

Code of Conduct and Ethics

Definition

'Member' means: Employee of Karandaaz, either contractual or staff working for Karandaaz through a third party (outsourced employees)

The Code of Conduct and Ethics will be made part of every contract entered into with the members and every member of Karandaaz shall strictly abide by the following fundamental principles of business conduct and ethics:

1. Integrity

The principle of integrity imposes an obligation on every member to be straightforward and honest in all activities, conduct and business relationships. Integrity also implies fair dealing and truthfulness. The member shall follow the principles of transparency while reporting information to the clients, promoters, donors, regulators and other stakeholders. The member shall not knowingly be associated with information where it is believed that the information:

- Contains a materially false or misleading statement
- Contains statements or information furnished recklessly; or
- Omits or obscures information required to be included where such omission or obscurity would be misleading

2. Objectivity

The principle of objectivity imposes an obligation on all employees not to compromise their actions or judgment (in the interest of the organisation) because of bias, conflict of interest or the undue influence of others. An employee must avoid all activities and relationships compromising the fundamental principle of objectivity.

Examples of circumstances which may pose threat to objectivity include:

- Employees having financial interest in, or family, personal, business or employment relationship with the clients (intermediaries and firms), competing organisations or vendors
- Existence of a threat that an employee will be deterred from acting objectively because of actual or perceived pressures, including attempts to exercise undue influence over the employee
- Employees directly / indirectly competing with the organisation or supporting the competitors
- Accepting gift or hospitality from the clients (intermediaries and firms), competing organisations or vendors, unless the value does not exceed PKR 5,000. Members will return gifts valued above the allowable amount, with a letter explaining the policy. If the gift is impractical to return, management may make the gift available to all staff, use it as a form of employee recognition via raffle or direct reward, or donate it to charity.

3. Confidentiality

The principle of confidentiality imposes an obligation on all members to refrain from:

- Disclosing outside the organisation confidential information (of Karandaaz and its stakeholders) acquired as a result of professional and business relationships without proper and specific authority or unless there is a legal or professional right or duty to disclose; and
- Using confidential information acquired as a result of professional and business relationships to their personal advantage or the advantage of third parties

The member should disclose confidential information only on a “need-to-know” basis, even with other Karandaaz members. The member should not disclose confidential information outside of Karandaaz unless it already has a non-disclosure agreement or a confidentiality agreement approved by the Karandaaz Legal advisor. The need to comply with the principle of confidentiality continues even after the end of relationships between the member and Karandaaz.

4. Conflict of Interest

By avoiding financial, business, and other relationships that might compete with or compromise Karandaaz Pakistan, and/or project interests, Karandaaz safeguards itself and its clients’ interests. We expect members to be aware of, to be extremely cautious in handling, and to avoid even the appearance of a conflict between one’s duties as an employee and one’s personal interests. Since conflicts of interest do arise from time to time, even in good faith, we require members to disclose, in a timely manner, all potential conflicts freely and promptly to their departmental head and Human Resources and to work with Karandaaz to resolve them in a mutually satisfactory way (refer to [Disclosure Form – Annex A](#)). Members are required to request prior written approval from the CEO before maintaining a financial interest, through direct or indirect ownership, in a business that does or seeks to do business, or is in competition, with Karandaaz Pakistan.

Members must avoid private activities, including Internet activities such as blogging, chat room, discussion forum participation, private e-mails, and the like, when such participation creates for the employee or Karandaaz Pakistan a conflict of interest; compromises the security of Karandaaz’ employees and/or projects; or otherwise compromises the business activities or corporate image of Karandaaz Pakistan and its donors. Members may participate in social causes or in civic, political, or religious activities unrelated to Karandaaz’s work on their own time and at their own expense. Such activities, however, may not be in conflict with either Karandaaz’, or its objectives.

5. Moonlighting and Existing Investments

Karandaaz does not permit any employee working on a regular employment, to be actively employed or engaged outside of Karandaaz, neither as a short term consultant nor as a part-time employee.

Karandaaz also requires all members to disclose any passive or active investments linked to Karandaaz that are in effect when offered long-term employment. If a potential or real conflict is discovered, the member will be asked to mitigate the conflict by removing or excusing him/herself from the situation causing conflict.

6. Professional Behaviour

The principle of professional behaviour imposes the following obligations on all members:

- Compliance with regulations and policies

The member should comply with all relevant laws, regulations and policies of Karandaaz.

- Upholding Karandaaz Reputation

The member should avoid any action that may discredit Karandaaz. These include actions that a reasonable and informed third party, weighing all the specific facts and circumstances available to the member at that time, would adversely affect the good reputation of Karandaaz. For more details, please refer to the policy on Social Media in the General HR part of this manual.

- Fair use of assets

The member should use all assets belonging to Karandaaz and its managers / clients, including tangible, intellectual and electronic assets, in a manner both responsible and appropriate to the business and only for legal and authorised purposes. All members should strictly maintain the data and communication privacy and safeguard all intellectual property, including copyrights, patents, licenses, trademarks and other trade secrets. For more details on the use of electronic resources and information, please refer IT security policy in the General HR part of this manual.

- Anti-bribery

The member should not solicit, accept, offer, promise or pay bribes. As a general rule, “anything of value” offered, promised or given to a recipient, directly or indirectly, in order to induce or reward the improper performance of a function or an activity, can be considered a bribe. If member is solicited for money, favours, or anything else of value by or on behalf of someone, to influence or reward an official decision, the incident must be reported to HR immediately.

- Anti-corruption / anti-fraud

The following definitions shall apply in the context of this policy:

- Fraud is a knowing misrepresentation of the truth or a concealment of a material fact to induce another to act to his or her detriment.
- Corruption is the act of doing something with an intent to give an advantage inappropriate with official duties to obtain a benefit, to harm or to influence improperly the actions of another party. Actions taken to instigate, aid, abet, attempt, conspire or cooperate in a fraudulent or corrupt act, also constitute fraud or corruption.

Karandaaz Pakistan has zero tolerance for fraud and corruption, meaning that all members, non-staff personnel, vendors and partners are not to engage in fraud or corruption. All incidents of fraud and corruption are to be reported, and will be assessed and, as appropriate, investigated.

Examples of fraud and corruption include, but are not limited to, the following actions:

- Forging documents, preparing false entries in Karandaaz systems or making false statements to obtain financial or other benefit for oneself or another/others
- Collusion or other anti-competitive scheme between suppliers during a procurement process
- Providing information in relation to a medical insurance claim or another entitlement that the claimant knows to be false
- Forging the signature of a Karandaaz staff member or forging a document purporting to be from Karandaaz to induce a party outside Karandaaz to act
- Using another's IT identity or password, or creating false identities/passwords, without consent or authority to manipulate Karandaaz processes or cause the approval or denial of actions
- Misrepresenting Karandaaz employment status to obtain a benefit from a government or private sector entity
- Failing to disclose a financial or familial interest in a business or outside party while participating in the award/management of a contract to the benefit of that business or outside party
- Processing the cost of personal travel as part of an official travel
- Making misrepresentations, including educational credentials or professional qualifications, in the context of a job application and subsequent documentation required by HR

Fraud and corruption, if committed by a member, constitutes misconduct for which a disciplinary measure may be imposed, including dismissal. In cases where fraud/corruption is established, contracts must be terminated with immediate effect. Additionally, head of departments of Karandaaz are expected to act as role models and through their actions and behaviour set the tone for the rest of the organisation. They should foster a culture of zero tolerance for fraud and corruption, and ensure that any practices not aligned with this policy are dealt with expeditiously.

7. Respecting others

The principle imposes following obligations on every member:

- All members must treat each other, our clients and other stakeholders with respect, dignity, fairness and courtesy
- All members should maintain a work environment that is free from all kinds of: Discrimination (including race, gender, sexual orientation, age, pregnancy, caste, disability, ethnicity, religious beliefs); harassment that violates an individual's dignity, and/or creates an intimidating, hostile, degrading, humiliating or offensive environment

8. Complaint and Grievance handling

Although Karandaaz Pakistan makes every reasonable effort to provide as pleasant and satisfying a work environment as possible for its members, in any company or relationship between management and employees, occasions of employee dissatisfaction may arise. Karandaaz policy is that each and/or all members are entitled to a full hearing, a serious effort by management to redress wrongs and resolve problems, and a clear explanation when management is unable to act for reasons beyond its control. To this end, Karandaaz Pakistan provides its employees with channels of communication with management through an "open-door policy" and with more formalized procedures for voicing grievances and appeals.

As a first step, the employee is encouraged to discuss any concerns with the immediate supervisor. If the supervisor fails to resolve the problem or explain the situation to the member's satisfaction, the member may speak to the head of department, or the HR department and the CEO.

To petition management, the member should request a meeting with the CEO, clearly stating the reason for the meeting. Unless the employee specifically requests confidentiality, the supervisor is expected to attend the meeting with higher management. Depending on the nature of the appeal or complaint, the member may choose to communicate with management verbally or in writing. If the member selects the latter option, the petitioning individual shall respond in writing, clearly describing the action taken to address the member's concerns or the reason for inaction.

9. Ethical Complaints and Sexual Harassment

Karandaaz Pakistan believes in the dignity of every member and expects each member to show respect for all colleagues, visitors, beneficiaries and vendors. Respectful, professional conduct furthers the company's mission, promotes productivity, minimizes disputes, and enhances our reputation. Accordingly, the company does not tolerate any form of harassment and unethical conduct. Each member has a responsibility under this policy to make it known promptly, through the avenues identified, whenever they experience or witness offensive behaviour and/ or unethical practice.

The conduct prohibited by this policy includes any verbal or physical conduct that may reasonably be perceived as denigrating or showing hostility toward an individual because of race, colour, religion, gender, national origin, age, disability, or other status protected by law. Further, this policy prohibits any conduct that could be perceived as harassment or unethical by a member even when such conduct is not directed at the member's protected status. Such conduct includes behaviour that is disrespectful of others or is designed to taunt, humiliate, ridicule, isolate, or embarrass another member or interfere with the member's ability to do the job.

Another component of this policy is sexual harassment which has zero tolerance at Karandaaz Pakistan. Sexual harassment includes unwelcome sexual advances, requests for sexual favours, and all other verbal or physical conduct where submission to such conduct becomes a term or condition of employment or the basis for any employment decision, or where the conduct creates an intimidating, hostile, or offensive working environment. Same-sex sexual harassment is also specifically prohibited by this policy.

Sexual harassment is not limited to explicit demands for sexual favours but also may include such actions as sexually-oriented kidding, teasing, or jokes; repeated offensive sexual flirtations, advances, or propositions; obscene or sexually oriented language or gestures; display or circulation of obscene or sexually-oriented printed or visual materials; and offensive physical contact such as grabbing, patting, pinching, or brushing against another's body. Any hostile conduct based on gender is also forbidden by this policy regardless of whether the individual engaged in the harassment and the individual being harassed are of the same or of different genders. This policy forbids harassment based on sex regardless of whether it rises to the level of a legal violation.