



# Code of Business Conduct



Dynamic  
Quality Conscious  
Ever Progressive

Sazgar Engineering Works Limited



## CODE OF BUSINESS CONDUCT

### INTRODUCTION

*Times will change. Our products will change. Our people will change. Our customers will change. What will not change is our commitment to our key beliefs.*

#### **Key Beliefs:**

*Our key beliefs make us unique. They have defined who we are from many years to our customers, suppliers, competitors, shareholders and our communities*

#### ***Uncompromising integrity***

*We strive to do the right thing. We are always true to what we believe. Even when circumstances are difficult we do not compromise on our key beliefs.*

#### ***Constant respect for people***

*We treat others the way we want to be treated. Every individual demands respect. Our exemplary dealing with people all over the world and positive feedback is a proof of our constant respect for other people.*

#### ***Purpose of the Code of Business Conduct:***

*This code of business ethics was developed to help our directors and employees to live up to the high ethical standards which are expected from them. It has a summary of laws that are required to comply with.*

*The codes provided are neither a legal contract nor a comprehensive manual that covers every situation the company deal with. It is just a guideline which highlights key issues to help concerned employees reach a decision which is both ethical and beneficial for the company*



## **Responsibility and Accountability**

*Every individual is responsible for his own actions and is required to abide by the “Code of Business Conduct” of the Company.*

*If there are any queries about legal or unethical acts please contact the higher management. Failure to follow the “Code” can lead to disciplinary actions including dismissal.*

*All employees are required to read the complete “Code of Business Conduct”.*

## **Additional Responsibilities of Managers**

*Our managers are expected to lead according to our standards of ethical conducts and set an example for other employees with their actions and speech. Managers hold the responsibility for encouraging two way communications. Managers must be quick in picking up indications that unethical situation is arising and should immediately inform their seniors of such situations.*



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## OUR RESPONSIBILITY TO OUR COMPANY

We respect the dignity of every person at Sazgar

### CONSTANT RESPECT:

We will always treat others with fairness and respect just like how we want to be treated. We value the different way of thinking of every individual.

### HARASSMENT:

Any form of harassment is unacceptable in our organization. May it be verbal or physical. If your coworker makes you uncomfortable we encourage you to speak up and to report any form of harassment to your manager when it occurs.

### SAFETY AND HEALTH:

Every individual at Sazgar is responsible to make his surroundings safe and to follow the health and safety practices. If an employee sees a hazardous situation he is required to report it immediately to his supervisor or manager. The Company strives to keep its premises as safe and free from hazards as possible.

Threats or other acts of violence are strictly prohibited.





## OUR RESPONSIBILITY TO CUSTOMERS AND CONSUMERS

Customers' satisfaction is our top priority

### DUCT QUALITY AND SAFETY:

Our company's reputation depends on the quality of products that we introduce or sell in the market. We cannot afford to damage our name by delivering products which fail to fulfill required quality standards.

### SALES AND MARKETING:

We believe in building long term business relations with our customers and dealers by demonstrating honesty and integrity. All our marketing and advertising will be accurate and truthful. We will never mislead our customers by deliberately omitting important facts or have a false claim.

All our business will be obtained by legal and ethical means.

### CUSTOMER INFORMATION:

Only authorized personnel will have access to our customer details. We will protect our customer's privacy as we protect ours. We will never sell customer details to a third party. No person will be allowed to disclose the information to any third person except as required under the law.

### GOVERNMENT CUSTOMERS:

When dealing with government orders we should take special care to comply with all legal and contractual obligations.

The Company complies with all these obligations when supplying any government order. Manager responsible for dealing with government orders should be well aware of the applicable laws.



## OUR RESPONSIBILITY TO OUR BUSINESS PARTNERS

### DOING BUSINESS WITH OTHERS:

The Company has the right to choose its business partners carefully. We will never do business with someone who can harm Company's name. We will avoid to do business with companies or individuals who are corrupt and don't adhere with taxation, corporate, environment, employment and other government applicable laws.

### AGENTS AND CONSULTANTS:

All the commissions or fees paid to our dealers, distributors and agents must be fairly calculated. No commission or fee is paid which doesn't reason the product or work being done. We will never pay fees or commission which we can have a reason to believe that it is a bribe.

### SUBCONTRACTORS:

We may need subcontractors to fulfill our business needs. In some cases these subcontractors are visible to our end customer. It is, therefore, necessary for us to select those subcontractors who preserve and strengthen our company's reputation by following the same key values as us.

### JOINT VENTURES AND ALLIANCES:

We will join hands with only those companies who share the same ethical values as us.

### PURCHASING PRACTICES:

All purchasing decisions will be made keeping the company's best interest in mind. Suppliers will get orders on the basis of the quality of their products, services and competitive prices.

Purchasing agreement should be well defined and documented for minimizing inconvenience for both the parties.

Purchasing manger has to be honest and faithful to the company.





## OUR RESPONSIBILITY TO OUR SHAREHOLDERS

We will treat the investment of shareholders as if it were our own.

### SHAREHOLDER VALUE:

The company is committed to provide a long term financial return to its shareholders and to protect and improve the value of their investment through prudent utilization of corporate resources and by observing highest standards of legal and ethical conduct in our business dealings.

### PROTECTING COMPANY'S ASSETS:

It is our responsibility to protect all company's assets from loss, theft or misuse. Assets such as equipment, funds, vehicles, machinery and all other assets may only be used for business purposes or other purposes as approved by the management. Company's assets may never be used for illegal matters.

### PROPRIETARY INFORMATION:

We will make sure all proprietary information are secured. Access will be given to only relevant personnel. Proprietary information is any information which is not known to the general public and is helpful to the company, or could benefit the competitors. It also includes information about our suppliers and customers.

### INSIDE INFORMATION AND SECURITIES TRADING:

We are not allowed to trade in securities based on knowledge that comes from our job(s), if that information has not been reported publicly. It is against the laws of our country to trade or to "tip" others who might make an investment decision based on inside job information. For example, using non-public information, to buy or sell company's shares is prohibited.



#### ACCURACY OF COMPANY RECORDS:

We require honest and accurate recording and reporting of information in order to make responsible business decisions. All the company's information are recorded accurately. Our financial books, records and accounts reflect all transactions accurately and conform to both, required accounting principles and company's internal control system. No false or artificial entries can be made.

#### RECORDING AND RETAINING BUSINESS COMMUNICATIONS:

All our business records and communications are clear, accurate and truthful. These records can often become public through litigation, government investigation or media.

We never exaggerate, use colourful language or use any derogatory remarks. This will be followed strictly in all kinds of official communications. All records will be kept or destroyed according to company's record retention policy or as required under the law.



## OUR RESPONSIBILITY TO OUR COMPETITORS

### COMPETITIVE INFORMATION:

The Company will never use any unethical or illegal method to gather competitive information. If any information is obtained by mistake which may include trade secrets of other business or competitors or if there are any questions about legality of information then immediately consult with higher management.

### FAIR COMPETITION:

All employees at Sazgar are required to comply with local trade and business laws generally concern with:

- Agreements with competitors including price fixing that harm the customers.
- Agreements that can affect the resale price of the product.
- Attempt to monopolize or selling a product below cost to eliminate the competition.



## OUR RESPONSIBILITY TO COMMUNITIES

### COMMUNITY SERVICE:

We serve the community by providing high quality durable products at fair market prices. Sazgar provides financial support to its employees including various welfare schemes like social security, education, medical aid, gratuities, bonuses and Hajj expense.

### PERSONAL COMMUNITY ACTIVITIES:

Sazgar imposes no ban on its employees for personal community support and charity as long as it clear that those are personal view and not of the company.

We must make sure our outside activities remain private and not linked with the company. No one can force their point of view to the employees or ask to contribute or support political or religious views forcefully.

### ENVIRONMENT:

We will comply with and respect all environment laws of the country. It is the duty of every employee to notify the higher management in case, he comes across some hazardous material. It is our duty to dispose of hazardous material properly and lawfully.

### COMMUNICATING WITH EXTERNAL AUDIENCES:

At Sazgar we will cooperate with all reasonable requests for information from government agencies and regulators but will first consult with our legal advisors before responding to any non-routine request. All the information we will provide will be truthful and accurate. We will never alter or destroy any document in response to an investigation.



## OUR RESPONSIBILITY TO GOVERNMENT

### COMPLIANCE WITH THE LAW:

We are required to comply with all applicable laws and regulations put forward by the government. Any sort of pressure or high business demand will not make any excuse for us for violation of these laws.

If there are any questions about legality of any matter we should consult with the management before acting upon it.

### POLITICAL ACTIVITIES:

No employee at Sazgar is allowed to use Sazgar name, funds, property or any assets for support of any political or religious group.

### ANTI-CORRUPTION LAWS:

The Company will comply with all anti corruption laws of the country. No employee has the authority to offer corrupt payment to any government official. In case of government dealings, all transactions should be transparent.

### CROSSING NATIONAL BORDERS:

At Sazgar we believe that we are ambassadors of Pakistan while dealing with export or import. Sazgar will comply with all national and international laws while conducting business activities. All employees are required to show best conduct while dealing with any international order and also be aware of any international laws that may imply to the business being conducted.



## CONFLICT OF INTEREST:

### GENERAL GUIDANCE:

Any business decision made by any employee at Sazgar must have the best interest of the company in mind and not be motivated by any personal relations with suppliers, contractors, customers, dealers or regulators. Listed below are a few general guidelines for all employees to follow explaining the most common examples of “conflict of interest”. However employees are required to disclose to the higher management in case they feel any decision may appear to be a “conflict of interest”.

### OUTSIDE EMPLOYMENT:

Employees of the Company will not work for or receive any payment for services from our competitors, supplier, or distributor. All outside relations must be strictly separated from company’s employment and should not affect job performance at Sazgar. It is our moral duty that the skills we learn at Sazgar are not used in a way which can harm or hurt the company.

### BOARD MEMBERSHIPS:

Serving on the board of directors of any other company or government agency requires advance approval of the management. Helping the community by serving on board of non-profit organizations is encouraged as long as there is no conflict with Sazgar and requires no prior approval.

### FAMILY MEMBERS AND CLOSE PERSONAL RELATIONSHIPS:

Personal influence will never be used to force the company to do Business with a company in which a family member has an interest. Family member means spouse, siblings, lineal ascendants and descendent of an employee.

### INVESTMENTS:

Employees are prohibited to make such kind of investments that may influence their independent judgments or decisions to be made on behalf of the company. This could happen in many ways. It is most likely to create a “conflict of interest” if an employee has investment in competitors, suppliers or customers business.





If there is any doubt about how the investment may be perceived it is advised to disclose all investment to the management before such decision making.

All employees are prohibited from, directly or indirectly, buying or acquiring any asset, property or machinery when they know Sazgar may be interested in buying the same.

#### GIFTS:

Gifts are not always physical objects—they might also be services, favors or other items of value.

#### GIFTS TO EMPLOYEES:

At Sazgar we do not accept gifts in any form. However, we can accept items of nominal value, such as small promotional items bearing another company's name. We will not accept anything from an outside source which might make it appear that our judgment for Sazgar is compromised. In some rare cases it would be impractical or harmful to refuse or return gifts. In these situations higher management should be informed immediately.

#### GIFTS GIVEN BY SAZGAR:

In some business situations Sazgar has to give gifts. All the gifts given by Sazgar must be reasonable, legal and approved by the management and must not appear to be a bribe. We understand that some gifts are not acceptable in any case. We will not give any gift which goes against or is prohibited by law or policy of the recipient organization.

#### ENTERTAINMENT:

We consider “entertainment” to include a representative of both parties at the event.

#### ENTERTAINMENT OF EMPLOYEES:

Reasonable entertainment which will not harm or affect the company in any negative way is acceptable for example taking out a business associate for dinner or cultural or a sporting event.

Entertainment which is very lavish and is a waste of money is prohibited. If some invitation seems inappropriate



We must reject it or pay the true value of the event our selves. Accepting an invitation to any event which may appear inappropriate should be discussed with the management before accepting it.

#### ENTERTAINMENT BY SAZGAR:

Sazgar on occasions may provide entertainment or host events to raise interest in its business. If there is any concern about the appropriateness of the event then higher management should be contacted. Providing entertainment for government officials may be prohibited by law. Approval of the management is required in all cases.

#### ACCEPTANCE OF TRAVEL EXPENSES:

Employees may accept transportation, lodging and travel expense from its suppliers or a third party if the trip is for official business related. Even then it has to be approved by the employees' manager in advance and recorded in our travel expense records.

#### PROVIDING TRAVEL:

We may pay travelling and lodging expense incurred by our customers, vendors, suppliers and stakeholders unless it has been prohibited by law or policy of the recipient organization. The visit must be for business purposes only. Any travel expense for government officials must be approved in advance by the higher management.



**If there are any questions about “Sazgar’s Code of Business Conduct” please contact your Manager. If there is any discomfort discussing with your manager you are free to contact the higher management. At Sazgar there is a total freedom to approach any member of the higher management with your concerns.**

#### **KEY BELIEFS:**

In an ideal world, things are always perfectly clear. But in the real world of business this is not the case. If you ever find yourself where the “right thing” is not clear or doing the correct thing is difficult then just remembers the key beliefs.

#### **REPORTING CONCERNS:**

We urge all employees working at Sazgar to voice their concerns when they see or feel any unethical practice going on. Retaliation against any employee who honestly reports an unethical situation will not be tolerated.

Strict action will be taken against an employee who has been proven to put false allegation on another employee.

#### **CONCLUSION:**

The code of conduct reflects Sazgar’s commitment to the highest standards of ethical business conduct. The code sets rules and regulations which are very simple and easy to understand for everyone. Sazgar always appreciates any feedback on how this code can be improved. This document may be revised as needed and can change if a situation arises. The company reserves the right to modify this document at any time. All changes made will be clearly informed to the concerned personnel.

Nothing in the Code creates a contract between the Company and any employee of the Company and any other person.



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