

KHAADI
CORPORATION

Code of Conduct

Objective

The objective in establishing this Code of Conduct is to foster a culture of ethics, honesty, and professionalism within Khaadi Corporation Limited. We are an integrated organisation and believe that individual actions affect the performance and reputation of the entire Company. The Company expects all employees to follow this code in carrying out their duties to maintain public trust and to ensure the Company's sustainable growth and development

Objectives

Standards

This Code of Conduct is integral to the Company's way of work and is the basis of how the organisation conducts business. It is the standard for conduct and ethical business practices and will be reviewed on an annual basis.

The Code

All employees must:

- 3.1. Conduct the Company's business with honesty, integrity and in a professional manner.
- 3.2. Avoid any action that is objectionable or viewed as unethical or unlawful by the customers/public at large or the Company itself.
- 3.3. Understand and comply with the legal requirements and internal policies and procedures of the Company that apply to the duties assigned to the employee.
- 3.4. Avoid any activities that could involve or lead to involvement in any unlawful or unethical practices.
- 3.5. Avoid any activities in the capacity of being an office bearer of any political party.
- 3.6. Abstain from gambling, betting, and wagering contracts.
- 3.7. Ensure personal conduct towards employees and customers of the Company be exemplary and behave with decorum.
- 3.8. Safeguard the confidential information of the Company and that of its customers.
- 3.9. Avoid actual or potential conflicts of interest.
- 3.10. Provide accurate and reliable information in records submitted.
- 3.11. Promptly report to the Company any violation of law or ethical principles of the Company and its policies.

General Guidelines

Confidentiality

4.1. Employees may not disclose any information related to the Company, its customers or its employees which is not in the public domain, during employment as well as after separation from the company. Such information may include but is not limited to employee data, customer data, Company's production information/manuals, technical information, confidential research work, print designs and embroidery patterns, operating manuals, marketing plans and strategies and other confidential financial or business information of the Company.

4.2. The employee will not make unauthorized copies, nor pass on to anyone outside the Company documents/material/information /policies/manuals, electronic and physical data, or computer programs etc.

4.3. All designs created and any work undertaken while employed at Khaadi Corporation Limited is the sole property of the Company and must remain confidential.

Conflict of Interest

5.1. A conflict of interest exists when a personal interest or activity (e.g., favoring a personal connection, financial interest) interferes or appears to interfere with the duties that employees perform or owe to Khaadi Corporation Limited.

5.2. Employees must declare any potential and/or existing conflict(s) of interest and ensure that they are not involved in any financial decisions resulting from such situations. This includes but is not limited to conducting the business of the Company with a personal connection and having a financial interest that may compete with the Company's interests.

5.3. Employment with the Company is and should be a full-time occupation. For this reason, other employment or business association should not be taken up. However, employees are encouraged to serve in non-profit organisations by participating as director / trustee or officer on their own time and resources. If an employee is involved in any outside activities which includes, but is not limited to, acting as an officer, employee, proprietor, partner, agent, independent contractor, or advisor or any in similar capacity, they must obtain written authorization from People Experience. Depending on the case, they may be asked to discontinue the aforesaid employment on an immediate basis.

5.4. Employee must declare acquiring any kind of services from an Khaadi Corporation Limited enlisted vendor / contractor in advance to line manager and People Experience.

Incorrect Information

6.1. Employees must share complete and correct information with the relevant stakeholders which may affect the company's objectives. This may include but is not limited to the following:

- Personal information such as previous employment data and educational certificates

- Information required internally for decision making
- Customer data

6.2. Employees will be guilty of a severe offence if they intend to deceive the Company by using any receipt, account, or other document (financial or otherwise) which is false or erroneous or defective in any way and which, to their knowledge, is intended to mislead the Company.

Whistle Blowing

7.1. If an employee believes someone has acted or may be acting in violation of the principles set out in the Company's Code of Conduct, they must immediately raise the issue to their line manager, People Experience, or a member of the senior leadership.

7.2. Concerns can be shared on the confidential People Experience e-mail address (compliance@khaadi.com). Khaadi Corporation Limited will ensure complete confidentiality of the informant and the information shared to protect the interest of the employee. Alternatively, you may call any senior member of People Experience.

7.3. Employees shall be alert and vigilant with respect to fraud, theft or illegal activity committed within the offices/stores. If any such activity comes to the attention of an employee, they must immediately report the same to their line manager, People Experience, or a member of the senior leadership. Failure to report any such activity will be subject to Disciplinary Action.

7.4. Each case reported by employees at the email address and/or helpline will be investigated by People Experience or any assigned resource by senior leadership. If the finding confirms the violation, the case will be forwarded to the relevant committee. To ensure that false complaints are avoided, anonymous complaints may be dealt on case-to-case basis.

Zero-Tolerance

8.1. Khaadi Corporation Limited is a law abiding corporate organisation and is compliant with "The Protection against Harassment of Women at the Workplace Act 2010".

8.2. The Company has a zero-tolerance policy for harassment of any nature. Harassment may be defined as any unwelcome and inappropriate verbal or physical conduct on any grounds including but not limited to race, religious beliefs, gender, age, physical or mental disability or marital status. Unwelcome remarks or behaviour towards an individual or group where there is abuse of power to threaten or demean them, creating a hostile work environment and/or interfering in work falls within the definition of harassment.

8.3. Employment discrimination can be defined as the unfair treatment of employees based on prejudices due to person's race, colour, religion, national origin, age and/or disability. This discrimination may manifest as the behaviour towards an employee, blocked opportunities, biased evaluations etc.

8.4. If employees believe that they are being subjected to discrimination or harassment, they should immediately report it to the People Experience team.

8.5. The Company also has a zero-tolerance policy towards workplace violence. This could be any act that may cause another individual to feel unsafe or threatened, including but not limited to verbal or physical assault, threats, intimidation, bullying or any expression of hostility. Employees are also prohibited to carry weapons on the work premises, including retail outlets, regional offices, and the Head Office.

8.6. If an employee notices anything they believe could be unsafe for them or any other employee of Khaadi Corporation Limited or if they are facing workplace violence of any kind, report it to People Experience team immediately.

Maintaining Office Decorum

9.1. **Office Timings:** All employees at Khaadi Corporation Limited must observe their respective work timings

9.2. **Substance Abuse:** Employees must not consume, possess or report to work under the influence of alcohol, illegal drugs, or controlled substances on the Company premises. It is essential that all employees are aware of the severity of the consequences of these actions which may range up to dismissal of service.

9.3. **Breaks:** Khaadi Corporation Limited trusts its employees to use their best judgment in taking breaks from work. This means they must not take advantage and engage in long breaks and as a result, neglect their responsibilities at work.

9.4. **Dress Code:** Khaadi Corporation Limited prides itself on the professional environment it maintains, and the positive image employees exhibit as representatives of the Company. This image is affected by the manner of dress we use within our offices and in the offices of outside parties that we do business with. Therefore, employees are expected to dress appropriately.

9.4.1. Retail employees are to wear company provided uniforms at work.

9.5. **Workplace language:** Employees should use appropriate language at the workplace to maintain respect for office decorum. Usage of profanity, crude or vulgar language is not acceptable.

9.6. **Bullying:** Bullying such as acts or verbal comments that could psychologically or 'mentally' hurt or isolate a person in the workplace are strictly not allowed which includes but not limited to negative physical contact, repeated incidents or a pattern of behaviour that is intended to intimidate, offend, degrade, or humiliate a particular person or group of people. It also includes assertion of power through aggression.

Gifts and Hospitality

10.1. At certain times of the year, it may be customary to receive and give customer or supplier gifts. However, the practice requires careful consideration by the employee and their manager as it may create a

sense of obligation, cloud professional judgement or appear to do so. Before any gift is exchanged, employees should consider its value and determine if it is permissible under this Code. Employees must not provide, offer, or receive any gift or hospitality that serves to, or appears to, inappropriately influence business decisions, or gain an unfair advantage.

10.2. Employees are not allowed to accept gifts from companies or individuals with whom Khaadi Corporation Limited does business. Examples are:

- Kickbacks in cash from customers, suppliers, or contractors
- Gifts and services from customers, suppliers, or contractors
- Invitations to elaborate functions by customers, suppliers, or contractors
- Foreign holidays or tours arranged/paid by customers, suppliers, or contractors
- Gifts with commercial value from travel agents, hotels, or insurance companies

10.3. Employees can accept minor, inexpensive items including but not limited to calendars, diaries, mugs, desk pads, pens, etc. usually bearing a company logo. In no case should the specialty items be valued at more than **PKR 3,000**. If an employee doubts the value or the intent behind the gift received, they must consult the People Experience team.

10.4. If employees are offered gifts other than the minor items mentioned above, they must hand over the gifts to People Experience, which will consider the appropriate way of dealing with them.

10.5. Invitations from suppliers for social events, sports, theatre tickets, golf outings, non-business dinners etc. should generally be avoided.

10.6. Employees shall not present anything valued above PKR 3,000 to any peer, senior or junior on account of birthday, wedding, or any other event.

10.7. An employee will be guilty of an offence, who, without lawful authority or reasonable excuse:

- Solicits or accepts any personal advantage as a reward for doing or intending to commit any action related to Company's affairs
- Shows or intends to show favours or disfavours to any person in relation to the Company's affairs
- Offers any advantage to any one as an inducement or reward for or otherwise

10.8. Dreamer is authorised to allow any exception.

Purchasing Activities

11.1. All personnel who are directly or indirectly responsible for the Company's expenditure vis-à-vis purchasing merchandise for the Company such as marketing materials for activations/recruitment programs, fabric, goods, and accessories, etc. should act both professionally and ethically. The intent and appearance of unethical or compromising practice in relationships, actions, and communications is unacceptable.

11.2. The following set of guidelines is mandatory for all members involved in purchasing activities:

- The employee should never use the authority or office for personal gain and shall seek to uphold and promote the standing of the Company.
- Maintaining a standard of integrity above reproach, in all their business relationships both inside and outside the Company.

Network Expansion

12.1. Employees must adhere to the highest standard of ethical conduct, and exercise extreme caution in arranging or supervising contractual work related to construction, erection, renovation installation of electrical/civil/mechanical work fittings or furniture etc. Employees must ensure that such relations are strictly in line with the term of the contract and no undue advantage is extended to or received from such entities. If any undue deviation or influence is felt, the same must be brought to the attention of the competent authority for redress.

Political Pressure

13.1. Employees must refrain from bringing in outside pressure or influence to attain personal gains within the organization; any such attempt will be subject to Disciplinary Action.

13.2. If an employee holds an official position in any political party, they must disclose to the People Experience team. To continue employment with Company, employee must relinquish any such position.

13.3. Political freedom is the right of every individual however, this must be exercised outside the workplace.

Anti-Bribery & Corruption

14.1. Employees must uphold the highest standards of ethical principles. Therefore, they must avoid bribery and corruption while conducting business of the Company as well as carrying out personal affairs.

Protecting Company's Resources

15.1. All employees are responsible for safeguarding the Company's tangible and intangible assets including cash, business plans, customer information and physical property and services.

15.2. Copying, selling, using, and distributing the Company's products and other forms of intellectual properties are prohibited.

15.3. The use of e-mail, telephone, stationery, and computers are primarily for business purposes. Personal communication is discouraged.

Computer, E- Mail and Internet Usage

16.1. E- Mail should be used for internal and external business communication. Internet and e-mail should not be used for transmitting, retrieving, or storing any communication of a defamatory, discriminatory, or harassing nature or materials that are obscene or unsuitable. No messages with derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes, appearance, or sexual preference will be transmitted.

16.2. Employees should be aware that emails are not confidential and may be accessed for monitoring purposes. Any breach of IT security protocol that involves private business use or unsuitable material will be considered as a disciplinary matter. Employees will be accountable for all activities performed under their Company's Email ID; therefore, they should not share their password with anyone.

16.3. To keep secure possession of any or every IT equipment in the possession of employee for official use shall be sole responsibility of employee. In case of any theft / loss, immediate intimation to be send to IT & People Experience team. The Company will investigate the matter and based on facts, will reach a conclusion. The matter may also lead to the involvement of police.

16.4. To share any religious, political and obscene material on company what's app groups are strictly prohibited.

Official Spokesperson

17.1. The Head of Corporate Communication is the official spokesperson of Khaadi Corporation Limited (locally and internationally). No other employee except for the Dreamer is authorised to speak directly or indirectly to the media. If media persons approach employees at Khaadi Corporation Limited premises and on official events, please refer them to the Brand Experience.

Social Media

18.1. Khaadi Corporation Limited is Pakistan's leading retail company and an industry leader. As a responsible corporate Company, Khaadi Corporation Limited understands and respects individual's personal freedom. However, employees associated with the organisation must not use their personal or the organisation's social media to promote hate speech, discrimination, prejudice, or comment on an individual's religious beliefs.

Concluding Guidance

19.1. During deciding about the propriety of a particular action, whether it is covered specifically or not by this Company Code of Conduct, employees should ask themselves the following question:

- *"Would I feel comfortable in explaining this action to my family or close friends or seeing my action reported on the front page of any local newspaper?"*
- *The Company and employees are best served when the answer is an unqualified "Yes".*

Implementation

20.1. People Experience will review and issue this statement of Ethics and Business Practice (Code of Conduct) and Employee acceptance annually. This will be circulated to all the management staff in general and to all staff in Head Office/Regional Offices and Outlets.

Violation of Code of Conduct

21.1. If an employee violates the Code of Conduct and knowingly jeopardises the interest of the Company, then they may be subject to a punishment which may range up to immediate termination in accordance with the Company's policy.

21.2. The Company, in its sole discretion, shall determine what act or omission constitutes misconduct, breach of trust or negligence of duty.

Annexure 1

Code of Conduct Action Framework

Violation Type	Recommended Committee / Body
Sexual Harassment	Anti-Harassment
Financial Misappropriation	Disciplinary
Confidential Information Leak	
Manhandling	
Stealing	
Conflict of Interest	
Concealment of Facts	
Sharing of Passwords	
Office Decorum	
Misuse of Company Property	
Political Pressures	
Authority Misappropriation	
Absence from office without information (3 Days)	
HSE Rules Violation	
Dress Code	
Casual attitude	
General SOPs violation	
Workplace Language	
Social Media	