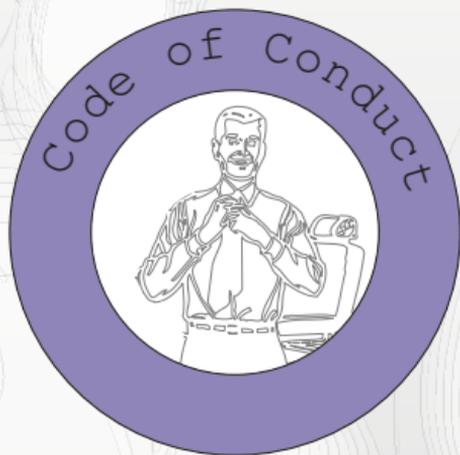


Saint-Gobain India



Code Of Conduct For Employees



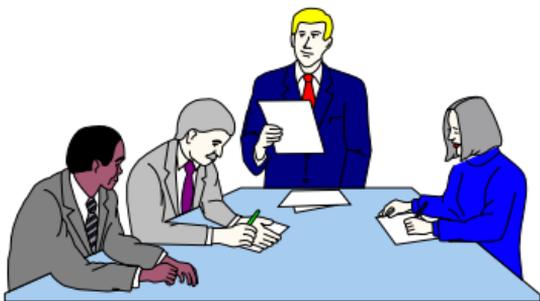
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- WHAT IS THE CODE OF CONDUCT? -

The Code of Conduct is an elaboration of the Saint-Gobain Principles of Conduct and Action and sets out what is expected of the Group's employees. The objective of this Code is to ensure that every employee of the Group in India is aware of acceptable conduct and ethical behaviour, in consonance with the Saint-Gobain Principles of Conduct and Action.

- APPLICABILITY -

This Code applies to all employees of the Saint-Gobain Group of Companies in India including trainees and temporary staff. In this Code “Group” refers to all the Saint-Gobain Companies in India and “Company” refers to each individual corporate entity that constitutes this Group.

- CODE -

Saint-Gobain believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. All employees of Saint-Gobain are expected to strictly adhere to this Code of Conduct.

Elements of the code

- GENERAL STANDARDS OF CONDUCT -

We expect all our employees to conduct their business dealings honestly, openly, fairly, diligently and courteously and in a manner that enhances the image of the Group/ Company.

All employees should be aware of all policies and procedures applicable to the Group/ their Company and abide by them to the fullest extent. While policies and procedures could be questioned, it should happen through appropriate forums responsible for review of policies and until any such change happens, no person should violate the existing policy/procedure.





- EQUAL OPPORTUNITIES FOR ALL -

Unless local laws or regulations require us to do otherwise, we will recruit people solely on merit and reward people on the basis of their performance and potential without discrimination on grounds of age, race, caste, ethnic origin, religion, political or other opinion, gender, sexual orientation, marital status, or disability/disease unrelated to the role.

No employee of the Group will discriminate between others based on any of the above grounds or on the basis of any other personal prejudices or biases.



- ENABLING WORK ENVIRONMENT -

The Group respects the rights and dignity of all employees. We aim to establish clear values and objectives so that all employees understand and are committed to the aims of the Group and clearly see their roles within it. We will seek to create a challenging environment of empowerment and continuous learning, to recognize individual and team contributions, and to reward competitively, relative to performance.

It is expected that all employees in the Group treat the people they interact with, both within and outside the Group, with respect and in a manner that their self esteem and dignity are maintained at all times.

All employees will work together in a collaborative manner as a well-knit team towards the achievement of business goals, putting the interests of the team and the Group/Company before their

own. They will work in a manner that is open, honest, straightforward and fair, respectful of the roles and views of others and actively listening and dialoguing with team-mates. Employees will freely share required information with each other, learn from each other, help one another to develop and grow, and contribute towards making the experience of working for Saint-Gobain an enjoyable one for every member of the Saint-Gobain family.

The Group is committed to provide a work environment free of unlawful harassment. Sexual harassment and harassment based on age, race, religion, caste, ethnic origin, disability unrelated to the role, marital status, sexual orientation, pregnancy/ childbirth, or any other basis is prohibited.

No employee will indulge in or condone harassment of any kind. Our policy on sexual harassment spells out further details on this particular type of harassment.





- CONFLICT OF INTEREST -

The term “conflict of interest” describes any circumstances that could cast doubt on our ability to act with total objectivity with regard to the Group's/ Company's interests.

a) No employee will be involved in any arrangement or circumstances, including family or other personal relationships, which might discourage him/her from acting in the best interest of the Group/Company.

b) No employee or his/her family member will act as a broker or on behalf of a third party in transactions involving or potentially involving his/her company.

c) Employees or their family members will not have any financial interest in any outside enterprise which is currently doing business or seeks to do business with or is a competitor of his/her Company. If the employee comes to know that his/her Company is doing business with any organisation/individual with which he/she is directly or indirectly involved for example, through a relative he/she is obliged to

bring it to the notice of his Department Head or Head-HR through a written letter/ mail.

d) An employee should not be the final decision maker for any business contract or arrangement with any organisation wherein his/her relatives/close friends are employed in key positions. In the event an employee finds himself / herself in a position of having to decide on such a contract or arrangement, he/she should refrain from taking such a decision and refer the matter to his/her superior for taking a decision, clearly informing his/her superior of his/her relationship with key personnel in the concerned organisation.

e) It is obligatory for an employee to declare that he/she is related to any other employee of the Group/Company as soon as he/she discovers it, through a written letter/mail to the Head HR.

f) Employees shall not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position.

g) No employee shall solicit or promote any personal/public cause or organisation/ association during working hours.

As a general rule, when in doubt, ask your Manager or the Head of Finance/HR.



- PAYMENTS, GIFTS & ENTERTAINMENT -

a) The Group/Company will not make any contribution of company funds, property or services to a political party or religious organization, or to a candidate for or holder of any Government office.

b) No employee will offer any gifts, favours or entertainment to others that are:

- not consistent with customary business practice.
- excessive in value and / or could be construed as a bribe or pay-off in violation of applicable laws or ethical standards, such that public disclosure could embarrass the Group/Company or oneself.

c) Employees should get the prior approval of the Business/Functional Head to incur any expenses towards entertainment. Business /Functional Heads are responsible to monitor the incurred entertainment expense patterns of their employees

to ensure that the amount is used judiciously. All expenditure which does not have the necessary documentation, bills, etc. will not be reimbursed. Entertainment expenditure on alcoholic drinks will be permitted only with the specific approval of the Business / Functional Head.

d) Employees should not as a principle, accept gifts in kind or cash or enjoy any special privileges from any business associate. Complimentaries / sweets may be accepted only on festive occasions/new year/special anniversaries, if it serves the purpose of maintaining proper and good relationship with our regular business associates; however, the value of such complimentaries should not exceed Rs. 500/-. Moreover it is preferable that sweets etc. if accepted on festive occasions, are received only at the place of work and shared with colleagues.

Employees should not accept offers to be entertained by an individual or organizations with whom his/her Company transacts business. Invitations to occasional lunches/dinners hosted by our business associates may be accepted, if it serves the purpose of enhancing the relationship, after informing the immediate superior. It is essential that in the event of an employee accepting complimentaries (upto value specified) or attending an occasional lunch/dinner, there should be no scope for this being construed as having influenced the judgement of the recipient.

e) Employees will be reimbursed outstation travel/local conveyance expenses incurred on account of official work as per policy of his/her Company. Employees should claim only expenses actually incurred and should not inflate/falsify expense claims even if these are within the prescribed limits for the individual. Under no circumstances shall personal expenses be reimbursed by the company.

Here again, as a general rule, when in doubt, ask your Manager or the Head of Finance/HR.





- USAGE OF GROUP'S/COMPANY'S ASSETS -

Protecting the Group's/Company's assets is a key responsibility of every employee. Care should be taken to ensure that assets are not misused, misappropriated, loaned to others, or sold or donated or mortgaged, without appropriate authorization. Employees may not use Group/Company assets for personal use, nor may they allow any other person to use Group/Company assets.

Every employee is personally responsible for all Company funds over which he or she exercises control. Company funds must be used only for business purposes.

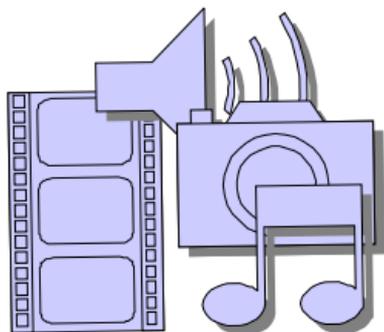
Every employee must take reasonable steps to ensure that the Company receives good value for Company funds spent and must maintain accurate and timely record of expenditure.



- COMPLIANCE -

It is the Group's policy to comply fully in letter and in spirit with all applicable laws, rules and regulations. In case of ambiguity of the laws or their interpretation, legal advice should be sought.

All required information shall be made accessible to the Company's auditors and other authorized persons and government agencies. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the Law. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank accounts and funds. No employee in any way will cause the company's accounts or other records to not clearly describe and properly state the true nature and timing of a business activity or transaction.



- ELECTRONIC RESOURCES USAGE -

Employees should ensure that they use only licensed software and take back-up of all important data. Uses that threaten the integrity of the system, the privacy of others, or that are otherwise illegal, are hence forbidden. The Group/Company reserves the right to access and monitor all messages and files on its system, including information regarding employee internet use, as and when deemed necessary and appropriate. The electronic resources shall be used in an effective, ethical and lawful manner. Users who receive or notice obscene or inappropriate messages are needed to report the same immediately to their immediate superior or the Human Resources Department. The Group/Company will not be responsible for actions of employees deemed illegal with respect to the usage of electronic resources.

All employees (as well as other relevant persons) shall follow the “Security Guidelines and User Charter for Computing Resources”



- HANDLING CONFIDENTIAL INFORMATION -

a.) Employees should use information received in the course of their business dealings only for the purpose it is intended or normally used and never for personal gain or for a third party's gain. They should also not release confidential data or information to others without proper authorisation.

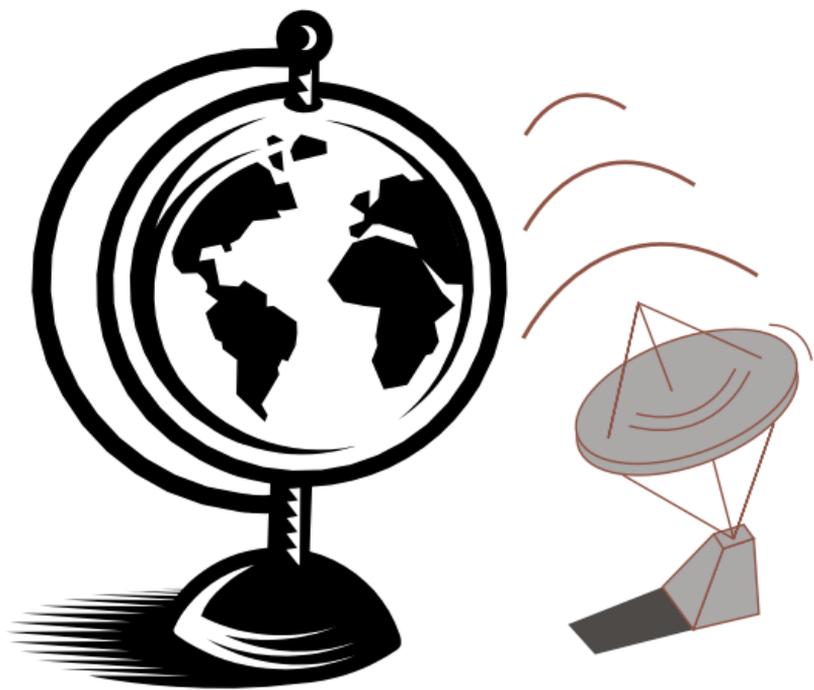
b.) The Group/Company has many kinds of business relationships with many companies and individuals. All employees should take special care to handle confidential information of our customers, potential customers, suppliers, potential suppliers or any other third party with responsibility.

c.) Insider trading is prohibited by both Law as well as by the Group policy. Insider Trading generally involves the act of subscribing or buying or selling

of the Company's Securities, when in the possession of any Unpublished Price Sensitive Information about the Company. It also involves disclosing any Unpublished Price Sensitive Information about the Company to others who could subscribe or buy or sell the Company's Securities. Insider Trading invokes severe civil and criminal penalties not only on the Insider but also on the Company in certain circumstances under regulations issued in India under the Securities and Exchange Board of India (SEBI) Act, 1992. Group Companies whose stock is listed in stock-exchanges should abide by the "Prohibition of Insider Trading Regulations" code released by SEBI and all employees in these Companies covered by these regulations should strictly follow the guidelines laid down by SEBI.

d.) In keeping with the terms of the Employment Contract, all employees shall, during their service with the Group/Company, devote their full time attention to the responsibilities entrusted to them. No employee will serve as an employee, agent, director, partner or consultant of any other business enterprise. Also, employees who resign from the services of the Group/Company should not take up employment with a competitor for a period of at least two years.





- MEDIA POLICY -

Employees should refrain from interaction/communication with the print and electronic media on matters which are likely to have an impact on the image of the Group as a whole without consulting the Delegation office.

It is important to ensure that all statements made to the media are true and fair. Each business unit and division shall have selected persons who are authorized to speak to the media on identified

subjects. Employees should not disclose non public information selectively to a particular group. One should ensure approval of customers, vendors etc if reference is made about such customers. Posting or discussing information concerning the Group's/Company's services or business on the Internet without the prior written consent of the Head of the Company / Business is prohibited.

Advertising must not misrepresent, or be likely to mislead the consumer, as to the character, quantity, composition or safety of the product advertised. The Group requires every employee to protect all trademarks, brand names and other proprietary material of the Group/Company and of third parties. We should not disparage products or services of competitors and should avoid political or religious remarks in advertisements.

Employees of Group Companies should also follow the guidelines laid down by Delegation Guideline No.001 on “External Communication” dated 1st July, 2000 on matters concerning media.





- PROCUREMENT PRACTICES -

The Group's policy is to purchase supplies based on need, quality, service, price and terms and conditions. Suppliers should be selected based on merit, price, quality and performance. The Group's policy is to, as a rule, select significant suppliers or enter into significant supplier agreements through a competitive bid process. Under no circumstances should any Group/Company employee, agent or contractor attempt to coerce suppliers in any way. All supplier agreements must be reviewed after a 3 year period and fresh bids invited to confirm the competitiveness of the existing supplier agreement.

Supplies may be purchased from our customers when a combination of quality, price, services offered and reliability of supply warrant such purchases. In addition the Saint-Gobain "Purchasers' Charter" must be adhered to.



- RELATIONS WITH CUSTOMERS -

The Group recognizes that our customers are of paramount importance and the Group will prosper only to the extent that we meet and exceed the needs of our customers.

All employees will at all times:

- a) Recommend to customers, products that are most appropriate for their needs from the Group's/Company's range of the products.
- b) Ensure that products supplied to customers are as per the stated quantity and specifications.
- c) Endeavour to meet delivery commitments to customers and inform customers well in advance in the event of inability to meet delivery commitments for unavoidable reasons.
- d) Promptly respond to all queries from customers.
- e) Handle all customer complaints promptly and fairly.



- FREE AND FAIR COMPETITION -

Employees of the Group may not, knowingly, make false or misleading statements regarding its competitors or the products of its competitors, customers or suppliers. Participating with competitors in a trade association or in a standards creation body is acceptable when the association has been properly established, has a legitimate purpose, and has limited its activities to that purpose.

No employee shall at any time or under any circumstances enter into an agreement or understanding, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations on production, boycotts of customers or suppliers, or bids or the intent to bid.

Group employees may not unlawfully use the information, material, products, intellectual property, or proprietary or confidential information of anyone including suppliers, customers, and business partners. Employees should never attempt to obtain a competitor's confidential information by improper means.

- ENVIRONMENT, HEALTH AND SAFETY -

Employees should consider the potential impact of the activities, products and services of the Group/Company on human health and environment and should take necessary measures, over and above legal requirements, to reduce such impact.

Group companies are expected to take particular care to adopt measures necessary to ensure the best possible protection against health and safety risks in the workplace. They should take steps to minimize the risk of accidents at the workplace, follow-up on application of these steps, check actual results against the applicable standards. All employees must follow all safety practices and procedures and use the personal protective equipment provided.

We must ensure that employees, contractors and visitors are well informed, and given appropriate training and guidance to enable them to carry out their tasks in a safe and competent manner. Group companies are expected to actively promote the protection of the environment. All company sites are expected to follow management methods, which allow measurable environmental performance standards to be set and actual performance to be regularly evaluated and checked against applicable standards. Employees should take care that in the course of carrying out their responsibilities none of their acts of commission and omission adversely affect the Environment.



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