relationship or involvement with organized crime, improper commercial transaction or money laundering.

Insider trading

24. Our employees must not indulge in any form of insider trading and/or assist others, including immediate family, friends or business associates, to derive any benefit from access to and possession of price sensitive information that is not in the public domain. Such information would include information about our company, our group companies, our clients and our suppliers.

Prohibited drugs and substances

25. Use of prohibited drugs and substances create genuine safety and other risks at our workplaces. We do not tolerate prohibited drugs and substances being possessed, consumed or distributed at our workplaces, or used in the course of company duties.

Conflicts of interest

26. Our employees and executive directors shall always act in the interest of our company and ensure that any business or personal association including close personal relationships which they may have does not create a conflict of interest with their roles and duties in our company or the operations of our company. Further, our employees and executive directors shall not engage in any business, relationship or activity, which might conflict with the interest of our company or our group companies.

27. Should any actual or potential conflicts of interest arise, the concerned person must Immediately report such conflicts and seek approvals as required by applicable law and company policy. The competent authority shall revert to the employee within a reasonable time as defined in our company's policy, to enable the concerned employee to take necessary action as advised to resolve or avoid the conflict in an expeditious manner.

28. In the case of all employees other than executive directors, the Chief Executive Officer / Managing Director shall be the competent authority, who in turn shall report such cases to the Board of Directors on a quarterly basis. In case of the Chief Executive Officer / Managing Director and executive directors, the Board of Directors of our company shall be the competent authority.

29. Notwithstanding such or any other instance of conflict of interest that exists due to historical reasons, adequate and full disclosure by interested employees shall be made to our company's management. At the time of appointment in our company,our employees and executive directors shall make full disclosure to the competent authority, of any interest leading to an actual or potential conflict that such persons or their

immediate family (including parents, siblings, spouse, partner, children) or persons with whom they enjoy close personal relationships, may have in a family business or a company or firm that is a competitor, supplier, customer or distributor of, or has other business dealings with, our company.

30. If there is a failure to make the required disclosure and our management becomes aware of an instance of conflict of interest that ought to have been disclosed by an employee or executive director, our management shall take a serious view of the matter and consider suitable disciplinary action as per the terms of employment. In all such matters, we shall follow clear and fair disciplinary procedures, respecting the employee's right to be heard.

Regulatory compliance

31. The company shall educate its employees with information on the relevant laws and internal regulations required for the conduct of its business and any changes and revisions thereto with reference to its activities advancing to new business, regions and communities. Especially, they shall follow the laws, regulations, and procedures with respect to procurement activities and conducting its imports and exports.

Ethical conduct

32. The employees shall always note that rules change with the times, and act with good common sense under the principles of 'basics and ethics'.

Health & Safety

33. Prioritizing health and safety above all else. We will strive to ensure the safety of employees and the workplace. In addition, we will promote the physical and mental health of employees and their families.

F. OUR CUSTOMERS

Products and services

1. We are committed to supplying products and services of world-class quality that meet all applicable standards. Our goods and services shall be aimed at zero product defects, so that the customers can use them with an assurance of security. In case of any complaint or defect, we shall quickly and sincerely resolve them and take all efforts to prevent its recurrence. We shall secure superior functions, performance and reliability of our products, services and systems that ensure product safety and avoid product liabilities
2. The products and services we offer shall comply with applicable laws, including product packaging, labelling and after-sales service obligations.
3. We shall market our products and services on their own merits and not make unfair or misleading statements about the products and services of our competitors. We shall not engage in sales activities which places unreasonable pressure on our customers or forces them to any transactions with our company or its promoter companies. We shall observe the laws and regulations with respect to our advertising and publicity activities.

Export Controls and Trade Sanctions

4. We shall comply with all relevant export controls or trade sanctions in the course of our business.

Fair competition

5. We support the development and operation of competitive open markets and the liberalisation of trade and investment in each country and market in which we operate.
6. We shall not enter into any activity constituting anti-competitive behaviour such as abuse of market dominance, collusion, participation in cartels or inappropriate exchange of information with competitors.
7. We will collect competitive information only in the normal course of business and obtain the same through legally permitted sources and means.

Dealings with customers

8. Our dealings with our customers shall be professional, fair and transparent.
9. We respect our customers' right to privacy in relation to their personal data. We shall safeguard our customers' personal data, in accordance with applicable law.

G. OUR COMMUNITIES AND ENVIRONMENT

Communities

1. We are committed to good Corporate Citizenship, and shall actively assist in the improvement of the quality of life of the people in the communities in which we operate.
2. We will engage with the community and other stakeholders to minimise any adverse impact that our business operations may have on the local community and the environment.
3. We will encourage our workforce to volunteer on projects that benefit the communities in which we operate, provided the principles of this Code, where applicable, and in particular the 'Conflicts of Interest' clause, are followed.
4. We will promote two way communications with society and proactively listen to its opinions and perceptions about the company, both positive and negative, and respond to them sincerely.

The Environment

5. In the production and sale of our products and services, we will strive for economic, social and environmental sustainability and comply with all applicable laws and regulations.
6. We will seek to prevent the wasteful use of natural resources and are committed to improving the environment, particularly with regard to the emission of greenhouse gases, consumption of water and energy, and the management of waste and hazardous materials. We will endeavour to offset the effect of climate change in our activities.
7. In all our operations, we shall adopt “Monozukuri” practices, aimed at reducing the environmental burden of a product throughout its life cycle, commencing from procurement of materials to production, distribution, use and appropriate disposal. If and when faced with any environmental problems, we shall quickly implement appropriate measures and mitigate the adverse impact on the environment.

Crisis Management

8. We will make concerted efforts throughout the Company to secure employee safety and business continuity in case of disasters and threats such as earthquakes, tsunamis and floods, cyberattacks, and terrorism.

H.OUR VALUE CHAIN PARTNERS

1. We shall select our suppliers and service providers appropriately and fairly. In addition to considering the quality, reliability, delivery dates and prices of materials, as well as management stability and technological development strengths of the suppliers, we will also give due consideration to their fulfilment of social responsibility including fair and highly transparent information disclosure, observance of laws and social norms, respect of human rights, elimination of unfair discrimination concerning employment and workplaces, elimination of child labour and forced labour, environmental protection activities, social contribution activities, creation of pleasant workplaces and sharing of awareness about social responsibility with business partners.
2. Our suppliers and service providers shall represent our company only with duly authorized written permission from our company. They are expected to abide by the Code in their interactions with, and on behalf of us, including respecting the confidentiality of information shared with them.
3. We shall ensure that any gifts or hospitality received from, or given to, our suppliers or service providers comply with our company's gifts and hospitality policy.
4. We respect our obligations on the use of third party intellectual property and data.
5. We shall strive to build good partnerships with our suppliers while sourcing any goods, services or technologies and shall maintain and improve our long term relationships with mutual understanding and trust.
6. We shall not accept any personal benefits from suppliers concerning procurement transactions.
7. We shall deal impartially and fairly with our suppliers.
8. We shall enter into clear and lawful contracts with our suppliers, in a rational and transparent manner, after examining the individual terms and conditions, keeping in mind our costs and risks associated therewith.

I. OUR FINANCIAL STAKEHOLDERS

1. We are committed to enhancing shareholder value and complying with laws and regulations that govern shareholder rights.
2. We shall inform our financial stakeholders about relevant aspects of our business in a fair, accurate and timely manner and shall disclose such information in accordance with applicable law and agreements.
3. We shall keep accurate records of our activities and shall adhere to disclosure standards in accordance with applicable law and industry standards.

J. GOVERNMENTS

Political non-alignment

1. We shall act in accordance with the constitution and governance systems of the countries in which we operate. We do not seek to influence the outcome of public elections, nor undermine or alter any system of government. We do not support any specific political party or candidate for political office. Our conduct must preclude any activity that could be interpreted as mutual dependence/favor with any political body or person, and we do not offer or give any company funds or property or other resources as donations to any specific political party, candidate or campaign.
2. Any financial contribution considered by our Board of Directors in order to strengthen democratic forces through a clean electoral process shall be extended only through the Progressive Electoral Trust in India, or by a similar transparent, duly-authorized, non-discriminatory and non-discretionary vehicle outside India.

Government engagement

3. We engage with the government and regulators in a constructive manner in order to promote good governance. We conduct our interactions with them in a manner consistent with our Code.
4. We do not impede, obstruct or improperly influence the conclusions of, or affect the integrity or availability of data or documents for any government review or investigation.
5. We will establish sound relations with government and local administration and observe ethical regulations concerning public servants.
6. We will not engage in any activities that impair the fairness of public tenders.

K. GROUP COMPANIES

1. We seek to cooperate with our group companies, including joint ventures, by sharing knowledge, physical resources, human and management resources and by adopting leading governance policies and practices in accordance with applicable law including adherence to competition law, where relevant.
2. We shall strive to achieve amicable resolution of any dispute between us and any of our group companies, through an appropriate dispute resolution mechanism so that it does not adversely affect our business interests and stakeholder value.
3. Our use of brand names and trademarks shall be governed by our manuals and codes, and where they do not belong to us, by the agreements issued by the brand owners thereof.
4. Our Board of Directors shall consider for adoption, policies and guidelines periodically formulated by Tata Sons and by the HCM Group.
5. We shall position our brand as an important management asset, take actions to protect and enhance the value of the brand and have it recognized by society.
6. In an effort to adopt the values and principles of the parent companies, we have reviewed the Tata Code of Conduct 2015 (TCOC) and the HCM Group Code of Conduct and developed this 'hybrid' Code of Conduct incorporating content from both Codes. Any additional stipulations herein shall not be construed as contradicting or being derogatory to the contents of either the TCOC or the HCM Group Code of Conduct.

L. RAISING CONCERNS

1. We encourage our employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies or law.

2. We also encourage the reporting of any event (actual or potential) of misconduct that is not reflective of our values and principles.

3. Avenues available for raising concerns or queries or reporting cases could include:

- Immediate line manager or the Human Resources department of our company
- Designated ethics counsellors of our company
- The 'confidential reporting' third party ethics help line (if available) Any other reporting
- channel set out in our company's 'Whistle-blower' policy.

4. We do not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action. If you suspect that you or someone you know has been subjected to retaliation for raising a concern or for reporting a case, we encourage you to promptly contact your line manager, the company's Ethics Counsellor, the Human Resources department, the MD/CEO, or the office of the Chief Ethics Officer of HCM or Tata Motors.

M. RESPONSIBILITY OF TOP MANAGEMENT

1. Our top management will personally take the lead in striving for business operations with corporate ethics and compliance as the main axis, in accordance with the provisions of this Code of Conduct. We shall also encourage all our supply chain partners and stakeholders to strive towards the same.

2. When violations are observed, our top management will personally devise corrective measures towards preventing any recurrence of such violations. The management will also implement strict measures against illegal acts and violations of the Code, including measures on it, and ensure swift and accurate disclosure of such measures.

3. We shall provide adequate forums and opportunities to our employees and stakeholders to raise queries relating to any suspected or perceived violations, and devise corrective actions and dispense with any predicaments.

N. ACCOUNTABILITY

1. This Code is more than a set of prescriptive guidelines issued solely for the purpose of formal compliance. It represents our collective commitment to our value system and to our core principles. Every person employed by us, directly or indirectly, should expect to be held accountable for his/her behaviour. Should such behaviour violate this Code, they may be subject to action according to their employment terms and relevant company policies.

2. When followed in letter and in spirit, this Code is 'lived' by our employees as well as those who work with us. It represents our shared responsibility to all our stakeholders, and our mutual commitment to each other.

3 The TATA HITACHI Code of Conduct does not provide a full, comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have a continuing obligation to familiarize themselves with all applicable laws, company policies, procedures and work rules.

4. All JVs could adopt the TATA HITACHI Code of Conduct, or a joint code of conduct incorporating all elements of this TATA HITACHI Code of Conduct.

5. This version of the Tata Hitachi Code of Conduct supersedes all earlier versions and associated documents and stands effective from August 10th, 2016.

To

The Managing Director

Tata Hitachi Construction Machinery Company Private Limited

Tata Hitachi Code of Conduct

The confirmation and pledge form

I acknowledge that I have received the Tata Hitachi Code of Conduct.

I have read the Tata Hitachi Code of Conduct and I acknowledge that as a Tata Hitachi Construction Machinery Company Private Limited employee, I am required to comply with the guidelines described therein and failure to do so may subject me to disciplinary action, up to and including termination and , if applicable, to criminal and/or civil proceedings.

I understand that if I have a concern about a violation or a potential violation of the Tata Hitachi Code of Conduct, I must promptly report the violation to the Ethics Counsellor, ethics help line and/or the designated authority of my company.

Signature:.....

Date:.....

Employee Number:.....

Department / Dealership / Vendor :.....





Tata Hitachi Construction Machinery Company Limited

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