



# **ANTI-CORRUPTION POLICY**

**Last Amended: June 08, 2020**  
**Adopted by the Board: June 08, 2020**

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## 1. PREAMBLE

Subject to Public Sector Companies (Corporate Governance) Rules 2013 and applicable relevant law on the subject in force or expressly adopted by the HESCO Board from time to time and to eradicate the menace of corruption, both real and perceived, in HESCO and to ensure best business practices compatible with Corporate Governance as enunciated in relevant laws and rules thereunder, for the Board of Directors, Senior Management, and all employees of the “**Company**” or “**HESCO**” and in consequence to the requirement of Rule 5 (5) of the Public Sector Companies (Corporate Governance) Rules, 2013 (the “**Rules**”) the HESCO Board has unanimously approved and adopted this Anti Corruption Policy.

## 2. PURPOSE AND OBJECTIVES

The purpose of this Policy is to resolve with reinforcing zeal the HESCO’s commitment to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices in any form whatsoever. It is HESCO policy to conduct all of its business activities with honesty, integrity and the highest possible ethical standards and vigorously enforce its business practice in line with known best business practices. To achieve the purpose, which could only be ensured by conducting its business in accordance with all applicable laws, rules and regulations and with the highest ethical standards, as embodied in relevant laws and rules on the subject in force.

## 3. SCOPE

This Policy relates to directors, senior management, officers, employees (whether permanent, fixed-term or temporary or on contract basis), consultants, contractors, trainees, seconded staff, casual workers, or any other person associated with HESCO. This Policy is intended to supplement, not supplant, altogether applicable laws, rules, and other corporate policies on the subject. In this Policy, “Third Party”

means any individual or organization, who / which come into contact with HESCO or transact or has potential to transact with HESCO.

#### **4. WHAT IS CORRUPTION?**

Corruption means any use of entrusted power or position for a personal profit or gain in any manner, which was considered or perceived so by an ordinary person. Corruption includes, but not limited to, any wrongdoing on the part of an authority or those in position through means that are under any law considered/defined/interpreted by any court of law as illegitimate, immoral or incompatible with ethical standards and best business practices.

A bribe is an inducement, payment, reward or advantage offered, promised or provided to any person to gain any commercial, contractual, regulatory or personal advantage. A bribe may be anything of value and not just money and can pass directly or indirectly. These may include

- gifts
- inside information
- sexual or other favours
- corporate hospitality or entertainment
- offering employment to a relative
- payment or reimbursement of travel expenses
- charitable donation or social or political contribution
- facilitation payments
- kickbacks
- abuse of function

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## **5. HOW A PERSON KNOWS IF SOMETHING IS A BRIBE?**

In most circumstances, common sense and application of prudence will determine when a bribe is being offered. However, here are some questions be should ask himself, if in doubt:

- a) Am I being asked to pay something or provide any other benefit over and above the cost of the services being performed, for an example an excessive commission, a lavish gift, a kickback or contribute to a charity or political organization?
- b) Am I being asked to make a payment for services to someone other than the service provider?
- c) Are the hospitality or gifts I am giving or receiving reasonable and justified? Would I be embarrassed to disclose them?
- d) When a payment or other benefit is being offered or received, do I know or suspect it is to induce or reward favourable treatment, to undermine an impartial decision-making process or to persuade someone to do something that would not be in the proper performance of their job?
- e) Would my act in consequent prejudicial to the interest of the company, both in immediate or distant future.

## **6. GUIDING PRINCIPLES**

- a) HESCO management shall act in an open, ethical and lawful manner towards all potential or existing customers, suppliers, and public officials.
- b) HESCO management shall always perform its contractual obligations under the terms of the relevant contract unless deviations are approved by the management and properly documented in company records.

- c) Payments in cash or similar, or payments to unconfirmed recipients or account numbers shall not be accepted.
- d) All activities, coverage of third parties' expenses, payments and contract performance on behalf of HESCO shall be open and transparent.
- e) All expenses shall be approved under the relevant financial law/rules applicable to the company, documented and recorded by appropriate accounting standards by using technology with proper SOPs (Standard Operating Procedure) applicable with best accounting practices.
- f) Under no circumstances shall any HESCO employee receive cash or any kind of improper benefit from a supplier, business partner or public officials, including personal rebates, kickbacks, undocumented discounts, or in any form construed by the prudent mind to be improper etc.

## **7. RESPONSIBILITIES**

It is the obligation of management and the employees to abide by the Anti-Corruption Policy and allied rules and report to the Board any incidences of corruption comes into their information directly or indirectly.

## **8. ACTION ON NON-COMPLIANCE OF THIS POLICY**

In case of breach of this Code by the Directors of the Board, (to be determined by the full Board as an entity) appropriate action under the Public Sector Companies (Corporate Governance) Rules 2013 amended from time to time and other relevant Rules as prescribed by the Securities and Exchange Commission of Pakistan (SECP) will be recommended to the Authority.

In case of breach of this Policy by the management or all other employees or reported to the board both through the covert or overt way, the action shall be taken as per the relevant laws in force.

**9. AMENDMENTS IN THIS POLICY**

The provisions of this Code can be amended/ modified by the Board of the Company from time to time.

**10. RELATIONSHIP WITH OTHER LAWS/POLICIES.**

This policy needs to be read holistically in juxtaposition with other relevant law and Policies and Procedures on the subject including but not limited to:

- 1- Code of Conduct
- 2- WAPDA Employees (Efficiency and Discipline) Rules, 1978
- 3- WAPDA Employees (Conduct) Rules, 1978
- 4- HESCO Whistle Blowing Policy
- 5- Internal Audit Manual of HESCO
- 6- Anti-Corruption Laws of the Country