



**CORPORATE CODE
OF CONDUCT**

**STRIVING FOR
THE BEST.....**

EMBEDDING SUSTAINABILITY & CREATING VALUE



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Statement of Business Ethics

We at Sadaqat Limited believe in stimulating and challenging team oriented work environment that encourages development and rewards excellence. We are committed to diligently serving our community and stakeholders while maintaining high standards of moral and ethical values.

Build Trust and Credibility

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. It is easy to say what we must do, but the proof is in our *actions*. Ultimately, we are judged on what we do.

When considering any action, it is wise to ask: will this build trust and credibility for Sadaqat Limited? Will it help create a working environment in which Sadaqat Limited can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering “yes” to those questions and by working every day to build our trust and credibility.

Owing to sustained performance in the home textile segment, strong governance, long term association with internationally recognized brands, healthy profit margins with adequate interest on debt overage JCR-VIS credit rating Company upgraded our rating from A-/A-2 to A/A-2 which can we term as another achievement for the company keep striving for the same in future.

Respect for the Individuals

We all deserve to work in an environment where we are treated with dignity and respect. Sadaqat Limited is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone’s talents go to waste.

Sadaqat Limited is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee who feels harassed or discriminated against can report the incident to his/her Head of department or to human resource office.

Create a Culture of Open and Honest Communication

At Sadaqat Limited everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns. Head of departments have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.

Sadaqat Limited investigates all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company takes appropriate action. We do not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

For your information, Sadaqat Limited’s whistleblower policy is as follows:

The company is committed to listens the concerns of employees and they can report evidence about any wrong doing, unlawful activity, and damage to environment or company property, any offence or injustice to the management.

Employees are encouraged, in the first instance, to address such issues with their HODs or the HR Head, as most problems can be resolved swiftly. If for any reason this is not possible or if an employee is not comfortable raising the issue with his or her HOD or HR Head, Sadaqat Limited's Directors/CEO does operate with an open-door policy.

Set Tone at the Top

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example. Again, ultimately, our actions are what matters.

To make our Code work, Head of departments/Management must be responsible for promptly addressing ethical questions or concerns raised by employees or stakeholders and for taking the appropriate steps to deal with such issues.

Uphold the Law

Sadaqat Limited's commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must have an understanding of the company policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or Sadaqat Limited policy, we seek advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations.

Business Competition

We are dedicated to ethical, fair and vigorous competition. We sell Sadaqat Limited products based on their merit, superior quality, functionality and competitive pricing. We make independent pricing and marketing decisions and do not improperly cooperate or coordinate our activities with our competitors. We do not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for the Sadaqat Limited or the sales of its products, nor do we engage or assist in unlawful boycotts of particular customers.

Business Secret Information

It is important that we respect the property rights of others. We do not acquire or seek to acquire improper means of a competitor's trade secrets or confidential information. We do not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

Selective Disclosure

We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material nonpublic information with respect to Sadaqat Limited, its securities, business operations, plans, financial condition, results of operations or any development plan. We must be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain material nonpublic information.

Health and Safety

Sadaqat Limited core priority is to provide employees with neat and clean, safe and healthy work environment. Company's facilities include availability of edible items including potable water (as per hygienic standards), separate toilets by gender, tidy and unpolluted air, noise safety, adequate lighting, fire fighting installation, first aid and other emergency equipments and arrangement of related drills/training. Company considers state and international laws and customers standards as H&S guidelines.

Avoid Conflicts of Interest

Conflicts of Interest

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of Sadaqat Limited may conflict with our own personal or family interests. We owe a duty to Sadaqat Limited to advance its legitimate interests when the opportunity to do so arises. We must never use Sadaqat Limited property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with Sadaqat Limited. Here are some other ways in which conflicts of interest could arise:

1. Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with Sadaqat Limited.
2. Hiring or supervising family members or closely related persons.
3. Serving as a board member for an outside commercial company or organization.
4. Owning or having a substantial interest in a competitor, supplier or contractor.
5. Having a personal interest, financial interest or potential gain in any Sadaqat Limited transaction.
6. Placing company business with a firm owned or controlled by a Sadaqat Limited employee or his or her family.
7. Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all Sadaqat Limited employees.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their Head of departments. The company has a formal code of conduct and anti corruption measures in place to avoid conflict of interest at board and executive levels. However, where it is not possible to avoid conflict of interest, the incident or information is required to be reported to Board of Directors for resolution.

Gifts, Gratuities and Business Courtesies

Sadaqat Limited is committed to competing solely on a merit and quality of our products. We avoid any actions that create a perception that favorable treatment of outside entities by Sadaqat Limited is sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Sadaqat Limited does or may do business. We neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of Sadaqat Limited or customers, or would cause embarrassment or reflect negatively on Sadaqat Limited's reputation.

Accepting Business Courtesies

Most business courtesies offered to us in the course of our employment are offered because of our positions at Sadaqat Limited. We do not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at Sadaqat Limited to obtain business courtesies, and we must never ask for them, we may accept unsolicited business

courtesies that promote successful working relationships and good will with the firms that Sadaqat Limited maintains or may establish a business relationship with.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when Sadaqat Limited is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Sadaqat Limited business.

Meals, Refreshments and Entertainment

We may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, but be careful that:

- These courtesies are not inappropriately lavish or excessive.
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her HOD or co-worker or having the courtesies known by the public.

Gifts

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

- Flowers, fruit baskets and other modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).

Generally, employees may not accept compensation, honoraria or money of any amount from entities with whom Sadaqat Limited does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) may not be accepted unless approval is obtained from management.

Employees with questions about accepting business courtesies should talk to their HOD or the HR department.

Offering Business Courtesies

Any employee who offers a business courtesy must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon Sadaqat Limited. An employee may never use personal funds or resources to do something that cannot be done with Sadaqat Limited resources. Accounting for business courtesies must be done in accordance with approved company procedures.

We may provide nonmonetary gifts (i.e., company logo apparel or similar promotional items) to our customers. Further, management may approve other courtesies, including meals, refreshments or entertainment of reasonable value provided that:

- The practice does not violate any law or regulation or the standards of conduct of the recipient's organization.
- The business courtesy is consistent with industry practice, is infrequent in nature and is not lavish.
- The business courtesy is properly reflected on the books and records of Sadaqat Limited.

Set Metrics and Report Results Accurately

Accurate Public Disclosures

We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

Employees should inform Executive Management if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication.

Corporate Recordkeeping

We create, retain and dispose of our company records as part of our normal course of business in compliance with all Sadaqat Limited policies and guidelines, as well as all regulatory and legal requirements.

All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with Sadaqat Limited's and other applicable accounting principles.

We must not improperly influence, manipulate or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of Sadaqat Limited books, records, processes or internal controls.

Sadaqat Limited ensures the compliance of all corporate laws of land in maintaining and publication of company records and proper communication to all stakeholders as per requirements.

Investors Grievance Mechanism

Sadaqat Limited has an established, transparent, time bound easier and simpler grievances and redressing mechanism for investors, stakeholders. In case of any grievance it is discussed internally in presence of CFO, Directors and CEO, after mutual discussion processes are reviewed and grievance is handled with efficiency, courtesy and fairness and necessary steps are also taken to prevent recurrence.

Corporate Sustainability

We are the only organization in textile industry from Pakistan, who is reporting Sustainability on GRI-G4 standards since 2013. Sadaqat also feel proud to support the 10 universal principles of United Nations Global Compact including Human Rights, Labor, Environment and Anti-Corruption.

Sadaqat Limited acknowledges the importance of Corporate Social Responsibility and necessary actions are taken to fulfill the responsibilities including energy conservation and environment protection.

Sadaqat Limited is positively working to raise the educational, health and environmental standards of country in general and local communities. We believe in producing the quality products with reduced environmental footprints, supporting our suppliers and contributing to socio-economic development of the country and world at large.

Prohibition of Child Labor

Sadaqat Limited does not encourage "Child Labor". Company's Minimum Age for employment is 18 years keeping production processes in view. Under exceptional cases, Child, provided with employment, is provided with all educational, transportation, health and safety facilities. Child is not exposed to any hazardous occupation and dangerous machinery. It is make sure that company's employment positively affects child's health, safety and physical, mental or social development.

Prohibition of Forced & Compulsory Labor

Sadaqat Limited completely prohibits the use of forced labor, bonded labor, prison labor and child labor within our company or those that supply to or sub-contracts for us. This includes slavery, abduction, forced recruitment, debt bondage, child labor and internal or international human trafficking. We ensure that all of our employees work voluntarily for us and are not intimidated or threatened to enforce employment.

Prohibition of Discrimination

Sadaqat Limited while considering employees' skills, potential, education, qualification and performance as the priority basis, recruits, pays the salaries/wages and benefits, promotes and conducts disciplinary proceedings. Equal access to all the benefits and facilities is provided to the employees of same scale. Company strongly discourages and prohibits discriminatory practices on the basis of race, religion, nationality, sex, age and legally political association.

Prohibition of Harassment & Abuse at Workplace

Sadaqat Limited discourages all types of immoral and sexually, verbally, physically and mentally exploitive practices, abuses, spreading harassment and threat/fear amongst employees. Company reserves the right to take legal and disciplinary actions against the persons practicing the same so that the ethical and mental development of the employees. Employees are not confronted with unjust monetary penalties and deductions. Pat search of employees is strictly prohibited.

Freedom of Association and Collective Bargaining

Sadaqat Limited respects the just, legal, ethical and social rights, facilities and needs of all employees. Purely on non-discriminatory basis, all employees of the company possesses freedom and right to associate and collectively bargain by just, ethical and legal means to protect their rights. On parallel means, all employees are free to elect their representatives for their rights protection.

Prohibition of Drugs and Alcohol

Sadaqat Limited has Zero Tolerance Policy against the acquisition, trafficking and use of Drugs & Alcohol. We comply with the law of land, domestic and international standards and regulatory requirements to control the use of Drugs & Alcohol. In case of violation strict disciplinary action will be taken as per company rules & regulation and law of land.

Promote Substance over Form

Sometimes, we hope that if we avoid confronting a problem, it will simply go away. At Sadaqat Limited, we must have the courage to tackle the tough decisions and make difficult choices; secure in the knowledge that Sadaqat Limited is committed to doing the right thing. At times, this means doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we *should* do so.

Although Sadaqat Limited's guiding principles cannot address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct.

Accountability

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the HR department.

Be Sincere

Confidentiality of Business Secret Information

Integral to Sadaqat Limited's business success is our protection of confidential company information, as well as nonpublic information entrusted to us by employees, customers and other business partners. Confidential and secret business information includes such things as pricing and financial data, customer names/addresses or nonpublic information about other companies, including current or potential supplier and vendors. We do not disclose confidential and nonpublic information without a valid business purpose and proper authorization.

Use of Company Resources

Company resources, including time, material, equipment and information, are provided for company business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace.

In order to protect the interests of the Sadaqat Limited network and our fellow employees, Sadaqat Limited reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or Sadaqat Limited's intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

Media Inquiries

Sadaqat Limited is a high-profile company in our community, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the Company Secretary. No one may issue a press release without first consulting with the Company Secretary.

Do the Right Thing

Several key questions can help identify situations that may be unethical, inappropriate or illegal. Ask yourself:

- Does what I am doing comply with the Sadaqat Limited guiding principles, Code of Conduct and company policies?
- Have I been asked to misrepresent information or deviate from normal procedure?
- Would I feel comfortable describing my decision at a staff meeting?
- How would it look if it made the headlines?
- Am I being sincere to my family, my company and myself?
- Is this the right thing to do?

Compliance & Implementation

Sadaqat Limited is committed to communicate the Corporate Code of Conduct to all its stakeholders and seeking necessary feedback in case of any violation by filling the Corporate COC Feedback Form, annexed herewith.