

## KE's Supplier Code of Conduct

K-Electric (hereinafter referred to as KE) Supplier Code of Conduct ("SCOC") express the high standards of business integrity that we require from our suppliers worldwide and third party intermediaries. Consequently, we only do business with suppliers that strictly comply with applicable and controlling laws, rules and regulations, along with KE's standards of business conduct consistent with our core values of Customer Centric, Accountable, Respectful, Energized, Safe (CARES). Thus, this SCOC defines the minimum standards we expect our suppliers / service providers / vendors / contractors ("Suppliers") to adhere to.

It is KE's expectation that you and those representing you in any way or form in executing your contractual obligation towards KE shall comply with all applicable laws and standards set out herein below. Therefore, you must keep in mind that the term "Supplier" used in this SCOC refers to you as well as those representing you in executing your contractual obligations towards KE.

### Definitions

**"Applicable Laws":** means all applicable anti-bribery and anti-corruption laws, enactments, regulations, regulatory policies, regulatory guidelines, regulatory licences, in each case which are in force from time to time, including but not limited to the U.S. Foreign Corrupt Practices Act; the United Kingdom's Bribery Act of 2010; the anti-corruption laws applicable to the Contractor and its Affiliated Persons or KE; and the commercial bribery, anti-money laundering, sanctions & export control laws and regulations of the United States, the United Kingdom, the EU and Pakistan.

**"Affiliated Person"** means the employees, directors, and officers (including the ultimate beneficial owners) of the Contractor and its subsidiaries, as well as any third Party agents, sub-Contractors, or representatives acting on behalf of the Contractor and/or its subsidiaries.

**"Supplier"** means the vendors, material suppliers and service providers (collectively known as 'Suppliers') and any affiliated person acting on the Supplier's behalf for KE.

**"Government Entity"** means a government or any department, agency, institution or instrumentality thereof, or any political subdivision of any of the foregoing (including any company or other entity fully or partially owned or controlled by a government), and/or a political Party or a public international organization.

**"Government Official"** means any officeholder, employee or other official (including any immediate family member thereof) of a Government Entity, including any person acting in an official capacity for a Government Entity or any candidate for political office.

**"Supplier Code of Conduct" (SCOC)** means KE code of conduct for the Suppliers which sets out the minimum compliance standards for all Suppliers.



**Scope and Application**

All Suppliers are expected to meet the requirements of this SCOC in their business relationship with respect to the supply goods and/or services to KE.

- (i) Take steps to ensure that all their employees and contract workers understand and adhere to the requirements of this SCOC, including (where appropriate in terms of the nature of goods or services provided) maintaining adequate policies, procedures, training and support.
- (ii) Promote adherence to the requirements of this SCOC within their own supply chain by making it available to their own new and existing sub-suppliers or contractors.

**Representations, Warranties & Undertakings**

The Supplier, for itself and on behalf of each of its Affiliated Persons, represents, warrants and covenants that the Supplier:

- (i) has knowledge of the principles and requirements of the SCOC, including the provisions of Applicable Laws;
- (ii) when acting directly or indirectly on KE's behalf, will at all times strictly abide by the SCOC and with any specific anti-bribery and anti-corruption clauses included in any contract/agreements/purchase orders with KE;
- (iii) will refrain from engaging, whether directly or through an intermediary, in improper and/or illegal conduct, including corruption, extortion, money-laundering and embezzlement;
- (iv) has complied, is currently in compliance, and will on an ongoing basis comply with all Applicable Laws; and
- (v) shall promptly notify KE of any actual or potential violation by the Contractor or its Affiliated Persons of the SCOC or any Applicable Law; and
- (vi) shall promptly notify KE if the Contractor or its Affiliated Persons receive a request to perform or take any action which violates or may violate the Supplier's contractual obligations to KE.

Except as otherwise disclosed to KE, the Supplier, for itself and on behalf of each of its Affiliated Persons, represents and warrants that:

- (i) it is not acting for or on behalf of a Government Official; and
- (ii) no Government Official has any direct or indirect ownership of, or other interest in, the monies, proceeds, or other benefits that may arise in connection with the contracts/agreements/purchase orders.

**Penalty on False Claims**

Suppliers are encouraged to promptly notify KE of any actual or potential violation by KE employees. However, if Supplier's claim found to be false or dishonest or malicious or frivolous or vexatious, KE reserves the right to apply any or all of the following penalties to that supplier;

- (i) Stop all kind of in-process or future transactions with Supplier
- (ii) Stop payments in process
- (iii) No future business with that Supplier
- (iv) Give warning letter to Supplier and ask them to clarify their status and submit apology letter for such claim



**Conflicts of Interest**

Suppliers are required to avoid conflicts of interest in their business dealings with KE and to operate with full transparency with respect to any circumstances where a conflict does exist or may arise.

As such, Suppliers must:

- (i) Avoid situations where their personal and/or commercial interests, or the interests of their officers or employees may appear to be in conflict with the interests of KE.
- (ii) Disclose to KE if any KE employee may have any interest or stake of any kind in their business and/or have any economic ties with them.
- (iii) Inform KE of any situation that is, or may be seen as, an actual or potential conflict of interest as soon as the conflict arises or is anticipated, and to disclose to KE how it is being managed.
- (iv) Inform or disclose to KE before signing any contract or agreement if any close relative is working for KE and in what capacity.

**Bribery and Corruption**

It is unacceptable for any supplier (or their employees and agents) to be involved or implicated in corrupt practices.

As such, suppliers must:

- (i) Never offer, promise or give any gift, payment or other benefit to any person (directly or indirectly), to induce or reward improper conduct or illegitimately influence any decision.
- (ii) Never solicit, accept or receive any gift, payment or other benefit from any person (directly or indirectly) as a reward or inducement for improper conduct.
- (iii) Never make facilitation payments directly or indirectly with regard to KE business, other than where it is strictly necessary to protect the health, safety or liberty of any employee and/or contract worker.
- (iv) Maintain effective controls to ensure that improper payments are not offered, made, solicited or received by third parties on their or KE's behalf.

**Publicity**

KE prohibits the use or publication of its name, logos, images, Supplier relationships, products, parts, designs and all other non-public information in press releases, advertising material, tender offers, customer lists, websites, etc. including product displays at trade fairs or Suppliers premises, etc., without KE's prior written consent.

**Confidentiality**

All Suppliers are expected to protect all confidential information provided by KE even if a separate non-disclosure agreement has not been signed on a case to case basis. The Suppliers are expected to take all necessary precautions in order to avoid disclosure of any of KE's confidential and/or commercially sensitive information that a Supplier has acquired about KE to any third parties or authorities.



**Respect for Basic Human Rights**

KE expects its Suppliers to conduct operations in a way that respects the fundamental human rights of others, as affirmed by the Universal Declaration of Human Rights. This includes (but is not limited to) their own employees (workers and management employees) and employees working for their sub-contractors/suppliers. For their own employees, we expect Suppliers (at a minimum) to:

- (i) to promote equal opportunities for and treatment of its employees irrespective of skin color, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, marital status or family status sex, age or such other grounds as may be recognized under the relevant laws of Pakistan.
- (ii) to respect the personal dignity, privacy and rights of each individual.
- (iii) to refuse to tolerate any unacceptable treatment of employees, such as cruelty, sexual harassment and discrimination.
- (iv) to prohibit behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.
- (v) to provide fair remuneration and to guarantee at least the applicable national statutory minimum wage to its employees.
- (vi) to comply with the working hours and/or payment of overtime as laid down in the applicable laws.
- (vii) Provide a safe working environment, adopt procedures to identify and address workplace health and safety risks, implement safe working practices, and provide (where relevant) appropriate personal protective equipment to prevent occupational injuries or illnesses.
- (viii) Ensure strict compliance with regards to its employees on whom Labor Laws of Pakistan are applicable including but not limited to Social Security, EOBI, Group Medical Insurance etc.

**Labor (Forced or Child)**

Suppliers must not practice or allow work that is performed involuntary under the threat of penalty, including forced overtime, debt bondage, forced labor, slavery or servitude. There shall be no use of child labor, and specifically there will be compliance with relevant national, local and international i.e. International Labour Organization (ILO), ILO Convention No. 182 on the worst forms of child labor, 1999 and ILO Convention No. 138 on the minimum age for admission to employment and work standards.

For purposes of clarity, Supplier shall be deemed to be engaged in child labor if the Supplier employ, engage or otherwise use any child labor in circumstances such that the tasks performed by any such child labor could reasonably be foreseen to cause either physical or emotional impairment to the development of child.

**Gifts, Meals, and Entertainment**

**Business Courtesies:** Avoid giving gifts or favors that might influence, or even appear to influence, the independent judgment of KE employees or agents. Suppliers should never feel obligated to provide gifts or entertainment to any KE employee or representative or expect to receive them, even if they are of nominal value.





Acceptable business courtesies typically include:

**Gifts:** Gifts should be infrequent and not substantial in value. Permissible gifts include such things as moderately priced clothing or memorabilia bearing the logo of the business partner (shirts, hats, pens, key chains etc.) or baskets of food. Cash or cash equivalents such as gift cards or shopping vouchers should never be given or accepted. Gifts to KE employees that violate our policies will be returned to the Supplier or handled in a manner that complies with our internal policies.

**Entertainment and Meals:** Supplier may offer reasonable business entertainment, such as attending a cultural or sporting event with a business counterpart, so long as the entertainment is reasonable and customary in scale and expense, and in furtherance of the business relationship. Travel and lodging (including the use of real estate such as vacation property) may not be offered to or accepted by KE employees or representatives.

Notwithstanding anything above, any business courtesies offered or given in connection with KE business by Suppliers to KE employees should not exceed USD 20/employee from the same Supplier within any calendar year.

#### **Environmental Protection**

- (i) to act in accordance with the applicable statutory and international standards regarding environmental protection.
- (ii) to minimize environmental pollution and make continuous improvements in environmental protection.
- (iii) to set up or use a reasonable environmental management system.

#### **Intellectual Property**

All Suppliers must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.

#### **Competition and Anti-Trust**

Suppliers must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. Suppliers must refrain from participating in a cartel.

#### **Application of SCOC**

All Suppliers at the time of registration and existing Supplier's with KE are mandatorily required to sign this SCOC and undertake to follow and accept this SCOC in letter and spirit.

KE regularly reviews and updates its policies and reserves the right to amend this SCOC from time to time.



KE will conduct screening, due diligence, and oversight of its Suppliers. The Supplier shall cooperate fully and in good faith with any such review, including by providing KE or its designated agents the following:

- (i) information related to the ownership and business activities of the Supplier and/or its Affiliated Person, as needed, to permit KE to conduct an anti-corruption risk evaluation and/or due diligence prior to signing a new agreement and/or renewing an existing agreement with Supplier;
- (ii) information and documents, as required, to assist KE in fully investigating and assessing red flags identified during the risk evaluation and due diligence process;
- (iii) information related to risk-based oversight, monitoring, and auditing of ongoing activities by the Supplier and its Affiliated Person acting on behalf of KE.

The Parties agree that non-compliance with any of the representations, warranties, covenants and/or obligations set out in this Appendix which, in KE's reasonable opinion, may result in adverse consequences arising for KE, will be considered a material breach entitling KE to terminate any or all existing agreements / contracts / purchase orders.

#### **Contacting KE**

Any concerns and/or grievances that Suppliers may have against KE or any of its employees for any matters covered in this code of conduct may be communicated/reported along with the relevant details by following two (02) modes:

- (i) Email Address: [scoc@ke.com.pk](mailto:scoc@ke.com.pk)
- (ii) Drop box facility: Hard copies can also be dropped in person in designated box placed at First Floor - Procurement Department, Building J – Elander Complex:

Suppliers can choose any one (01) or all the above options. Any grievances received will be looked into by KE's designated committee and Suppliers will be contacted accordingly.


It is mandatory for all vendors who are raising any grievance or concern against the code of conduct via above mentioned communication channels to provide below details for further case process:

- (i) KE's Vendor Code (for registered vendors only)
- (ii) Company Name
- (iii) Vendor Name
- (iv) Email Address
- (v) Alternate Email Address
- (vi) Contact Number
- (vii) Alternate Contact Number
- (viii) NTN Number (for local vendors only)



 Procurement Division, 1<sup>st</sup> Floor, Block J Elander Road Power House Complex, Karachi

 [www.ke.com.pk](http://www.ke.com.pk)

 92-21-3263-7133, 92-21-3870-9132 Ext: 9414 UAN: 111-537-211



**Declaration of the Supplier**

I/We hereby declare the following:

I/ We have read and understood KE's SCOC and hereby commit ourselves, that in addition to our commitments set out in the ongoing purchase order(s)/agreement(s)/contract(s) with KE we shall comply with its principles and requirements (including cyber/IT security related) being mandatory for doing business with KE. Further, any violation/non-compliance of this SCOC by us/me knowingly or unknowingly shall be deemed and treated as a breach under any existing and/or any prospective purchase order/agreement/contract and can result in termination of any/or all purchase order(s)/contract(s)/agreement(s) at my risk and cost and/or initiate an appropriate legal action as KE deems fit and appropriate.

\_\_\_\_\_  
Place, Date


\_\_\_\_\_  
Signature



\_\_\_\_\_  
Name (BLOCK CAPITALS), Function

\_\_\_\_\_  
Company Seal

This document must be signed by an authorized representative of the Suppliers and returned to KE within seven (07) working days of receipt.



 Procurement Division, 1<sup>st</sup> Floor, Block J Elandar Road Power House Complex, Karachi

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