

Code of Conduct

CEO Message:

“Our success is founded on our collective commitment to our core values – Customer Centric, Accountable, Respectful, Energized, Safe (CARES). By upholding these in all that we do, we build trust and respect with our customers and business partners while also demonstrating that we are committed to conducting our business in an honest, ethical and transparent manner.

Our values should guide our conduct and our conduct must represent our values.

This Code of Conduct (hereinafter referred to as the “Code”) is designed to help us understand our ethical expectations. I expect each of us to read, understand and abide by the Code in letter & spirit, and ask questions while holding each other accountable for acting according to highest ethical standards.

Thank you for your commitment to K-Electric.”

Applicability:

K-Electric’s (‘KE’) Code, sets out the standards required from its employees and members of Board of Directors. This requires complete compliance with applicable laws (laws of Pakistan), rules, regulations and company policies always ensuring that all possible measures are adopted to prevent any loss or damage to KE’s interest and reputation.

KE's unconditional commitment towards compliance is integral to our core values. Not only does KE set out the standards required from its employees, it also sets out standards required from its suppliers and vendors to adhere to business principles that are consistent with our own through the Suppliers Code of Conduct.

We believe that a strong culture of compliance and integrity leads to increased efficiency, which not only leaves a positive impact on the company's financials but also the shareholder value. It also reflects our commitment towards integrity, which is an important characteristic of our daily business activities. Building a strong ethical culture is not only the right thing to do and the need of the moment; it also provides a framework within which we can carry out our work effectively. Breaching the Code or any of its policies can have serious consequences for KE and/or its employees. Where illegal conduct is involved, it can also lead to significant fines for KE, penalization of individuals and significant damage to KE’s reputation.

This Code applies to all K-Electric Employees and its Board Members (‘Employees’). KE also expects all employees to ensure they know and understand the requirements of the Code and policies. If there is ever any uncertainty about how to interpret these or have any doubts about whether specific behaviors meet the standards required, they must seek advice from their line manager or seek clarity from the People Connect team. All Employees should immediately report actual or potential breach of the Code or any KE policies whether relating to them, colleagues, people acting on behalf of KE and whether accidental or deliberate. This may also include instances where the external business partners behavior may not meet the same standards as required by KE.

All KE employees are required to conduct e-Learnings (if applicable) and train and refresh themselves on the Code on an annual basis.

Code Principles:

We play by the rules

We follow laws, rules, regulations and our policies, if any in conflict, we always uphold the laws.

We are accountable for our actions

We actively seek information, understand our responsibilities, and recognize our wider impact on the societies in which we operate.

We are transparent and honest

We are open and truthful about our challenges.

We speak up

We ask questions when in doubt and raise concerns without concern of retaliation.

At KE we maintain a culture in which employees feel comfortable raising concerns and potential violations of the code of conduct. We prohibit retaliation against any employee at KE who reports in good faith. Through reporting we enable KE to keep its promise to operate legally and ethically and we help the company to protect its good reputation.

1. Equal Opportunity & Diversity

KE is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination. We will recruit, employ and promote employees on the sole basis of their qualifications and abilities needed for the work to be performed. KE is highly involved in ensuring safe and healthy working conditions for all Employees and continuously striving to developing and enhancing each individuals' skills and capabilities.

Our Standard:

In KE we believe in promoting diversity and providing equal opportunities of growth for all. We meet everyone with insight, respect and understanding. We always try to fulfil the needs of our customers and support our colleagues in the best possible manner, whilst complying with laws, rules, regulations and company policies.

Our Conduct:

KE employees must treat everyone fairly and equally, without discrimination on the grounds of race, age, role, gender, gender identity, color, religion, caste, country of origin, sexual orientation, marital status, dependents, disability, social class or political views.

KE employees must provide equal opportunity to all current and prospective employees in induction process, promotions, benefits, talent development and rewards without any regard to race, gender, age or physical ability.

KE employees must respect all inherent differences and recognize that having diverse views / experiences in the workplace facilitates in the development of KE through diversity.

2. Workplace Harassment:

KE ensures that all human rights are upheld across KE network. KE expects all Employees to create a working environment free from intimidation and harassment. As an organization KE focuses on the work ethics and professionalism of the Employees irrespective of their age, gender or designation and every employee is to be treated fairly and equally, without any discrimination whatsoever.

Our Standard:

Unwelcoming advances (sexual or non-sexual in nature) or other inappropriate personal conduct, as defined in the Protection Against Harassment at the Workplace Act 2010, are prohibited. Harassment may take many forms, including but not limited to overt advances, bullying, demeaning comments, jokes, language and gestures. If you feel that you are the victim of harassment you should immediately report the matter to the Harassment Committee formed under the KE Workplace Harassment Policy.

You may refer to our Workplace Harassment Policy to get further details.

Our Conduct:

KE Employees must not indulge in any direct and indirect behavior which could be construed as sexual or non-sexual harassment or bullying, such as making jokes or insults, displaying, emailing, texting or otherwise distributing offensive material of sexually explicit nature, misusing personal information, creating a hostile or intimidating environment, isolating or not co-operating with a colleague, or spreading malicious or insulting rumors.

3. Secondary or Dual Employment by Employees:

As a principle, KE considers any secondary or dual employment in conflict with the best interest of the company. Therefore, in the best interests of KE, any secondary or dual employment is strictly prohibited. In the event if it is discovered that any Employee is engaged in any secondary or dual employment, KE reserves its right to suspend and/or terminate such Employee(s) with immediate effect.

Our Standard:

KE employees should not engage in any business or other activity (internal or external) that might interfere with their duties and responsibilities to the company or otherwise have any negative effect on or impair the ability of the employees to perform and carry out their duties and responsibilities to the best of their abilities. Employees are also prohibited from directly or indirectly taking part in activities that further interests contrary to KE's culture and policies.

Our Conduct:

KE Employees are not permitted to undertake any fulltime or part time employment, private business, work or assignment of any sort with or without any remuneration with any other organization and/or entity after duty hours or on off days. However, in addition to their jobs with KE, they can take up 'part time and without remuneration' teaching, learning, training, coaching and educational assignments post obtaining written approval from the respective Group Head and Chief People Officer. In case of 'paid' teaching, learning, training, coaching and educational assignments, prior approval of Chief Executive Officer will also be required, however such paid assignments are not encouraged in general. Following permission, Employees are still restricted from performing any work or assignments whatsoever during office hours on working days.

4. Competition

Fair and level competition is important to society and contributes to increased welfare as well as creating business opportunities for KE.

Our Standard:

KE supports fair and open competition in all markets, both nationally and internationally.

Our Conduct:

As a KE employee, you shall not cause or be part of any breach of general or special competition regulations, such as illegal cooperation on pricing, illegal market sharing or any other behavior that is in breach of relevant competition laws.

5. Corruption and bribery

Corruption is a threat to business and society in all countries. In addition to unfair competition it can also result in individuals being subject to blackmail and imprisonment. For KE, anti-corruption is not only a legal obligation and an ethical standpoint, it is also in our own interest to take a firm stand against corruption and/or corrupt practices be it internal or external.

Our Standard

KE does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No KE Employee may offer, give or receive any gift or payment which is, or may be construed as being a bribe. Any demand for or offer of a bribe must be rejected immediately and reported to the line manager and/or Employee Relations department in writing.

Our Conduct

As KE employee, you shall never offer, give, ask for, accept or receive any form of bribe or payment that may be construed as a bribe. A bribe occurs when someone attempts to influence a decision by offering some form of undue or improper advantage, favor or incentive. No KE Employee shall use agreements with middlemen to channel such payments to anyone, even to facilitate customers beyond the policies and rules of KE. What is prohibited for KE employees cannot be done through its vendors or third-party vendors. This includes but is not limited to facilitation of such payments to get work done faster through an inappropriate channel. If KE employees find themselves in a position where they are offered such payments, or they have serious doubts to believe that any such offer is for the purpose of influencing their decision, the outcome should be reported immediately to the line manager and/or Employee Relations department in writing.

6. Gifts, Entertainment and Corporate Hospitality

Hospitality can play a positive role in building relationships with customers, suppliers and other third parties. Likewise, it is sometimes appropriate to offer reasonable gifts, e.g. in the context of building better relationships. However, as accepting or receiving gifts and hospitality can be open to abuse or generate actual or perceived conflicts of interest, this should occur sparingly and always be legitimate and proportionate in the context of KE's business activities.

Our Standard

Unless otherwise expressly permitted, we do not offer or accept expensive or extravagant gifts or business courtesies. Nor do we offer or accept any cash or cash equivalents as gifts worth more than USD 20 or equivalent PKR to/ from the same supplier/vendor within any calendar year.

Our Conduct

Our relationships with suppliers, customers and others must be based entirely on sound business decisions and fair dealing. Business gifts, entertainment and corporate hospitality can help build relationships, but they can also make it harder to be objective about the person or company providing them. We may never:

- Solicit, offer, accept or provide directly or indirectly any gifts, entertainment, corporate hospitality or travel if it will obligate or appear to obligate the person who receives it.
- Solicit, offer, accept or provide to anyone directly or indirectly cash or cash equivalents, lavish or frequent gifts or entertainment, or anything that might look like a bribe.

Occasional business lunches and meetings outside the general office setting with suppliers, customers and others do not fall under the ambit of Corporate Hospitality and are only permissible if expressly approved in writing by immediate line manager. If there is any reason to believe that certain gestures may improperly influence business decisions, consult your line manager or skip level manager.

7. Information, communication and media

The rise of the next generation continues to change how KE employees, agencies, contractors and vendors communicate and interact both internally and externally. While this may present new opportunities, it also creates a new set of responsibilities.

KE employees, must follow the ethical standards of our Code when using social media, online communication tools, or any public communication medium, primarily the following:

- * Social Networks
- * Forums and Blogs
- * Wikis

While KE employees, may use these mediums, they must adhere to the Code and applicable policies in order to avoid harming the company's reputation, disclosing confidential or restricted information, or making statements on behalf of KE.

We don't share KE information through social media unless we have specific approval to use the information publicly. If unsure about any communication, submit a question to social.media@ke.com.pk.

Our Standard

Information from KE shall be reliable and correct and meet high professional and ethical standards. Public authorities shall be met in an appropriate and open manner. Communication with the media, the public and the financial markets shall take place in accordance with established procedures in compliance with the regulations and practices applicable to publicly listed companies. KE respects and encourages its employees' interests in being active citizens in the public domain.

Our Conduct

Do's

- be respectful towards people online,
- do not harass people online/on social media and treat them as you would if they were sitting in front of you
- If you express an opinion, make it clear that the comments are your own and not reflected on behalf of KE
- If you see any post which harms the company reputation or any post from any unauthorized employee, immediately notify at social.media@ke.com.pk

Don'ts

- Do not post photos of colleagues online/ social media without their consent
- Do not discuss KE operations or business on any social media platform

- Do not post any KE related information, business documents and confidential or restricted information; this includes (but is not limited to) plans, processes, financial information, personnel information, vendor details, etc.
- Do not post any fabricated information about KE
- Refrain from sharing posts that are against KE or present a negative image of the company
- Do not commit KE or any KE team to any action unless you have the authority to do so
- Do not create forums, pages, profile or any presence which can be confused as company pages, profiles, or presence. Do not release information which may harm the company reputation over any (electronic, print, online)medium

As a KE Employee, one should always use their best judgment when using social media. To protect and persevere the reputation of KE and its image, is the responsibility of all Employees.

8. Political activity

KE does not take political positions or is associated with any political movements. However, KE may occasionally partake in public debates which are of importance to KE's strategies and business performance.

Our Standard

KE does not support political parties, neither in the form of direct financial support nor paid time.

Our Conduct

KE Employees may choose to offer support and contributions to political parties or groups in their personal capacity and give no impression of being connected to KE whatsoever. Their personal political support or contributions should not affect their performance or objectivity at work in any way.

No political activities shall be carried out while on official duty during office hours on working days and at any of the company premises whatsoever.

9. Conflict of Interest

A Conflict of Interest occurs when a personal or family interest interferes with our ability to make sound, objective business decisions on behalf of the Company. KE respects the right of employees to manage their personal affairs and investments but expects them to avoid any situation that may involve a conflict between their personal interests and the interests of the company. As in all other facets of their duties employees dealing with customers, suppliers, contractors, or any person or organization doing or seeking to do business with KE must be in the best interest of the company and must exclude any consideration of personal preference or advantage. It is equally important to avoid apparent conflicts of interest where an observer might assume there is a conflict of interest and therefore a loss of objectivity in their dealings on behalf of KE.

When faced with a potential conflict, you should ask yourself:

- Would this activity create a direct or indirect incentive (financial or otherwise) for me or for my close family and personal relationships?
- Would others perceive this situation to apparently create an incentive for me or for my close family and personal relationships?
- Would this situation create an incentive for an associated business at the expense of KE?
- Would this situation create a constructive or legal obligation on my part to give favor to entities or organizations dealing with or against KE?

Our Standard

Service to KE shall never be subordinated to personal gain and/or advantage. Any decision on behalf of KE shall be based on objective and fair assessment of KE's interest without being impacted by any other considerations. Existence of actual or perceived conflict of interest shall be disclosed in writing to the immediate line manager and skip level manager. Disclosed conflicts shall be processed in accordance with KE's governing documents.

As a principle KE considers holding of public office or any secondary employment or fulltime or part time work/assignment by any employee to be in conflict of interest of the Company. Any employee found to be in conflict with the interest of the company which has not been disclosed may face serious repercussions.

10. Confidentiality

KE respects and maintains all sensitive information with due care which is confidential in nature as per best industry practices.

Our Standard

At KE we safeguard information that is of a sensitive nature or which is classified as confidential due to any reasons. Information from external parties shall be treated with the same level of confidentiality as our own information. The duty of confidentiality also applies after the conclusion of employment or contractual relationship with KE, for a period of five (5) years or for as long as the information is considered confidential, whichever is later.

Our Conduct

It is your duty to ensure that information you create or receive is correctly classified and only disclosed in accordance with KE's SOP's and policies. Caution shall be exercised when discussing internal affairs to avoid being overheard by unauthorized persons. If confidential information is to be shared with external parties, it is your duty to ensure that a written confidentiality agreement is in place.

11. Personal data and privacy

Customers, Employees and other related parties need to feel confident that their personal data is processed in such a way that data is only used for legitimate business purposes only.

Our Standard

KE's processing of customers' and employees' personal data for official/business purposes shall be subject to proper care and awareness. Processing of personal data by the company directly and/or indirectly through third parties shall be including but not limited to, what is needed for any official / operational purposes, efficient customer care, relevant commercial activities, digitalization of company records and proper administration of human resources.

Our Conduct

The company keeps the employee personal data highly confidential and shall only share with relevant persons/parties including third parties when needed for any official purposes. For customers/vendors data we shall only collect, process, and store their data for legitimate business purposes and keep such data no longer than necessary for the purposes for which any data was collected. You shall process customers/vendors information in accordance with the relevant laws and regulations on protection of personal data.

12. Intellectual Property

Intellectual property such as trademarks, copyrighted works, inventions, trade secrets and know-how, are often valuable and important to KE's success in the market.

Our standard

KE's intellectual property shall be safeguarded from unauthorized access, sharing and illegitimate use. KE shall respect the intellectual property of others.

Our conduct

KE Employees shall protect and process intellectual property in the best interest of KE and shall not make unprotected intellectual property available to external parties without prior authorization from the company management and a signed confidentiality agreement from such parties. KE Employees shall not infringe the intellectual property of others and shall comply with all confidentiality obligations regarding trade secrets disclosed by third parties.

13. Families and Relatives

KE provides that relatives or family members of employees can be hired if the appointment process is based on merit, qualification, experience, and skills and there is no conflict of interest. A "Family member" is defined as one of the following: spouse, parent/step parent, child/step child, grandparent, grandchild, brother/brother-in-law, sister/sister-in-law, uncle, aunt, nephew, niece, first cousin, in-laws (father, mother, son daughter).

There should be no direct or indirect reporting relationship between the relative and the employee while working in KE i.e. both will not be in the same line of authority. These principles are meant to ensure that there is fairness within the workplace in all aspects of employment including promotions, compensations, and transfers. However, preference may be given to the children of KE's employees concerning apprenticeship, internships, work during holidays, and other short-term engagements.

KE Employees are required to disclose their relationship status based on above guidelines at the time of employment. In the event that an Employee finds their relationship status to change with another Employee in due course of employment, they will inform their line manager and skip manager in writing along with People Connect immediately of such change in relationship status.

14. Outside Directorships

KE Employees are not allowed to hold directorships in other companies. This may lead to conflict of interest on the part of employee and is discouraged.

15 Corporate

KE Employees shall not compete with the company or take any personal advantage of business opportunities that they discover during the employment with KE.

16. Sanctions

Each employee is accountable for ensuring that he/she is complying with all the provisions of the code of conduct and seek guidance where necessary. Any breaches may lead to disciplinary action including termination of the employment. Misconduct that may result in disciplinary action includes (but is not limited to):

- Violate or ask others to violate, laws, rules, regulations, company policies, this Code or governing documents
- Failure to promptly raise a known or suspected violation of this Code, company policies, laws, rules and/or any regulations
- Failure to cooperate in KE investigations of any possible violations of this Code, company policies, laws, rules and/or any regulations
- Retaliation against any employee for reporting integrity concerns in good faith

The relevant department shall take all action it considers appropriate to investigate any violations as detailed hereinabove. If a violation has occurred, KE reserves the right to take such disciplinary or preventive actions, as it deems appropriate.

18. KE Whistle Blowing Policy

KE is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, KE expects employees and others that it deals with, who have any concerns about any aspect of KE's work, vendors and/or its employees, to come forward and voice those concerns and will always have an option to stay anonymous if they prefer to do so.

Any such concerns may be communicated/ reported along with the relevant details at speakup@ke.com.pk .

Please refer to our Whistle Blowing Policy for detail.

19. Contacting KE

Any concerns and/or grievances that Employees may have against KE or any of its employees with reference to this code of conduct may be communicated/reported along with the relevant details via following modes:

- a) Email Address: employee.advocacy@ke.com.pk
- b) Drop box facility: Hard copies can also be dropped in person in designated AWAZ box placed at your location
- c) Employees can also raise their grievance through Awaz portal
<http://sharepointapp:477/sites/Awaz/SitePages/Home.aspx>

Employees can choose anyone (01) or all the above options. Any grievances received will be investigated by KE's designated department and Employees will be contacted accordingly.

