



CODE OF CONDUCT

This Code of Conduct (CoC) serves only as an Ethical Guide. If employees confront an ethically ambiguous situation, they should remember the Company's commitment to the highest ethical standards and seek advice to ensure that all actions they take on behalf of the Company honor this commitment.

Scope

This Code of Conduct applies to all Employees of Central Power Purchasing Agency (Guarantee) Limited. The Company hereby requires its entire Employees:

- 1) Employees (Regular, Contractual and on Deputation)
- 2) Advisors & Consultants
- 3) Management Trainees
- 4) Daily Wages Staff

The observance of high standards in the conducting of its business activities. All employees must well understand and meet the standards of professional and personal Ethics/Integrity expected of them to protect and safeguard the reputation of the Company. Contravention of "CoC" will be regarded as misconduct.

Purpose

The Company is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of Business activities, transactions and interactions.

The 'CoC' defines acceptable and unacceptable behaviors and it shall be disseminated throughout the Company. This Code of Business Conduct serves to:

- (1) Emphasize the Company's commitment to ethics and compliance with the law;
- (2) Set forth basic standards of ethical and legal behavior;
- (3) Provide reporting mechanisms for known or suspected ethical or legal violations;
- (4) Help prevent and detect wrongdoing.

This CoC serves only as an Ethical Guide. If employees confront an ethically ambiguous situation, they should remember the Company's commitment to the highest ethical standards and seek advice following the given hierarchy to ensure that all actions they take on behalf of the Company honors this commitment.

Hierarchy: (This Hierarchy is collectively termed as Seek Guidance in this document).

Manager ➡ Department Head ➡ Functional Head.

If any point, employees feel uncomfortable and/or not getting a positive response from the seek guidance hierarchy, they may also report questionable behaviors by sending an email to HR at voice@cpga.gov.pk (confidentiality will be ensured).

Ethical Guidelines

A) General Ethics:

Employee should exhibit some General Ethics in the performance of their day to day duties.

- I. maintain absolute integrity;
- II. maintain devotion to duty;
- III. maintain high ethical standards and honesty;
- IV. maintain political neutrality
- V. promote the principles of merit, fairness and impartiality in the discharge of duties;
- VI. maintain accountability and transparency;
- VII. take decisions solely in Company interest and use or cause to use Company resources efficiently. effectively and economically;
- VIII. make choices, take decisions and make recommendations on merit alone;
- IX. perform and discharge his/her duties with the highest degree of professionalism and dedication to the best of his/her abilities.

B) Conflict of Interest:

A conflict can arise when an employee takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when an employee or members of his or her family, receives improper personal benefits as a result of his or her position at the Company.

- I. An employee has a prime responsibility to the company and is expected to avoid any activity that could interfere with that responsibility.
- II. The company purchases equipment, material and services for various aspect of its operations. The employees are forbidden from holding any personal financial interest, directly or indirectly in any deal of supplying goods or services to the company.
- III. Employees should not engage in any outside business or activity that might interfere with their duties and responsibilities to the company.
- IV. Employee should declare any private interests relating to his/her official duties and take steps to resolve any conflicts in a way that protects the Company interest;
- V. Employee should not place himself/herself under any financial or other obligations to any individual or organization which may influence him/her in the performance of his/her official duties;



- VI. Employee should not misuse his/her position and not take decisions in order to derive financial or material benefits for himself/herself, his/hers family or his/her friends;

C) **Protection and Proper Use of Company Assets:**

All employees should endeavor to protect the company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation.

- I. The company's equipment should not be used for non-company business.
- II. The obligation of employees to protect the company's assets includes its proprietary information which includes intellectual property such as trade secrets, patents, trademarks, copyrights as well as business marketing and service plans, designs, databases, records, salary information and any unpublished financial data and reports.
- III. Funds and assets received or disbursed should be fully and accurately reflected in the books and the records of the company. No false or fictitious entries should be made or misleading reports pertaining to the company or its operations should be issued.
- IV. No funds or assets of the company should be contributed directly or indirectly to any political party or organization or to any individual who either holds public office or is a candidate for public office.
- V. Unauthorized use or distribution of company's information/funds/assets would violate company policy. It could also be illegal and result in civil or criminal penalties.
- VI. Employees should not tamper with or misuse any item provided by the company to secure the safety, health and welfare of its staff and for the protection of the environment.

D) **Fair Dealing:**

All Employees shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating the Employees of Generation Companies, Distribution Companies and Company colleagues ethically. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited.

- I. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

- II. No gift or entertainment should ever be offered or accepted by an employee or any family member of an employee unless it (a) is consistent with customary business practices; (b) is not excessive in value, (c) cannot be construed as a bribe or payoff and (d) does not violate any laws or regulations.
- III. The offer or acceptance of cash gifts by any employee is prohibited.
- IV. Employees should Seek Guidance for any gifts or proposed gifts which they think may be inappropriate.
- V. Employees should neither give nor receive payments that are intended to influence a business decision or to compromise independent judgment nor should any Employee receive money for having given Company business to an outside agency.
- VI. No employee shall seek, accept or permit him/her to accept any gift or favor, the receipt of which will place him/her under any form of official obligation to the donor. As part of building relationship with Power Generation Companies, etc. Employees may receive occasional gifts, provided that the gift is of nominal value (e.g. pens, notepads, calendars, diaries, key chains or such promotional material) and the gift is neither intended nor perceived by others to be intended to improperly influence business decisions.
- VII. Employees should exercise good judgment so as to act in a manner that will reflect favorably on the Company and the individual.
- VIII. Employees should take reasonable care to ensure the health and safety of him/her and others who may be affected by his/her acts or omissions at work.
- IX. All employees work towards achievement of corporate objectives, individually and collectively as a team and conduct themselves at work and in society as respectable employees and responsible citizens.
- X. Employees will maintain an environment that is free from harassment and in which everyone is equally respected. Workplace harassment is defined as any action that creates an intimidating, hostile or offensive work environment. Such actions include, but are not limited to, sexual harassment, disparaging comments based on gender, race or religion.
- XI. Employee should be respectful and obedient to his superiors, helpful and sympathetic to his subordinates.
- XII. Employees behaviour generally should be gentle and his/her conduct in Company particularly should be courteous and polite but at the same time firm and dignified.
- XIII. While dealing with others Employee should always imagine himself / herself in the position of the person he is dealing with him as he/she would like himself / herself to be treated.
- XIV. Employee should avoid employing impolite language in writing as well as in conversation and should also try not to annoy others.
- XV. Employee should maintain cordial and affectionate relations with his colleagues and show due respect to his seniors

E) **Confidentiality:**

Employees must maintain the confidentiality of the confidential information entrusted to them, except when disclosure is authorized. Confidential information includes all non-public information that might be harmful to the Company, Generation Companies or Distribution Companies. It also includes information that Generation Companies and Distribution Companies have entrusted to the company. The obligation to preserve confidential information continues even after employment ends.

- I. In a personal capacity also, due care should be taken by employees while discussing the company's performance or plans with outsiders. In case of doubt, Seek Guidance.
- II. Employees should not keep or make copies of correspondence, documents, papers and records, without the consent of the company and all such information should be surrendered to the company when the individual leaves the company's employment.
- III. Company information and records should be kept on company premises only and unpublished information may be disclosed to external organizations/individuals only on "need to know" basis. In case of doubt in this regard, Seek Guidance
- IV. maintain confidentiality in the performance of his/her official duties as required by any laws for the time being in force, particularly with regard to information, disclosure of which may prejudicially affect the Company.

F) **Compliance with Laws, Rules and Regulations:**

Obeying the law, both in letter and in spirit, is the foundation on which the company's ethical standards are built. In conducting business, the employees shall comply with applicable governmental laws, rules and regulations at all levels. Although not all employees are expected to know the details of these laws, it is important to know enough about the applicable local and national laws to determine when to Seek Guidance.

- I. All employees and management personnel should strictly adhere to the Company rules and regulations, observe the best codes of conduct and abide by all laws of Pakistan.
- II. The use of alcohol in any form is prohibited on all company locations/premises. Similarly the use of drugs except under medical advice is prohibited on all company locations/premises. Any Employee arriving at a work place under the influence of alcohol or drugs will not be permitted to enter the premises and will be liable to disciplinary action.
- III. All forms of gambling/betting on the company's premises are forbidden.
- IV. Employee will refrain from doing anything which is or may be contrary to any law, rules, regulations and established practices;



Violations of Ethical Guidelines:

1. Reporting Known or Suspected Violations:

The Company's directors, CEO, senior financial and legal executives shall promptly report any known or suspected violations of this Code to HR at voice@cpga.gov.pk. All other employees should Seek Guidance (following the Hierarchy defined above in "PURPOSE") about known or suspected illegal or unethical behavior. The employees may also report questionable behavior by sending an email to voice@cpga.gov.pk (confidentiality will be ensured). No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the Company will strictly enforce this prohibition.

2. Accountability for Violations:

If the management or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending employee may be disciplined for noncompliance with penalties up to and including removal from office or dismissal. Such penalties may include written warnings to the individual involved that a violation has been determined, censure by the management, demotion or re-assignment of the individual involved and suspension with or without pay or benefits. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending employee and the Company. All employees are expected to cooperate in internal investigations of misconduct.

Compliance Procedures:

We must all work together to ensure prompt and consistent action against violations of this code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts - In order to reach the right solutions, we must be as informed as possible.
- Ask yourself - What specifically am I being asked to do? Does it seem unethical or improper? Use your judgment and common sense. If something seems unethical or improper, it probably is.
- Clarify your responsibility and role - In most situations, there is a shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your manager - This is the basic guidance for all situations. In many cases, your manager will be more knowledgeable about the questions and he or she will appreciate being consulted as part of the decision-making process.
- Seek help from Company resources – In cases where it would be inappropriate or uncomfortable to discuss an issue with your manager or where you believe your manager has given you an inappropriate answer, raise your concerns to HR (). voice@cpga.gov.pk.
- You may report ethical violations in confidence without fear of retaliation – If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the Company's legal obligations. The Company in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.
- Ask first, act later - If you are unsure of what to do in any situation, seek guidance before you act.