



## Anti-Corruption & Anti-Bribery Policy

Acting with Integrity  
Around the Clock



Act with integrity.

Be honest.

Follow the law.

Comply with the Code.

Be accountable.

*At a time when corporate dishonesty is dominating public attention, Extraordinary Circumstances makes it clear that the tone set at the top is critical to fostering an ethical environment in the workplace.*

*Integrity is fundamental to PIDC. Along with our other values of leadership, passion accountability, collaboration, diversity and equality it is a pillar of our sustainability vision.*

*Integrity means doing what is right. By acting with integrity, we reflect positively on the values and reputation of the Company and its services.*



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PIDC REGIONAL OFFICE, ISLAMABAD

July 28, 2017

Dear Colleague:

We live in an era when public trust and confidence in business are among the lowest levels in history. We at PIDC are fortunate, however to work for an organization which name is identical to the industrialization of Pakistan, since 1952. We know that at the time of independence the economic condition was critical as there were no industry at all and the agriculture base was also insignificant, unable to cater alone for the funding requirements of the nation. The story of PIDC thus, is the story of the Government of a newly created country, successfully undertaking the daunting task of building up the industrial base of the country virtually from scratch. Proving true to the trust and promise the government reposed in it, PIDC embarked on the gigantic task of bringing up the industrial base from infancy, nay, rather conception to the magnificent edifice as it exists today. So, a reputation that has been enhanced and safeguarded over the years by a rich culture of integrity and ethical conduct.

Our organization is built on this trust and this reputation. It influences how stakeholders feel about our conduct and how shareholders perceive us as investment. We have seen plenty of examples in recent years of powerful corporations/companies with once stalwart reputations tarnished forever by unethical actions of a few people or even just one person. We all know that **“It takes years to build a reputation and only a few seconds to ruin it”**.

Because our success is closely related with our reputation, it’s up to all of us to protect that reputation.

Acting with integrity is about more than our Company’s image and reputation, or avoiding legal issues. It is about sustaining a place where we all are proud to work. Ultimately, it’s about each of us knowing that we have done the right things. This means acting honestly and treating each other’s and our customers, partners, suppliers, shareholders fairly and with dignity.

The Anti-Corruption and Anti Bribery Policy is our guide to appropriate conduct. Together with other policy guidelines, we have set standards to ensure that we all do the right thing. Keep the Policy with you and refer to it often.

With your help, we are confident that our Organization will continue to deserve that everyone has in us.

**Bushra Naz Malik**

Chairperson- Board Audit Committee



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## Anti-Corruption & Anti Bribery Policy

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## 1. Anti-Corruption & Anti-Bribery

### 1.1 Executive Summary

**At a time when corporate dishonesty is dominating public attention, Extraordinary Circumstances makes it clear that the tone set at the top is critical to fostering an ethical environment in the workplace.**

Corruption violates the public's trust, threaten economic and social development and hurts fair trade. To combat corruption at National level there have been enacted anti-corruption and anti-bribery laws to make it a crime to give, pay or promise "anything of value" (Bribe) to:

- Influence an act or decision to obtain, retain and/or direct business or
- Secure an improper advantage of any kind.

It is also a crime to accept "anything of value" (Bribe) in these circumstances.

PIDC and its affiliated entities (Including subsidiaries) are committed to doing business with integrity and the highest anti-corruption Standards. **All employees**, partners and suppliers are expected to conduct themselves with honesty, fairness and high ethical standards, as well as abide by all anti-corruption/bribery laws and avoid even the perception of impropriety or conflict of interest and or perceived corruption.

### 1.2 Objective

At a time when corporate dishonesty is dominating public attention, Extraordinary Circumstances makes it clear that the tone set at the top is critical to fostering an ethical environment in the workplace. Integrity is fundamental to PIDC. Along with our other values of leadership, passion accountability, collaboration, diversity and equality it is a pillar of our sustainability vision. Integrity means doing what is right. By acting with integrity, we reflect positively on the values and reputation of the Company and its services.

The main objective of this policy is having a adherence policy for Anti-corruption actual or perceived and Anti Bribery. And at the same time to have a robust control environment to take appropriate disciplinary action on any corrupt practice, leading to termination.



### 1.3 Scope

This Policy establishes PIDC Standards regarding the prevention of Bribery and Corruption. **It is our policy to conduct all of our business in an honest and ethical manner. We at PIDC take a zero-tolerance approach to Bribery and Corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships whenever we operate and implementing and enforcing effective systems to counter Bribery and Corruption**

This Policy applies to the entire PIDC Workforce (staff to Management), operations, subsidiaries and affiliates, in terms of dealings and transactions in all areas where PIDC operates. The entire PIDC workforce, including others acting on behalf of PIDC, are required to read and abide by this policy. In addition, PIDC management including department heads and managers are required to enforce the policy and ensure that people and entities for which they are responsible understand and adhere to this Policy.

### 1.4 Effective Date

This Anti-Corruption and Bribery Policy is effective from August 10, 2017 and onward. It must be noted and clarified that any dealing and transaction **INCURRED IN THE PAST BUT REVEALED BEFORE OR AFTER THE EFFECTIVE DATE OF THIS POLICY WILL BE DEALT WITH IN ACCORDANCE WITH THIS POLICY.**

### 1.5 Policy Statement

We at PIDC do not promise, offer, give or authorize, directly or indirectly or indirectly, a bribe or anything of value to any one- including any government official/employee, representative of a government-owned or controlled entity, a private person or employee of any business- to improperly influence any act or decision to obtain or retain business or to secure any improper advantage.

### 1.6 Policy Limit

The limit for gifts, invitation and hospitality shall not exceed Rs. 500,000/- (rupees five hundred thousand) per annum subject to the availability of budget for the purpose of Company Business only, and on the ground to be recorded and prior written approval of the CEO of PIDC is required.



## 2. Gifts, invitation and Hospitality

This Policy does not prohibit normal and appropriate hospitality (given and received). As gifts, invitation and hospitality sometimes play an important role in business protocols and customs. However, when given inappropriate may violate one or more laws of the Land. Therefore, laws of the land and PIDC policies must be followed. In addition to the Code of Business Conduct section about Gifts and Entertainment the requirement given in this section must also be followed. The main focus is that gifts need to be:

- a) Legal
- b) Within Policy limits (for giver and receiver)
- c) Reasonable, appropriate and in good faith
- d) Transparent and documented
- e) Occasional
- f) Not cash or cash equivalent
- g) Never given or accepted if something is expected in return-Even if then in policy limit.

It must be noted that in the following circumstances accepting a gift giving a gift is prohibited:

- i. It is made with the intention of influencing a third party to obtain or retain business, to gain a business advantage, or in explicit or implicit exchange for favors or benefits;
- ii. It is given in your name and not in the name of your Company(PIDC);
- iii. It includes cash or cash equivalent (Such as gifts certificates or vouchers);
- iv. It is of an inappropriate type and value and given at an inappropriate time (e.g. during tender process); and
- v. It is given secretly and not openly.

It must be noted in all circumstances that although based on business protocol and customs the practice of giving business gifts may be normal. And as such within the policy limits, they are properly documented and get approved from CEO of PIDC.

**But in all circumstances the test to be applied is whether the gift, invitation or hospitality is reasonable, justifiable and is proportionate. The intent behind the gift should always be considered.**



### 3. Facilitation Payments and Kickbacks

“Facilitation Payments”: A form of Bribery in which small payments are made with the purpose of expediting or facilitating the performance by a Public Official of a routine governmental action and not to obtain or retain business or any other undue advantage. Facilitation payments are typically demanded by low level and low-income Public Officials in exchange for providing services to which one is legally entitled without such payments.

At PIDC we do not make and will not accept Facilitation Payments or Kickbacks of any kind. Where Facilitation Payment is being extorted or you being coerced to pay it or your safety or liberty is under threat or you feel you have no alternative but to pay for personal or family peace of mind then pay the Facilitation Payment and Report this to your line manager, as soon as possible.

### 4. Your Responsibilities

- a. It is not acceptable for you (or someone on your behalf) to:
  - i. Give, promise to give or offer, a payment, gift or hospitality with expectation or hope that a business advantage will be received, or to reward a business advantage already given;
  - ii. Give, promise to give, or offer, a payment, gift or hospitality to a Public Official or third party to “facilitate “or expedite a routine procedure;
  - iii. accept payment from a Third Party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
  - iv. accept a gift or hospitality from a Third Party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
  - v. threaten or retaliate against another Employee who has refused to commit a bribery offence or who has raised concerns under this policy; or
  - vi. engage in any activity that might lead to a breach of this policy or perceived breach of this policy.





- b. It is your responsibility to ensure that all accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept 'off-book'.
- c. You must declare and keep a written record of all Gifts, Invitations & Hospitality according to Company practice accepted or offered, which will be subject to managerial/audit review.
- d. You must ensure all expense claims relating to Gifts, Invitations & Hospitality or expenses incurred to Third Parties are submitted in accordance with the Company's expenses policy and specifically record the reason for the expenditure.
- e. The prevention, detection and reporting of any form of Bribery & Corruption are the responsibility of all Employees. You must notify [Chief Internal Auditor/CEO] as soon as possible if you are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.
- f. All Employees have the responsibility to read, understand and comply with this policy. You should at all times, avoid any activity that might lead to, or suggest, a breach of this policy.
- g. **Any Employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct leading to dismissal and termination without entitlements of any dues/retirement benefits.**
- h. This policy should be read in conjunction with the Company's Conflicts of Interest policy and Code of Ethics and Code of Business Conduct.
- i. Employees are encouraged to raise concerns about any instance, or suspicion, of malpractice at the earliest possible stage through their line manager or other available reporting mechanisms **[as per Whistle Blowing Policy of the Company]**.



## 5. Protection

Employees who refuse to take part in bribery or corruption, or report in good faith under this policy their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future will be protected from detrimental treatment/retaliation. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. Therefore, any detrimental treatment/retaliation, as reaction be being non-collusive to the bribery and corruption shall not be considered as valid and will be termed as void ab initio.

## 6. Policy Compliance

- a. Compliance to PIDC Policies is required. Compliance to this policy is verified through various methods, including but not limited to, a report from available business tools, internal and external audits, self-assessment, and /or feedback to policy owner.
- b. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective. Chief Internal Auditor will report to Directly to the Board Audit Committee at least annually on the application of this policy.
- c. Any exception to the Anti-Corruption and Anti Bribery Policy must be approved from the Board of Directors of PIDC.
- d. Noncompliance, deviation or non-compliance with policy, including attempts to circumvent the stated policy/process by bypassing or knowingly manipulating the process, system, record, or data **may result in disciplinary action, up to and including termination.**



## 7. Governance

The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

CEO has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it. This training shall also be given to Intermediaries

## 8. Penalties

Violations or the perception of violations of anti-Corruption laws (like the Prevention of Corruption Act, 1947 and NAB Ordinance, 1999) and together with Company Act, 2017, can cause criminal, civil, and regulatory penalties and/or jail, as well as damage the reputation of PIDC and its employees. If an employee violates laws or this policy, it can result disciplinary action, including termination of employment.

**Bushra Naz Malik**

Chairperson- Board Audit Committee