

# engro's code of business conduct

embracing ethical excellence

empowerment with  
accountability

our commitment to  
engro's stakeholders

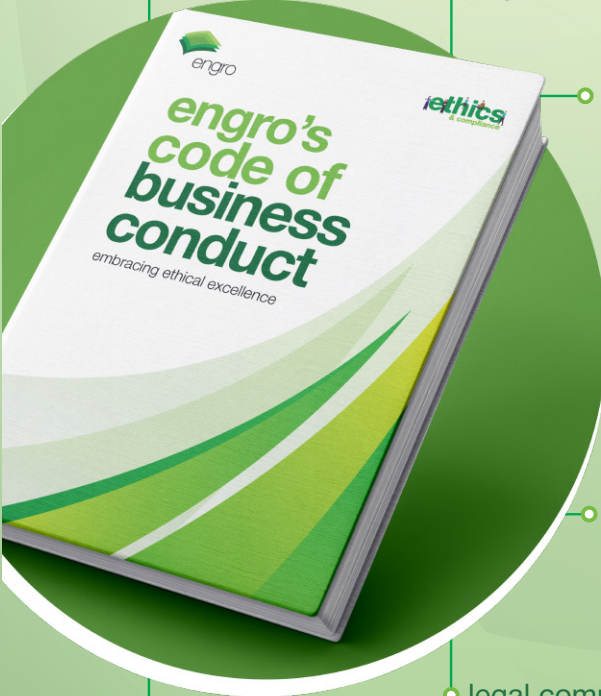
promoting a  
positive work  
environment

managing  
business  
relationships

anti-corruption  
& bribery

legal compliance

protecting  
company's assets



# contents

Preface	04
The Ethics Test	06
Message from the CEO	08
Our Core Values	09
Our Human Capital Philosophy	11

## CoC Section 1: Empowerment with Accountability

1.1 Supporting infrastructure to aid in ethical conduct	14
1.2 Mechanisms of internal control	14

## CoC Section 2: Commitment to Engro's Stakeholders

2.1 Employees	18
2.2 Shareholders	18
2.3 Customers	18
2.4 Families	19
2.5 Communities	19
2.6 Business Partners	19

## CoC Section 3: Promoting a Positive Work Environment

3.1 Equal Opportunities	23
3.2 Harassment-free Workplace	23
3.3 Health, Safety and Environment	23

## CoC Section 4: Managing Business Relationships

4.1 Conflicts of Interest	27
4.2 External Positions/Engagements	27
4.3 Directorships in Companies other than Engro Corp and its subsidiaries/JV	27

## CoC Section 5: Anti-Corruption & Bribery

5.1 Corruption & Bribery	31
5.2 Gifts	31
5.3 Entertainment	32
5.4 Other Business Inducements	32
5.5 Fraud Risk	32

## CoC Section 6: Legal Compliance

6.1 Fair Competition	36
6.2 Insider Trading	36
6.3 Intellectual Property/Copyrights	36

## CoC Section 7: Protecting Company's Assets

7.1 Physical Assets/Equipment	40
7.2 Proprietary/Confidential Information and Records Retention Programs	40
7.3 Using Computers, Network Systems and Communication Equipment	40
7.4 Financial Reporting Integrity	40

“

**all that is  
necessary for  
the triumph of  
evil is that  
good men do  
nothing.**

edmund burke

”

# preface

Ethics and integrity is one of the cardinal values of all Engro companies. It refers to a commitment to moral thought and action in all aspects of how a Company is managed. It is not only about complying with all laws, but also describes the moral choices that often must be made in areas where the law is not clear. Between a legal and moral obligation, Engro will always strive to abide by the one, which lays down a higher standard.

As employees of Engro Corporation or its subsidiaries, we may encounter situations, which give rise to ethical dilemmas, or cast doubt upon the integrity of our actions. To guide us in such situations, a host of policies has been adopted by the Board of Directors of our Company. (the **“Engro Policies”**)

The purpose of this Code of Business Conduct is to further explain the guiding principles embodied in these Engro policies, and to answer some of the questions that may arise in your minds. When in doubt please refer to this booklet. However, if you feel that further clarity is required on an issue faced by you please contact your supervisor, or the Ethics & Compliance function.

All employees must report any suspected misconduct, fraud, and violation of law or ethical standards or of any of the Engro Policies. All complaints that you may have can be reported on the “Speak Out” platform to the Ethics & Compliance function at [speakout@engro.com](mailto:speakout@engro.com). This channel is housed within Engro Corp for all subsidiaries and provides uniform assessment of all complaints groupwide. The function also guarantees confidentiality and protection from any form of retribution or retaliation. If you believe you are being retaliated against, please contact the Ethics & Compliance function.

Although this Code is primarily designed for use by employees of all Engro companies (including senior management and executives), all Non-Executive Directors are also expected to read and demonstrate compliance with this Code and the Engro policies and demonstrate compliance, in order to set a strong tone from the top.

**“ ethics is  
knowing the  
difference  
between what  
you have a right  
to do and what  
is right to do. ”**

**potter stewart**

In order to prevent ourselves from indulging in business practices, which may appear ethically questionable it is important that this Code is always complied with. However, you may face a situation where it seems difficult to distinguish between what is right and what is wrong.

To assist you in making the right decision we suggest you seek answers to the following questions and use them to determine your course of action.

# the ethics test

- **Do you understand the situation?**

To make the right decision you must have all the related facts and understand the potential exposures. Ask for them if you don't know.

- **Does your action or what you are asked to do appear legal and ethical?**

Test the situation using your judgement and common sense as well as research. If necessary seek help from your Legal and Internal Audit departments.

- **Will doing it make you feel bad?**

Your conscience can be your greatest guide. If something seems unethical or improper to you, it most probably is.

- **How will your action look if reported in the media?**

Remember that our Company's reputation and integrity depend upon each of us assuming responsibility for our business conduct.

- **If you know that it's wrong then why do it?**

No one has the right to force you to do something that is unethical. In most cases you can resolve the matter through candid discussion. Where this does not happen you have every right to escalate the matter to higher management directly, or through the use of the Speak Out whistleblower system, which guarantees anonymity and confidentiality.

- **If you are not sure then why not ask?**

Seeking help or guidance from knowledgeable others is NOT a sign of weakness; making an uninformed decision, which may result in an unethical business conduct IS!

**“ we must all recognize that what we do and how we do it effects how our stakeholders view our company. ”**

# message from the CEO

Dear Colleagues,

At Engro, we have always been blessed with a reputation for outstanding integrity. That reputation was not built overnight—it was earned over decades by Engronians who came before us, through their commitment to always doing the right thing, no matter how difficult.

Today, we carry that legacy forward with the launch of our updated **Code of Conduct**. This Code is more than a set of rules; it reflects the values that define us and the principles that guide how we work, decide and lead.

This Code is a reminder of who we are, and of the responsibility we share to uphold and elevate the Engro name—together, as one team. While it provides guidance on key aspects of our conduct, no document can capture every situation we may encounter. What matters most is our willingness to live by the values of truth, trust, humility, integrity, and striving in adversity in everything we do.

As you go through the Code, I encourage you to read it carefully, reflect on its meaning, and internalize its ethos. Let us continue to build on this, staying true to the values that have always defined the Engro way.

Together, let's strengthen our legacy of ethical excellence, and ensure that Engro remains a name that inspires trust across generations.

Sincerely,

**Ahsan Zafar Syed**







**our  
core  
values**



# our core values



## **self**

strives to achieve the highest standards of character & good manners in all interactions.

---



## **others**

nurtures passion to serve company, community and country.

---



## **country-planet**

cares deeply about environmental impact and safety in our activities across the country.

---

# our human capital philosophy

At Engro, culture is more than a set of values—it is the foundation of how we lead, collaborate and grow. We foster an environment where open communication, trust and respect guide our interactions, ensuring employee well-being, partner privacy, and a safe, inclusive workplace.

At the heart of our culture is Character and Good Manners (CGM)—our guiding framework shaped by Truth, Trust, Humility, Integrity, and Striving in Hardship (TTHIS). These principles define how we make decisions, recognize contributions, and build high-performing teams. From talent acquisition and onboarding to development and leadership, CGM is embedded across the employee lifecycle, shaping a workplace where values translate into action.

At Engro, we never forget what we stand for—our people, our purpose, and our unwavering commitment to doing what is right.

section 1

# empowerment with accountability



“

**it is not only  
what we do, but  
also what we  
do not do, for  
which we are  
accountable.**

**molier**

”

Engro seeks to empower its employees to facilitate business decision-making, but at the same time, it holds them accountable for their actions. Each Engro employee is responsible for their own behavior, and will be held accountable for it. While performing your job you must ensure that you conduct yourself in a manner that reflects positively on the Company.

### **every employee is responsible for:**

- Complying with all applicable laws, Company policies and procedures.
- Maintaining appropriate ethical behavior in all their internal and external dealings.
- Reporting any suspected misconduct, illegal activity, fraud, abuse of Company assets, or other violation of ethical standards.
- Annual compliance declaration.

## **1.1 supporting infrastructure to aid in ethical conduct**

### **orientation**

- Brief to new hires about policies on ethical business conduct.

### **reinforcement**

- Annual circulation of Business Ethics policies to all employees. Written acknowledgement of compliance obtained.
- Ethics & Compliance sessions carried out groupwide annually.

All Engro business partners, including vendors, contractors and customers are sent the Ethics Policy statement. This has also been translated into Urdu, to ensure compliance in their dealings with the Company. Clauses related to Ethics and Conflicts of Interest are mandatory in all contracts entered into by the Company.

## **1.2 mechanisms of internal control**

- Voluntary disclosures of procedural lapses through Learn Share Improve (LSI) System.
- Reporting an actual or a suspected breach of the code of conduct or any other non-compliance to the “Speak Out” platform.
- Whistleblower complaints and results of their investigations are reported to Board Audit & Risk Committee every quarter.
- Periodic Business Practices review involving all Engro companies and employees to identify questionable business practices. All identified issues are reported directly to the Board.

# FAQs

## **Q:** What constitutes an LSI?

- A:** Condition or event where there has been:
- A deviation from a Policy/Procedure/SOP
  - Where there was no intent to commit a violation and it occurred due to a mistake/error
  - Where there is no direct/indirect benefit

## **Q:** Why should I file an LSI?

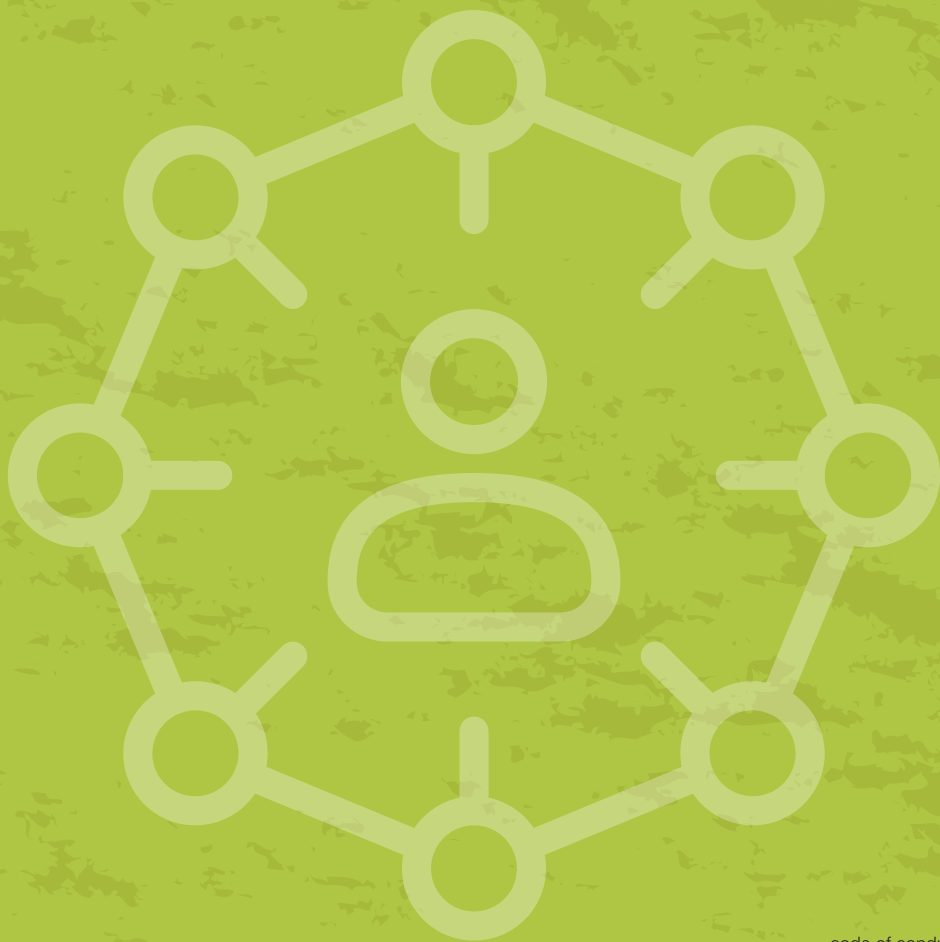
- A:** An LSI helps in providing information to the management, compliance and auditors about the incident. Identifying problem areas, which need attention to prevent recurrence and providing learnings for the future to the other departments/divisions.

## **Q:** To whom should I report an LSI?

- A:** LSI should immediately be reported on the prescribed format by the concerned employee through their department manager to the Corporate Audit Department.

section 2

# commitment to engro's stakeholders





**“ the glue that holds all relationships together - including the relationship between the leader and the led is trust, and trust is based on integrity. ”**

Engro regards its stakeholder engagement as an important element of corporate responsibility. Adherence to the highest ethical standards fosters trust. We want our stakeholders to know that they can depend on us. We are answerable to our shareholders, our customers, our families, our vendors and suppliers, the communities where we operate, and of course to each other.

## 2.1 employees



We treat people with dignity and provide equal opportunity for employment and development, without any form of discrimination or harassment. We are committed to managing our employees' careers based on merit and qualifications directly related to professional competence and to provide them appropriate opportunities for growth and development, whilst providing a safe and healthy working environment. For this reason, our compensation and rewards are also aligned with the best companies to attract and retain top talent.

## human rights

Engro recognizes that we are all equally entitled to human rights without discrimination as set out in the law. Engro strictly prohibits unlawful discrimination or harassment on the basis of religion, ethnicity, pregnancy status, sex, age, marital status, mental or physical disability, medical condition, or any other characteristics protected by law.

Our hiring and employment policies are made keeping into account labor rights, minimum wage, acceptable employment age, and labor representation for employees.

While we expect you to follow our Code, we also recognize your rights as a Company employee. While at Engro, all employees have the right to speak about matters of public concern or to openly participate in activities related to the terms and conditions of your employment (including internal discussions about wages, hours, working conditions, health hazards and safety issues). However, employees should be cognizant of protecting company information as detailed in section 7 of this code. At Engro, we advocate for candid communication, and expect our employees to voluntarily speak out against ethical lapses or questionable business practices, which they may observe. If they are not comfortable with such disclosures, they always have the option to use the "Speak Out" whistleblower system as well, which guarantees confidentiality and conflict resolution.

## 2.2 shareholders

We seek to maximize return to our shareholders and always act in their best interest.

## 2.3 customers

We strive to deliver quality products and superior services at competitive prices to our customers. At the same time we believe in fair trade and recognize their right to make informed choices.

## 2.4 families

We recognize the support of our families towards the fulfillment of our roles as employees, and therefore strive for a healthy balance between our work and our family lives. We want them to be proud of the jobs we do and the Company that we work for.

## 2.5 communities



We aim to contribute to the overall quality of life in our host communities, and to leave a positive environmental footprint and, encourage all our employees and Business Partners to do the same. We strive to address the needs of our communities by investing in sustainable initiatives in health, education and livelihood generation.

An overview of Engro's sustainability efforts and performance is also captured in the annual sustainability reports, which shed light on how Engro's core values and governance model incorporate sustainable practices to have an impact on the economy, environment and society, which are crucial considerations for business operations, stakeholders' interests, decision-making processes, and a sustainable future.

## 2.6 business partners

Business Partners include individuals and entities such as suppliers, agents, vendors, distributors, joint venture partners and customers.

We strive to choose our Business Partners objectively and through a transparent, competitive process and due diligence, which maximizes value for the Company. We will deal with them fairly and with honesty to build an abiding trust and respect for our way of doing business. This will encourage vendors to adopt these principles in their dealings with the Company and ensure quality products and timely deliveries at optimum prices.

It is important to note that the actions of our Business Partners can damage our reputation and expose us legally as well. Therefore, we aim to work with Business Partners that demonstrate standards of responsible business conduct and ethical values consistent with our own. We require our Business Partners to abide by all applicable laws and expect them to meet Engro's standards for Code of Conduct to initiate a business relationship.



# FAQs

**Q:** I overheard my boss fixing bid prices with a vendor with whom he has a close relationship. I am sure this is unethical, but I am afraid that my manager might retaliate if I report it. What should I do?

**A:** Fixing bids is against the principle of competitive bidding and therefore unethical. You can either report the matter to your boss's supervisor or on the Speak Out whistleblower platform, which is designed to handle such cases.

## section 3

# promoting a positive work environment



“

**you need to be aware of what others are doing, applaud their efforts, acknowledge their successes, and encourage them in their pursuits. When we all help one another, everybody wins.**

**jim stoval**

”

### 3.1 equal opportunities

All employees want and deserve a workplace where they feel safe, respected, and appreciated always. Engro's policies are designed to ensure this.

It is our intent to attract, induct, develop, retain and motivate high caliber talent who are qualified, capable, and willing to contribute towards the achievement of Company objectives. This will be done purely on merit, and without any form of discrimination based on gender, age, ethnicity, religion, physical appearance, or any form of unlawful consideration. Everyone in a supervisory role is always expected to abide by this.

### 3.2 harassment-free workplace

Harassment occurs when the words, actions or behaviors of colleagues create an intimidating, hostile or offensive work environment. This impacts productivity, trust and teamwork, and is unacceptable.

Unwelcome sexual advances or other inappropriate personal conduct, as defined in the Protection Against Harassment at the Workplace Act, 2010 are strictly prohibited.

Sexual harassment may take many forms, including, but not limited to, overt advances, demeaning comments, jokes, language and gestures.

Engro expects all employees, regardless of their seniority or work relationship, to have mutual respect and will not tolerate discrimination, harassment and bullying in any form e.g. public ridicule, abusive language, physical violence, or the threat of physical violence. Nor will any discrimination based on religion, caste or gender or appearance be allowed.

If you feel that you are a victim of sexual harassment you should immediately report the matter to the Harassment Committee, formed under the above Act, at your

Company. To cater to cultural sensitivities at least one member of the Committee is a woman, and all investigations are done confidentially. Engro Corp and all its subsidiaries have a Harassment Committee in place. If for any reason, you are not comfortable in approaching the Harassment Committee within your Company, you can approach the Harassment Committee at Engro Corp.

Employees are expected to cooperate fully in the Company's investigation of harassment related complaints. Retaliation against anyone who lodges a complaint in good faith is unacceptable.

### 3.3 health, safety and environment



Engro strives to be recognized as a world class performer in the field of Health, Safety and Environmental Management. We are committed to conducting our business in a manner that protects the health of all employees, contractors, and the community in which we operate. There are laws and standards designed to promote a safe workplace and protect the environment, which are strictly enforced.

Employees are expected to comply with all environmental regulations that affect our business activities, as well as internal policies and procedures. We also insist that contractors, suppliers, and others who work with us follow the same standards of HSE to ensure continuity of business relations with us.



# FAQs

**Q:** My supervisor constantly makes sexually offensive jokes and comments on my appearance, which makes me uncomfortable. I asked him to stop, but he laughed and said he's "just kidding around." What should I do?

**A:** You should report the situation to his supervisor or the Harassment Committee immediately. Engro will protect you from any retaliatory acts. We all have the right to work in a safe and positive workplace, and Engro will work to ensure this goal is achieved.

**Q:** I recently injured my back when I tripped on the stairs at home. My doctor has prescribed me medicines that make me drowsy. I find doing some routine tasks, such as operating machinery difficult. What should I do when I return to work at Engro?

**A:** Before being able to return to work, you should obtain appropriate medical clearance from your doctor or Company's medical officer. It sounds as if the medication could impair your ability to perform your job safely and effectively. This could place you, your coworkers, and even consumers of our products in danger.



section 4

# managing business relationships



“

**the reputation  
of a thousand  
years may be  
determined by  
the conduct of  
one hour.**

japanese proverb

”

## 4.1 conflicts 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 our Company. Engro 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 dealings with customers, suppliers, contractors, competitors, or any person or organization doing, or seeking to do business with the Company (our business interfaces) must be in the best interest of the Company, and must exclude any consideration of personal preference or advantage.

Even the perception that we may not be acting in the best interest of the Company can call into question our integrity, and adversely affect our reputation. Therefore, it is important to understand that openness and transparency are essential keys towards managing actual, potential, or perceived conflict of interest. Actions that might involve any form of conflict of interest, should be fully disclosed in line with the Conflict of Interest Policy for review and approval. Any deliberate attempt to conceal a conflict will expose the employee to disciplinary action.

### **some of the situations that may lead to conflict of interest are where an employee or their dependent family members**

- Have a significant financial interest in a business interface where there is an opportunity for preferential treatment to be given or received.
- Serve as directors, or employed in any capacity by a business interface.
- Receive from a business interface gifts beyond nominal value, commissions, share in profits, loans or advances, unusual discounts for goods and services, excessive entertainment, and travel facilitation.

- Buy, sell or lease any property, facilities or equipment from, or to the Company or a business interface.
- Release any confidential information not known to the public to a business interface, or use it for personal advantage, e.g. trading in shares.

## 4.2 external positions/engagements

An employee's engagement in external positions and appointments may impact their working relationship with Engro, or be in conflict with Engro's business interests.

Employees should not hold external duties or positions with a scope and workload, which may affect their ability and capacity to work at Engro, or conflicts with Engro's business interests. Similarly, no employee can hold a full-time external position.

If the above-mentioned conflict of interest guidelines, and the employee's capacity and ability to work at Engro is not impacted, they may engage in external positions with the relevant approvals as defined in the Conflict of Interest Policy.

## 4.3 directorships in companies other than Engro Corp and its subsidiaries/JVs

Employees are generally restricted from serving as directors of non-Engro companies. However, exceptions are approved on a case by case basis depending on the evaluation of how the Company's interest and/or that of the public would best be served, or where an employee may desire to serve as a director of a family-owned company. In this regard, employees are expected to comply with the guidance provided in the "policy regarding directorships in companies other than Engro subsidiaries or joint ventures".



# FAQs

**Q: My brother's Company is seeking to become a supplier to Engro. Does this create a conflict of interest?**

**A:** If you have decision-making authority in the supplier selection process, or with respect to your brother's Company, a conflict of interest exists. Even if you do not have such authority, this relationship may create the appearance of a conflict of interest. You should report the situation and remove yourself from the decision-making process if you are in any way involved.

**Q: I am a full-time employee working at an Engro Company. My friend has a creative agency and I am his business partner. I sometimes work on our business proposals during lunch hour. Is that allowed?**

**A:** If your agency carries out work for an Engro Company, you must report it under the Conflict of Interest Policy. If you have reported your involvement, and carry out the activity in your own time and with your own resources, there is no harm.

section 5  
**anti-corruption  
& bribery**



“

**though the  
bribe be small,  
yet the fault is  
great.”**

**edward coke**

## 5.1 corruption & bribery

Engro has a zero-tolerance approach towards bribery and/or corrupt practices and ensures all its business dealings and relationships are based on merit. Engro is committed to comply with the Prevention of Corruption Act, 1947, and other relevant laws countering bribery and corruption in Pakistan and abroad to the extent that the same are applicable.

A violation of relevant anti-corruption laws can lead to civil and criminal penalties and reputational harm to Engro. Employees are expected to be well-versed with the “Anti-Corruption and Bribery Policy”, which details the responsibilities of employees, while providing necessary information and guidance.

### gifts and entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. However, these should be reasonable and infrequent, and should not influence or be deemed to influence business decisions. A problem arises when such courtesies compromise - or appear to compromise - our ability to make objective and fair business decisions.

## 5.2 gifts

Giving and receiving of gifts in cash is strictly prohibited. Exchange of non-cash gifts should be infrequent and limited to the nominal value defined by the Company in the policy on gifts & business entertainment. The current nominal value is Rs. 20,000 within and outside Pakistan. An employee cannot receive/give a gift from/to the same entity/individual more than 3 times in the same calendar year whereby the cumulative value of gifts that can be received in a calendar year is Rs. 60,000. In addition, employees are expected to be well-versed with the provisions of the gifts and business entertainment policy.

In certain situations, refusal of gifts exceeding the nominal value may be considered to be against the cultural norms and be deemed as a lack of courtesy. Regardless of value, all gifts that are received by employees should be disclosed to Ethics & Compliance to independently assess their value and disposal. If the value is below the threshold defined by the Company, the employee can retain the gift. However, if it is more than the threshold the employee should surrender the gift to Ethics & Compliance, which will then be auctioned to raise funds for a Company charity.

### **5.3 entertainment**

Entertainment should generally be on an infrequent basis. However, the Company expects its employees to keep cultural sensitivities in mind, while discouraging those seeking to do business from lavishly entertaining its representatives. Employees should not request or seek any gifts/favors/personal benefits from business partners, which could be perceived as an attempt to influence business decisions.

### **5.4 other business inducements**

Employees on business trips abroad are often provided local inducements like car/travel facilities for shopping and sightseeing. While airport pick and drop and transport to/from business meetings arranged by the foreign business partners may be accepted, all such courtesies for personal use, including tickets to local events are strictly prohibited.

In the event of any uncertainty regarding what is acceptable and what is not acceptable, the employee should refrain from exercising their own judgment and always confirm with Ethics & Compliance.

### **5.5 fraud risk**

Fraud is defined as any intentional act of deception, including, but not limited to, the concealment of facts, making of false reports or statements (whether oral or written), and other dishonest conduct to obtain an unjust or illegal advantage.

It is the policy of Engro that all employees are committed to the highest standards of integrity through honest and ethical behavior and refrain from engaging in fraud. In this regard, Engro has a zero tolerance policy towards any kind of fraud.

Employees are expected to be aware of the provisions of the “Fraud Risk Management Policy”.



# FAQs

**Q:** I manage the Company's relationship with a travel agency. The travel agency gives me agency discounted rates for personal travel that are not available to other employees. Should I accept them?

**A:** No, receiving any personal benefit from an Engro suppliers or even a prospective supplier is not acceptable.

**Q:** A global supplier of packaging material is holding a convention in USA for its customers to introduce an innovative packing technology, which is of interest to my Company. All expenses of travel/lodging will be borne by the supplier. Is it right to accept this invitation?

**A:** No, accepting free travel and accommodation from suppliers, or those seeking to do business with your Company is a form of inducement and should be politely turned down. If knowledge of value to the Company will be gained at the convention, then the invitation to attend should be accepted, but all expenses related to the trip must be borne by the Company.

## section 6

# legal compliance

Legal compliance describes the necessary and minimum conditions for following the law and avoiding punishment. It focuses on what one has the right to do and what one is prohibited from doing.



**“** ethics and integrity describe the moral choices that individuals and organizations may make. A focus on ethics and integrity supports an organization and its employees when operating in an area where the law is not clear. **”**

Engro's Ethics and Integrity philosophy involves strict compliance with all laws and regulations in every jurisdiction where Engro operates. Our employees may encounter a variety of legal issues while taking decisions to conduct business. While it's impossible for anyone to know all aspects of every applicable law, employees should understand the major laws and regulations that apply to their work, ensure that they are aware of the legal implications of their actions, and choose not to violate the law. If you are in any doubt about the legality of your actions in the conduct of business, you must seek clarification from your supervisors or your Company's legal advisors. Ignorance of law is no excuse.

A few specific laws are easy to violate unintentionally and so are worth pointing out here:

## 6.1 fair competition

Pakistan's Competition Act is designed to ensure a fair and competitive free-market system. All employees and directors are expected to comply by this legislation, while carrying out their duties to the Company. This necessitates that they familiarize themselves with the provisions of this law.

While Engro companies compete vigorously in the marketplace, they must ensure compliance with this anti-trust legislation, and ensure that they compete on the merits of their products and services, the prices that they charge, and the customer loyalty that they create.

Agreements with competitors to fix prices, allow special discounts, and divide marketing territory are some examples of violation of the above law. It is therefore important to avoid any discussion on such issues and future business plans with competitors. Moreover, employees must be honest and accurate in describing the attributes of their Company's products to customers, and must also refrain from criticizing a competitor or their product.

## 6.2 insider trading

Under the provisions of the Securities Act, 2015, trading in listed securities using inside information is called insider trading and is prohibited by law.

Insider trading includes when an "insider" transacts a deal in listed securities (whether directly or through a third party) using "inside information" in relation to such securities. The term "inside information" means material, price-sensitive information in relation to the listed security, which is not yet known (or disseminated) to the public; whereas the definition under law of an "insider" includes individuals who, by virtue of their position, role or through unlawful means, have access to inside information and also includes their relatives.

Details of the scope and applicability of the policy have been articulated in the "Share Trading & Insider Trading Policy". Employees are expected to be aware of the said policy.

## 6.3 intellectual property/copyrights

Engro recognizes intellectual property rights, and expects all employees to refrain from any infringement of patent, copyright and licensing requirements. All materials, processes and computer solutions used by the Company must be legally acquired and used with the permission of their lawful owners.

# FAQs

**Q:** During an informal meeting, while discussing market conditions, a competitor's representative suggested that if I could make my Company charge more for a certain product, she'd make sure her Company charges the same price for a similar product. How should I respond?

**A:** You should inform her that it wasn't proper business discussion and abstain from the topic. Price fixing violates anti-trust and competition laws and can carry severe consequences for both the individuals involved and the Company.

**Q:** I have just hired an employee who worked previously for one of our competitors. May I ask the employee for information about our competitor?

**A:** Never ask a former employee of a competitor about any information, which is not in the public domain and the person is under a legal obligation not to reveal it.

section 7

# protecting company assets



“

**to think is  
easy, to act is  
difficult. To  
act as one  
thinks is the  
most difficult.**

johann wolfgang von goethe

”

## **7.1 physical assets/equipment**

To facilitate the conduct of its business in an efficient manner the Company entrusts us with various assets like vehicles, computers, communication devices, and other equipment. We must use these assets carefully and diligently, and protect them from loss, damage, theft or misuse. Moreover, we may only use these assets for legitimate business purposes, unless limited personal use is permitted by Company policy.

## **7.2 proprietary/confidential information and records retention programs**

Information is a Company's most valuable asset. We must take steps to protect our Company's proprietary and confidential information from unauthorized disclosure. Such information may include trade secrets, pricing plans, cost information, sales figures, financial results and product information, as well as intellectual property.

Your obligation to protect this information continues even after your employment with the Company ends.

Engro companies also have retention programs for records, some of which may be driven out of statutory requirements. You should get clarity on which records that relate to your area of business to retain for how long and in what form (hard copies, microfilms, photocopies and emails).

## **7.3 using computers, network systems and communication equipment**

The Company's IT equipment and network systems must be used in accordance with the guidelines laid down in the IS Acceptable Use Policy and the IT Code of Conduct. This means we must take care to compose all emails, text messages, and other electronic communications in the same professional manner as our other written correspondence. We should not use our

Company provided computers, cell phones or network systems to access, download or send any information that could be insulting or offensive to another person or can be construed as harassment, e.g. sexually explicit messages or content, unwelcome propositions, ethnic or racial slurs, etc.

While limited personal use of our computer and network systems is allowed, we must make sure that such usage does not detract us from our official work. The Company also has the right to block access to inappropriate websites, as well as the transmission of inappropriate material.

## **7.4 financial reporting integrity**

All of us need to ensure that every business and transactions record is accurate, complete and reliable. This standard does not only apply to financial data, but also to other operating reports or records as well, which may be critical to the management of our business. Make sure all your records are truthful and accurate since false or incomplete information undermines our ability to make sound business decisions.

Every Engro Company has established accounting standards and standard operating procedures to ensure that assets are properly accounted for and all financial transactions are accurately recorded. All employees are individually responsible for ensuring compliance with all such internal controls.



# FAQs

**Q:** One of my colleagues often works in the office after hours. Sometimes, when he's alone in the office late at night, he visits websites containing inappropriate content. He figures that he's not disturbing anyone, and he doesn't think he's harming the Company since he's doing this after operating hours. Is he right?

**A:** No, it's never okay to use Company computers or network systems to view or forward inappropriate content, even if you're alone in the office, at home, or on a business trip.

**Q:** We have budgeted for a departmental outing in the fourth quarter of the year. It has not been scheduled to the first quarter of the next year. Since the budgeted amount will lapse, can I accrue it and use it in the next year to offset the actual expense of the outing?

**A:** No, a mere intention to undertake an activity is not an actual expenditure and cannot be accrued. Treating a mere commitment as a liability would be in contravention of corporate reporting laws.