



Supplier Code of Conduct

PURPOSE

The purpose of K-Electric's (KE) Supplier Code of Conduct (SCOC) is to outline the minimum standards of ethical conduct, legal compliance, and business integrity that KE expects from all its Suppliers. This Code reflects KE's commitment to its core values – CARES: Customer Centric, Accountable, Respectful, Energized, Safe – and serves as a foundation for all business relationships. KE seeks to engage only with Suppliers who uphold these values and demonstrate integrity in all their dealings.

SCOPE

This SCOC applies to all of KE's Suppliers. For the purpose of this SCOC the term "Supplier" means any business, firm or individual that is providing goods or services to KE, whether directly or indirectly. The term Supplier also refers to employees, agents, third-party intermediaries, agents, subcontractors, subsidiaries, affiliates and workers. This applies to all workers including temporary, migrant, student, contract, direct employee or any other types of workers. The requirements of this Code extend to the Supplier's entire supply chain.

Suppliers must:

- Understand and comply with the SCOC, and take steps to ensure that all representatives understand and adhere to the requirements of this SCOC, by maintaining adequate policies, procedures, internal training activities and support,
- Self-monitor and enforce compliance to the requirements of this SCOC within their own supply chain by making it available to their employees, agents, third-party intermediaries, agents, subcontractors, subsidiaries, affiliates and workers.

KE reserves the right to carry out monitoring and verification activities to ensure ongoing compliance and may take appropriate action if significant non-compliance is identified. This may include onsite audits and inspections at the workplaces of suppliers.

This Supplier Code of Conduct supersedes any or all previous Code of Conduct signed by the Supplier with KE and in circumstances where any discrepancy arises between the two; this Supplier Code of Conduct shall take precedence.

HUMAN RIGHTS AND SOCIETY

KE expects its Supplier(s) to conduct operations in a way that respects the fundamental human rights of others, as affirmed by the Universal Declaration of Human Rights (UDHR) and the International Labour Organization (ILO) Conventions. This includes, but is not limited to, ensuring adherence by Supplier throughout its Supply Chain. For their own employees, we expect the Supplier (at a minimum) to:

- Ensure fair and equal treatment of all workers, regardless of race, color, gender, nationality, ethnicity, social background, disability, age, religion, political beliefs, marital or family status, or any other protected status.
- Promote an inclusive work environment free from discrimination.
- Treat all workers with respect, protecting their dignity, privacy, and individual rights.
- Prohibit any form of abuse, harassment, or exploitation.
- Adhere to all applicable labor laws in Pakistan, including minimum wage, legally mandated benefits, overtime hours, working hours, EOBI, social security and group medical insurance as laid down in the Applicable Laws.
- Provide fair remuneration, wages, and benefits, in accordance with national statutory requirements.
- Suppliers must maintain employment documents in accordance with all applicable laws and regulations, including employee records.

FREEDOM OF ASSOCIATION

- KE rejects any limitations on free speech, expression, thought, consciousness, religion, and association, including collective bargaining.
- Suppliers must respect the right of all workers to engage in peaceful assembly and freedom of association.
- Workers shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.
- Suppliers shall allow workers to exercise freedom of association and comply with the provisions expressed in collective bargaining agreements.

EMPLOYMENT, WAGES, AND BENEFITS

Compensation paid to workers shall comply with all applicable Labor laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Suppliers must maintain employment documents in accordance with all applicable laws and regulations, including employee records.

FORCED LABOUR

- The Supplier shall not engage in or permit any form of forced, bonded, or involuntary labour, including slavery, servitude, debt bondage, or human trafficking. Practices such as forced overtime, withholding of

wages, confiscation of identity documents, or restricting movement as a means of control are strictly prohibited.

- All employment must be entered into voluntarily, and workers must be free to leave after providing reasonable notice, in accordance with applicable laws and employment contracts.
- This requirement applies across the Supplier's entire supply chain, including subcontracted or outsourced labor.
- Working hours must not exceed the maximum stipulated by law and all overtime must be voluntary. KE recognizes that forced overtime is a form of forced labor.

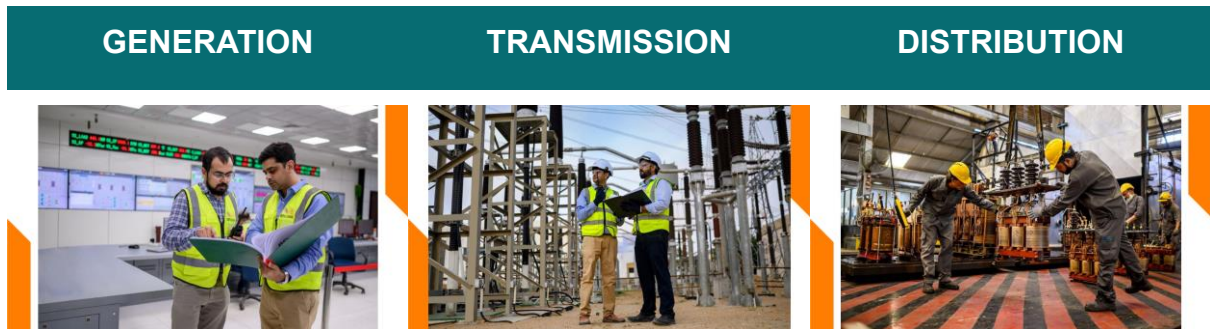
CHILD LABOUR

- The Supplier must not employ or engage any person below the legal minimum working age, which shall not be less than fourteen (14) years, in line with applicable laws and international standards, including ILO Conventions No. 138 and No. 182.
- For purposes of clarity, the Supplier shall be deemed to be engaged in child labor if it employs, engages or otherwise makes use of any person below the legal minimum working age, which shall not be less than fourteen (14) years. Further, the Supplier must ensure that it complies with the maximum permitted working hours being seven (7) per day for such minors. This includes prohibiting employment in hazardous conditions, allowing breaks every 3 (three) hours per day, restricting night work and ensuring that the work does not interfere with the child's education or physical, mental or emotional development, in accordance with the Sindh Prohibition of Employment of Children Act, 2017, and any amendments made thereto from time to time.
- This obligation extends to all levels of the Supplier's supply chain, ensuring that no child is subjected to exploitative or unsafe labour conditions.
- All work of persons under the age of 18 will be subject to an appropriate risk assessment and regular monitoring of health, working conditions, and hours of work.

GENDER-BASED VIOLENCE AND HARASSMENT (GBVH)

- Supplier shall uphold a zero-tolerance approach to all forms of gender-based violence, harassment including sexual harassment, exploitation, and any conduct that creates a hostile or unsafe work environment based on gender. In particular, Supplier is required to:
- Prohibit gestures, language, behavior, or physical contact that is coercive, threatening, sexual, abusive, or exploitative.
- Implement and enforce anti-GBVH controls in line with The Protection Against Harassment of Women in the Workplace Act 2010.
 - Design, implement, and maintain a GBVH Policy;
 - Conduct regular training and awareness programs to inform workers of their rights related to non-discrimination and non-harassment and the content of the GBVH Policy.
 - Create reporting channels for harassment or violence preferably using persons who have received specific training in the management of GBVH cases.
 - Actively promote a safe and inclusive working environment for all individuals, specially for women.
- Suppliers shall not engage in unlawful discrimination in any aspect of hiring or employment, such as wages, promotions, access to training, or rewards, on the basis of:
 - sex (including pregnancy, childbirth, breastfeeding, or related medical conditions, biological sex, gender identity, or gender expression);

- race, color, religion (including religious dress and grooming practices);
- sexual orientation, national origin, ancestry, citizenship, marital or familial status.
- age, physical or mental disability, medical condition, genetic information, military or protected veteran status; and/or
- or any other characteristic protected by applicable local law or regulation.



ENVIRONMENT AND CLIMATE CHANGE

OCCUPATIONAL HEALTH AND SAFETY

The Supplier(s) shall:

- Ensure a safe and healthy work environment and comply with all applicable health and safety laws, rules, and regulations.
- Worker potential for exposure to health and safety hazards are to be identified, assessed and mitigated.
- Provide appropriate personal protective equipment (PPE) and provide training on its use.
- Take measures to reduce community exposure to hazardous substances or emissions from operations.
- Ensure that adequate resources inside it's organization are adequate to implement the above.

ENVIRONMENTAL PROTECTION

The Supplier(s) shall:

- Act in accordance with the applicable environmental laws, rules, regulations, and internally recognized standards at KE for environmental protection.
- Establish and maintain appropriate environmental and social management systems and processes to identify, assess and manage environmental and social risks and impacts associated with their operations and projects, in accordance with good international industry practice (for example environmental and social impact assessments).
- Take proactive steps to minimize environmental pollution, and to continuously improve environmental conditions including through the adoption of pollution prevention practices.
- Ensure the sustainable use of natural resources, including energy, water, and raw materials, and adopt measures to avoid or minimize any adverse effects on human health and the environment resulting from project related activities.
- Implement practices to reduce the generation of greenhouse gas (GHG) emissions and support resource-efficient operations throughout the supply chain;

- Set up or use a reasonable environmental management system capable of monitoring, tracking, and continuously improving environmental and social performance;
- Appoint qualified HSE and E&S staff proportionate to workforce size and the risk level of operations, including contractors and subcontractors; and
- Clearly define qualifications, experience, and performance expectations for E&S roles.

KE reserves the right to assess and verify the environmental and social practices of its Supplier and expects them to ensure that their Supply Chain involved in KE-related activities adhere to the same standards of environmental protection. In case of any significant non-compliance or a material breach of these standards, KE may request an explanation from the Supplier, detailing the reasons for the breach. Following this, if KE finds the explanation unsatisfactory, KE may, at its sole discretion, suspend or terminate any on-going or future transactions with the Supplier without further liability to KE for such termination or suspension.

GOVERNANCE AND LABOR PRACTICES

CONFLICTS OF INTEREST

The Supplier is required to avoid conflicts of interest in their business dealings with KE and operate with full transparency with respect to any circumstances where a conflict does exist or may arise.

As such, the Supplier must:

- Avoid situations where their personal and/or commercial interests, or the interests of their employees may appear to conflict with the interests of KE.
- Disclose to KE if any KE employee may have any interest or stake of any kind in their business and/or have any economic ties with them.
- Inform KE of any situation that is, or may be seen as, an actual or potential conflict of interest as soon as the conflict arises or is anticipated, and to disclose to KE how it is being managed.
- Inform or disclose to KE before signing any contract or agreement if any close relative is working for KE and in what capacity.
- Suppliers must refrain from using KE's name/logo or that of any of our clients or customers or holding themselves out as providing goods or services to or on behalf of KE or any of our clients or customers, except with KE's express written authorization.

BRIBERY AND CORRUPTION

The Supplier, represents, warrants and covenants that, in connection with its relationship to KE and any transactions conducted under this or relations agreements, it:

- Has maintained, and shall continue to maintain, accurate and complete books, records, invoices and other documents that clearly reflect the true nature, amount and purposes of all expenditures, payments and transactions carried out on behalf or in connection with KE.
- has not established and will not maintain or use any unrecorded "off book" accounts or other similar funds that are not otherwise fully disclosed in the Supplier's financial records and available for review by KE or competent authorities.
- shall not directly or indirectly, offer, promise, authorize, give, request, or accept any bribe, kickback, facilitation payment, or other form of improper payment or advantage – whether in cash or in kind – to or

from any public official, KE employee, business partner, or any other person for the purposes of securing or retaining business, influence decision-making or obtaining an unfair advantage.

- shall implement and maintain effective internal controls, training programs, and enforcement mechanisms to ensure ongoing compliance with Applicable Laws; and
- shall immediately notify KE if it receives payment, instruction, or suggestion from any party (including KE personnel or government officials) to take any action that clearly constitutes a violation of anti-corruption laws or this SCOC.

CONFIDENTIALITY

The Supplier is expected to protect all confidential information provided by KE even if a separate non-disclosure agreement has not been signed on a case-to-case basis. The Supplier is expected to take all necessary precautions to avoid disclosure of any of KE's confidential and/or commercially sensitive information that a Supplier has acquired of KE, to any third parties or authorities. In circumstances where the Supplier is no longer working with KE, the Supplier shall be expected to uphold this clause for 3 years post termination of contract/services.

GRIEVANCE MECHANISM AND WORKER PROTECTION

The Supplier must maintain clear, well-defined, and well-communicated internal worker grievance mechanisms such that its workers can safely and confidently raise concerns anonymously, including but not limited to, harassment, discrimination, or unethical conduct, without fear of retaliation. It is essential that the Supplier's workers are fully informed of this reporting mechanism and their rights in a language and format that is accessible and understandable. It is also the Supplier's responsibility to monitor and assure the adherence to these standards throughout their Supply Chain.

KE reserves the right to conduct verification to evaluate compliance with these standards, including unannounced audits, interviews with workers and review of employment records.

BUSINESS COURTESIES

The Supplier must not offer, give or promise any gifts, hospitality, entertainment, or other benefit to KE employees, representatives or agents that may compromise or appear to compromise their objectivity or independence in decision-making. This includes items or courtesies of nominal value. Any business courtesies offered or given in connection with KE business by Suppliers to KE employees should not exceed USD 20/employee from the same Supplier within any calendar year.

The Supplier is strictly prohibited from offering any business courtesy with the intent to obtain, retain, or influence business with KE, or to secure any improper advantage.

Any attempt to improperly influence KE's procurement or business decisions through personal gifts or incentives will be considered a serious breach of this SCOC and may result in disqualification from current and future engagements with KE.

COMPETITION, ANTI-TRUST AND INSIDER TRADING

The Supplier must not fix prices or rig bids with their competitors. They must not exchange current, recent, or future pricing information with competitors. The Supplier must refrain from participating in a cartel.

In addition, if a Supplier or any of its representatives possesses material, non-public information about KE, or its subsidiaries, obtained while providing services, they must not buy or sell securities of KE or any of its subsidiaries, or share such information with others for any purpose.

PENALTY ON FALSE CLAIMS

The Supplier is encouraged to promptly report to KE, in good faith, any actual, potential, or suspected violation by KE employees. However, if the Supplier's claim is found to be false, dishonest, malicious, frivolous, or vexatious, KE reserves the right to apply any or all the following penalties upon that Supplier.

- Suspend or terminate all on-going or future transactions with the Supplier.
- Withhold or suspend any outstanding payments until the matter is resolved.
- Disqualify the Supplier from future business engagements with KE, temporarily or permanently; and/or
- Issue a formal warning to the Supplier requiring them to provide a written explanation, along with an apology, addressing the basis and intent of their claim.

In addition, if the Supplier is found to have submitted false claims, forged documents, or engaged in fraud, misrepresentation, or concealment of facts, KE reserves the right to impose the same penalties and may also pursue any other remedies available under applicable laws.

MONITORING AND AUDIT RIGHTS

KE reserves the right to monitor your compliance with this SCOC. This may include onsite audits of your facilities and those of your subcontractors or suppliers, as well as other operations relevant to this Code.

As part of these audits, KE or its authorized representatives may:

- Inspect, examine, audit, and copy your books, records, files, systems, and data—either in person or through remote access.
- Interview personnel who may hold relevant information.
- Review your operations, practices, policies, and procedures.
- Inspect your premises and production or service areas.

These audit rights will only be exercised in areas KE reasonably considers relevant to evaluating compliance with this SCOC. KE may also require similar access rights with respect to your subcontractors or suppliers. Suppliers shall provide evidence of communication, training, and implementation on request.

KE reserves the right to carry out monitoring and verification activities to ensure ongoing compliance and may take appropriate action if significant non-compliance is identified. KE will consider compliance with this SCOC in its procurement decisions. Any violations of this SCOC or applicable law may jeopardize the Supplier's business relationship with KE, up to and including termination. In conducting business with KE, Suppliers agree that KE may terminate any purchase transaction or supply agreement for breaches of this SCOC without any liability to KE.

CONSEQUENCE TO NON-COMPLIANCE

Failure to comply with this Supplier Code of Conduct may result in consequences deemed appropriate by KE, depending on the nature and severity of the violation. These actions may include, but are not limited to, issuing a formal warning, withholding or suspending payments, imposing financial penalties, disqualifying the Supplier from current or future business, and/or immediate suspension or termination of contracts or transactions. KE reserves the right to take any additional legal or contractual remedies available to protect its interests.

CONTACTING KE

Any concerns and/or grievances that the Supplier may have against KE or any of its employees for any matters covered in this SCOC may be communicated/reported along with the relevant details at the **Email Address: scoc@ke.com.pk**

Any grievances received will be looked into by KE's designated committee and the Supplier will be contacted accordingly.

It is mandatory for all suppliers who are raising any grievance or concern to provide below details for further case process:

- KE's Vendor Code (for registered vendors only)
- Company Name
- Vendor Name
- Email Address
- Alternate Email Address
- Contact Number
- Alternate Contact Number
- NTN Number (for local vendors only)