



RESPONSIBLE BUSINESS CONDUCT

GUIDEBOOK – PAKISTAN

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1

OVERVIEW & PURPOSE

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Purpose

Responsible Business Conduct (RBC) is a global business concept that calls on companies to contribute positively to sustainable development while preventing and addressing adverse impacts from their operations, products, or services. For Pakistan, where agriculture, textiles, and manufacturing are deeply embedded in global value chains, working with RBC is essential. These supply chains create jobs and economic growth but also carry risks of labour exploitation, environmental degradation, and governance challenges if not responsibly managed.

This guide adapts the Danida Green Business Partnerships (DGBP) RBC Guidelines to the Pakistani context. It introduces a risk-based due diligence approach—in line with the UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Due Diligence Guidelines—that helps companies identify, prioritize, and address risks across four pillars: Human Rights, Labour Standards, Environmental Sustainability, and Anti-Corruption.

With international regulatory pressure increasing, such as the EU Corporate Sustainability Due Diligence Directive (CSDDD), adopting RBC practices is no longer optional for Pakistani companies that wish to remain competitive in global markets. This guide provides a practical entry point to align with international standards, raise awareness within the private sector, and encourage ongoing dialogue on embedding responsible business practices in Pakistan.

PARTNERSHIPS:

Pakistan's dairy sector plays a central role in food security, nutrition, and rural livelihoods. As sustainability and nutrition objectives increasingly shape agri-food policy and market expectations, the sector faces growing pressures related to both the environmental management of dairy byproducts and the efficient utilisation of nutritional resources. Whey produced during cheese manufacturing is one such by-product which, if improperly managed, contributes to environmental pollution and the degradation of water resources, while also reflecting untapped potential to support improved nutrition outcomes.

The **Whey2Value (W2V) Project**, funded under the **Danida Green Business Partnerships (DGBP)** programme, was developed to support dairy processors in converting whey water from cheese manufacturing into sustainable, value-added dairy products. By promoting improved resource efficiency and responsible production practices, the project aims to reduce environmental impacts while contributing to economic value creation and broader sustainability and nutrition objectives within Pakistan's dairy sector. The project is implemented by **GAIN Pakistan**, with technical assistance from **Arla Foods Ingredients (AFI)** and the **Confederation of Danish Industry (DI)**. The **Pakistan Business Council (PBC)** serves as the local partner, and implementation is facilitated by the **SUN Business Network (SBN)** in consultation with the **Scaling Up Nutrition (SUN) Movement Pakistan**, under the Ministry of Planning, Development and Special Initiatives (MoPDSI). Together, this partnership brings international technical expertise, private-sector engagement, and local institutional knowledge to support more sustainable business practices in Pakistan.

This guidebook has been developed as part of the Whey2Value Project but is not limited to the dairy sector. It is a localised resource designed for use by businesses across Pakistan, adapting the DGBP Responsible Business Conduct Guidelines to the country's regulatory, economic, and operational context. While informed by insights from the dairy value chain, the guidance presented is intended to support companies of different sizes and sectors in addressing common environmental, labour, and governance challenges, and in strengthening responsible business practices in line with evolving national and international expectations.

ACKNOWLEDGEMENTS:

This Guidebook has been authored by **Dur-e-Sameen Akhund**, Senior Manager — Sustainability at the Centre of Excellence in Responsible Business (CERB), Pakistan Business Council, under the **Whey2Value Project**.

The author gratefully acknowledges the support and partnership of the **GAIN Pakistan** team throughout the development of this Guidebook.

HOW TO USE THIS GUIDEBOOK:

This guidebook provides a practical roadmap for companies to adopt and strengthen Responsible Business Conduct (RBC). The process is structured into six clear steps, each building on the other to create a continuous cycle of improvement.

THE SIX STEPS OF THE RBC JOURNEY

1 COMMIT & LEAD:

Establish leadership commitment through a clear RBC policy. Designate an “RBC Champion” or focal person to drive the agenda and signal that responsibility starts at the top.

2 ASSESS RISKS & GAPS:

Review operations and supply chains to identify risks across the four RBC pillars: Human Rights, Labour Standards, Environmental Sustainability, and Anti-Corruption.

3 ENGAGE STAKEHOLDERS & PRIORITIZE:

Consult employees, suppliers, communities, and partners. Use their perspectives to prioritize the most urgent and material issues.

4 DEVELOP AN ACTION PLAN:

Translate priorities into a concrete plan with measurable objectives, actions, responsibilities, timelines, and resources.

5 IMPLEMENT & INTEGRATE:

Put the plan into practice by updating policies, training staff, and engaging suppliers and partners. Embed RBC into daily business operations.

6 MONITOR & COMMUNICATE:

Track progress using simple indicators. Review performance regularly, communicate results transparently, and adapt where necessary.

RBC is not a one-off exercise, but a continuous journey of improvement and accountability.

2

EXECUTIVE SUMMARY

Executive Summary

This Responsible Business Conduct (RBC) Guidebook has been developed to support companies in Pakistan in integrating ethical, social, environmental, and governance standards into their day-to-day operations. It adapts the Danida Green Business Partnerships (DGBP) framework to the local context, providing practical tools, checklists, and case studies that reflect both international expectations and national realities.

At its core, RBC requires businesses to go beyond legal compliance and actively promote accountability, fairness, sustainability, and transparency. Companies that adopt RBC practices gain tangible benefits: stronger reputation, greater employee engagement, improved productivity, and enhanced access to markets and investors.

THE GUIDEBOOK IS STRUCTURED AROUND FOUR KEY PILLARS:



Pakistan's business environment presents challenges such as widespread informal labour, weak regulatory enforcement, and gender inequality. At the same time, it offers opportunities for forward-looking companies to distinguish themselves through responsible practices that align with international frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

By embedding RBC into their operations, companies can build resilience, improve competitiveness, and contribute to Pakistan's sustainable development goals. RBC is not a one-off initiative but a continuous journey—one that positions businesses for long-term success while delivering positive impact for workers, communities, and the environment.

KEY TAKEAWAY

RBC is both a responsibility and a strategic advantage. For Pakistani companies, embedding RBC into everyday operations strengthens compliance with local laws, aligns with international standards, and builds trust with customers, employees, and partners. The practical tools and examples in this guide show that RBC is not an additional burden—it is a pathway to resilience, competitiveness, and sustainable growth.

3

UNDERSTANDING RESPONSIBLE BUSINESS CONDUCT

IN THIS SECTION:

Why RBC Matters

Global Frameworks

Understanding Responsible Business Conduct

RBC is more than a buzzword – it is the foundation of ethical and sustainable business practice. It means **integrating respect for human rights, adherence to labour standards, environmental sustainability, and anti-corruption measures into all operations**. In essence, RBC requires businesses to go beyond mere legal compliance and actively promote accountability, fairness, and transparency in their dealings.

WHY RBC MATTERS:

Embracing RBC is not only the “right thing” to do, it also makes strong business sense. Companies that integrate RBC into their operations often realise tangible benefits, including improved productivity, stronger financial performance, and enhanced trust among workers, customers, and communities.

Evidence supports this link between responsible practices and business outcomes. A study titled *Working Conditions, Productivity and Profitability: Evidence from Better Work Vietnam* found that factories experienced a **5.9 percent increase in profitability** when workers perceived improvements in working conditions, such as greater physical security and reliable wage payments. Notably, workers’ perceptions were more closely associated with profit gains than managerial or compliance-based assessments.

Beyond financial performance, RBC strengthens a company’s social licence to operate by reducing the risk of labour or community-related disruptions that can affect operations. It therefore represents a longer-term investment in business resilience and reputational capital.

Industry analysis further reinforces the business case. A report by the **Confederation of Danish Industry (DI)**, *From Compliance to Value Creation*, based on a survey conducted in **October 2025**, shows that sustainability initiatives, including RBC, continue to generate value even amid geopolitical and regulatory uncertainty. Significantly, **three out of four Danish companies** surveyed indicated that they plan to maintain their sustainability efforts despite the anticipat

ed simplification of EU sustainability regulations under the proposed **ESG Omnibus**.

GLOBAL FRAMEWORKS:

Pakistan's RBC approach aligns with international standards such as the **UN Guiding Principles on Business and Human Rights (UNGPs)**, the **OECD Guidelines for Multinational Enterprises**, and the **ILO's Decent Work Agenda**. Additionally, the **UN Global Compact's 10 Principles** (covering human rights, labour, environment, and anti-corruption) serve as a guidepost – for example, businesses should “uphold the freedom of association and eliminate all forms of forced and child labour,” and “work against corruption in all its forms”. The Ten Principles correspond directly to RBC pillars: principles 1–2 on human rights, 3–6 on labour standards, 7–9 on environment, and 10 on anti-corruption. By aligning with these global norms, businesses in Pakistan can strengthen their performance and build trust with stakeholders domestically and abroad. For instance, Pakistani companies exporting to the EU must increasingly comply with European requirements such as the **Corporate Sustainability Reporting Directive (CSRD)** and the **Corporate Sustainability Due Diligence Directive (CSDDD)**. The CSRD expands mandatory sustainability reporting, requiring companies to disclose standardised information on environmental, social, and governance impacts, risks, and performance. The CSDDD, in turn, obliges companies to identify, prevent, mitigate, and account for adverse human rights and environmental impacts across their own operations and entire value chains.



Facilitator's Note:

If training an audience new to RBC, start by discussing familiar local examples of unethical business practices (e.g. factory incidents, pollution of a local river) and their consequences. This can underscore why RBC is important before delving into definitions and principles.

4

THE PAKISTANI CONTEXT: CHALLENGES & OPPORTUNITIES

IN THIS SECTION:

- Prevalence of Informal Labour
- Gender Inequality
- Workplace Barriers
- Weak Regulatory Enforcement
- Social Norms and Education
- Economic Pressures

The Pakistani Context: Challenges & Opportunities

Pakistan's socio-economic landscape presents both challenges and unique opportunities for implementing RBC:

PREVALENCE OF INFORMAL LABOUR:



A large portion of the workforce is employed informally (estimated at over 70%), especially in agriculture and small enterprises. In dairy farming, for example, many workers are family helpers or daily-wage labourers with no formal contracts. These workers often lack legal protections, making it harder to enforce standards like fair wages or safe conditions. Weak labour inspection regimes mean compliance often relies on the business's own commitment rather than external audits.

GENDER INEQUALITY:



Women comprise almost half the population but only make up 20–25% of the formal labour force. In dairy, women traditionally handle animal care and milking on family farms, yet few have access to markets or formalised roles. Structural barriers, including cultural norms and lack of recognition of women's contribution, have limited their economic participation. Promoting gender inclusion in value chains is therefore a key RBC priority.

WORKPLACE BARRIERS:



Cultural norms, lack of safe transport and facilities, and harassment have further restricted women's participation in many workplaces. Promoting gender inclusion is also a workplace-level priority—from providing equal opportunity in hiring and pay, to ensuring safe and inclusive environments free from harassment and bias. For instance, the **Protection against Harassment of Women at the Workplace Act (2010)** requires every workplace to have an anti-harassment policy and complaints committee. Enforcing such measures can significantly improve women's workforce participation.



WEAK REGULATORY ENFORCEMENT:

Pakistan has comprehensive laws on labour, environment, and corruption (summarized in the next section), but enforcement can be inconsistent. For example, environmental regulations require pollution control, yet factories may emit untreated effluent due to limited oversight. Similarly, laws set minimum wages and safety standards, but inspections are infrequent, especially in rural areas. This gap between law and practice means businesses must take proactive steps to self-regulate and uphold standards even when authorities are absent.



SOCIAL NORMS AND EDUCATION:

General awareness of RBC concepts remains limited among SMEs and rural enterprises. Practices such as discrimination or environmental degradation are often perceived as routine cost-saving measures rather than risks. Addressing this requires culturally sensitive education — for example, framing RBC through Islamic ethical principles (such as justice and the prohibition of harm) or local community values can help build support. The goal is to engage stakeholders in ways that resonate with their context and demonstrate the shared benefits of responsible business practices.



ECONOMIC PRESSURES:

Energy shortages, inflation, and tight profit margins can make SMEs reluctant to invest in cleaner technology or better working conditions. However, RBC can build resilience: for instance, improving energy efficiency will cut costs in the long run, and treating employees well can reduce turnover and improve productivity, offsetting upfront costs. Businesses that proactively address social and environmental issues often find it opens doors to premium markets and financiers who prefer ethically responsible partners.

Despite these challenges, momentum for RBC in Pakistan is growing. The government approved a **National Action Plan on Business and Human Rights (2021-2026)**, signalling commitment to implement the UNGP's (United Nation's Guiding Principles). Pakistan is also a signatory to international conventions (e.g. ILO Core Conventions on child labour, forced labour, discrimination, freedom of association; UN Conventions on women's rights and anti-corruption), which puts global spotlight on local practices. Forward-looking Pakistani companies are already "walking the talk" – for example, some textile exporters have eliminated child labour from their supply chains to satisfy international buyers, and agribusinesses are adopting water conservation to deal with climate change. The stage is set for SMEs and large firms alike to embrace RBC as a driver of innovation and sustainable growth.

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KEY PILLARS OF RBC IN PAKISTAN

IN THIS SECTION:

Human Rights and Gender
Equality

Labour Standards and
Decent Work

Environmental Sustainability

Anti-Corruption and Ethical
Governance

Key Pillars of RBC in Pakistan

RBC spans four key dimensions: **Human Rights, Labour Standards, Environmental Sustainability,** and **Anti-Corruption.** Each pillar is discussed below with its relevance to Pakistan, applicable laws, and practical tips.



HUMAN RIGHTS AND GENDER EQUALITY

Every business has a responsibility to protect and respect human rights – both for workers and the broader community. In practice, this means **upholding workers' dignity by preventing discrimination and harassment, ensuring equal opportunity, and avoiding any involvement in abuses like forced or child labour.** It also means being mindful of community rights – e.g. not infringing on local people's access to clean water or land. In Pakistan, key human rights issues for businesses often revolve around equality (especially gender equality), freedom from exploitative labour, and community impacts.

Key Local Concerns

• **Gender Discrimination:**

 Women workers in Pakistan often face barriers to hiring and promotion, unequal pay, and hostile work environments. A common scenario is that women are relegated to lower-paid roles or dismissed after marriage. However, businesses in Pakistan are increasingly recognizing the importance of gender diversity and are taking steps to make their workplaces more inclusive. Many have begun adopting non-discriminatory policies, implementing family-friendly measures, and establishing robust anti-harassment frameworks to support women's participation. The **Protection against Harassment of Women at the Workplace Act (2010)** requires all workplaces to have an anti-harassment policy and complaints committee, providing a legal foundation to address a major deterrent to women's workforce engagement. Ensuring effective implementation of this law, alongside broader inclusion efforts, can significantly improve gender equality in the workplace.

- **Child and Forced Labour:**

Although banned, child labour still occurs in certain supply chains (e.g. agriculture, informal factories) due to poverty and lack of enforcement. The **Employment of Children Act (1991)** prohibits employing children below certain ages in hazardous work, and the **Bonded Labour System (Abolition) Act (1992)** outlaws debt bondage and forced labour. Businesses must diligently screen their operations and suppliers to ensure no child labour or bonded labour is used. This can involve audits by inspecting farms that supply raw materials or requiring proof of age for workers. In rural contexts, replacing child labour may require community solutions (such as supporting education programs for children while hiring their older family members).

- **Non-Discrimination and Inclusion:**

The Constitution of Pakistan (1973) guarantees **equality for all citizens (Article 25)** and **specifically prohibits slavery, forced labour, human trafficking, and the employment of children in hazardous work (Article 11)**. Companies should honour these protections by fostering an inclusive environment that prohibits discrimination on any ground—including gender, religion, ethnicity, disability, or other personal characteristics. Pakistan has specific laws for protecting vulnerable groups, e.g. the **Disabled Persons (Employment and Rehabilitation) Ordinance (1981)** which encourages employment of people with disabilities, and the **Transgender Persons (Protection of Rights) Act (2018)** which prohibits discrimination against transgender individuals and requires reasonable accommodation in workplaces. Embracing these inclusivity measures not only fulfils legal duties but can broaden a company's talent pool and improve its public image.

Practical Steps:

- » **Develop and implement a non-discrimination policy** that explicitly covers recruitment, compensation, promotions, and workplace conduct. Complement this with regular sensitization and inclusion training for all staff to foster a respectful and equitable work environment. Ensure all employees are trained on principles of diversity, inclusion, and the organization's zero-tolerance stance on harassment. Establish a strong and trusted anti-harassment complaints mechanism — in line with legal requirements set by the Federal Ombudsperson for Protection against Harassment (FOSPAH) — to encourage the safe reporting of misconduct and provide protection for whistleblowers.

- » Implement the required **anti-harassment committee** (with female representation) as per the 2010 law, and ensure all staff know how to report incidents confidentially. Promptly investigate and address complaints to build trust.

- » **Ban child labour** in your operations and supply chain. For suppliers, conduct audits or require certifications that no underage workers are employed. If any child labour is found, work with NGOs or government programs to transition those youth into schooling or vocational training (so families are not harmed).

- » Provide **equal opportunities and facilities** for women. This could include setting targets to increase female hiring, providing safe transport or separate rest areas if needed, and actively promoting qualified women to leadership roles.



CASE STUDY

MG Apparel (Multan):

MG Apparel, a leading garment exporter based in Multan, stands out in Pakistan's textile sector for advancing women's participation across operational and supervisory roles. Women constitute **71 percent of the operational workforce**, with **27 percent represented in middle management** and **12 percent in senior management**, demonstrating deliberate progression pathways within a traditionally male-dominated industry.

To enable this participation, MG Apparel has invested in targeted workplace policies and infrastructure. These include **12 weeks of maternity leave, 7 days of paternity leave**, free hygiene products, and access to medical consultations through an **in-house dispensary staffed by a qualified doctor**. The company operates a **free, on-site childcare facility with trained caregivers and lactation rooms**, accessible to both management and non-management staff. Additional measures include free transportation, subsidised meals, flexible work arrangements, and work-from-home options for eligible roles.

Skills development is a central component of MG Apparel's approach. Through its **BEENA framework**, including the **NISAAB literacy programme**, over **300 women have been enrolled since 2020**. In partnership with **TEVTA**, the company delivers vocational training, while more than **800 women have received training** on hygiene, health and safety, behaviour-based HSE practices, and gender sensitisation. Career progression is supported through a formal Performance Management System linking individual KPIs with training, promotion, and remuneration.

MG Apparel enforces a **pay parity policy** to ensure equal compensation at comparable grades and applies a merit-based, bias-free recruitment and promotion process. A **zero-tolerance harassment policy**, aligned with Pakistan's Protection Against Harassment of Women at the Workplace Act, 2010, is supported by accessible grievance mechanisms, regular awareness sessions, and onboarding trainings.

These integrated practices have contributed to improved retention, higher productivity, and stronger buyer confidence. International brands have recognised MG Apparel's alignment with global responsible business conduct and gender inclusion expectations, illustrating how structured, gender-responsive workplace practices can deliver measurable social outcomes while strengthening export competitiveness.

Quick Checklist: Does your business...

- ✓ Have a clear policy (in local language) forbidding discrimination and harassment, communicated to all employees?

E.g.: A small manufacturing company in Punjab drafts an anti-discrimination & harassment policy translated in Urdu and Punjabi, posts it in common areas (canteen, notice boards), and holds a short workshop so all staff understand what behaviour is unacceptable.

- ✓ Ensure hiring and pay decisions are based on merit, not biased by gender, ethnicity, or personal connections?

E.g.: A medium-sized tech firm establishes a hiring panel of 3 people, uses scoring sheets for candidate skills (experience, qualifications, interview performance), and publishes salary bands by role so pay is transparent and avoids gender pay gap.

- ✓ Verify ages of workers and forbid child labour and any form of forced labour across your operations and suppliers?

E.g.: A garment factory requires official ID or birth certificate at onboarding, periodically audits suppliers to check for under-age workers, and terminates contracts if forced labour is discovered.

- ✓ Provide a safe way for employees to voice grievances or report rights abuses without fear of retaliation?

E.g.: A food processing plant sets up a suggestion / complaint box (physical and digital), ensures anonymous reporting is possible, and guarantees that anyone raising a concern will not be punished; management periodically reviews and responds.

- ✓ Take proactive steps to include underrepresented groups (women, disabled persons, minorities) in your workforce and leadership?

E.g.: A logistics company recruits specifically from a local program for persons with disabilities, adapts its workspace (ramps, accessible restrooms), and ensures at least one woman or minority is on each hiring short-list, plus mentorship for underrepresented staff to move into supervisory roles.



LABOUR STANDARDS AND DECENT WORK

Labour standards refer to the conditions under which employees and workers (including contract and seasonal workers) operate. RBC in labour means **ensuring fair wages, safe and healthy working conditions, reasonable working hours, and respecting workers' rights to organize and bargain collectively**. In Pakistan's context, "decent work" is a major challenge especially in smaller businesses and informal sectors. However, improving labour conditions is crucial not only for workers' wellbeing but also for productivity and product quality.

Key Local Concerns

• **Wages and Working Hours:**

Pakistan sets minimum wages (which vary by province and skill level), but not all employers comply, especially in informal setups. Paying at least the legal minimum – and ideally a living wage – is a basic RBC requirement. Excessive working hours and lack of overtime compensation are common in sectors like textiles and agriculture during peak seasons. Businesses should follow relevant laws (e.g. the **Factories Act 1934** limits working hours and mandates overtime pay). Ensure workers are not routinely exceeding the 48-hour workweek plus allowable overtime, and that any overtime is voluntary and paid.

• **Workplace Safety and Health:**

Industrial accidents (from factory fires to agricultural pesticide poisoning) have unfortunately been frequent in Pakistan. The **Factories Act** and **provincial labour laws** require provisions for worker safety – adequate ventilation, machine guards, personal protective equipment (PPE), clean drinking water, sanitation facilities, and so on. For SMEs, implementing safety standards can be low-cost: simple steps like fire extinguishers and drills, proper chemical storage, and training on machine use prevent most accidents. In the dairy "Whey to Value" project context, this might involve training milk collectors on safe handling and providing gloves and boots to avoid contamination and injury.

- ***Freedom of Association:***

Under Pakistani law, workers (except in certain public services) have the right to form unions and collectively bargain (Industrial Relations Acts). In practice, unionization is low and sometimes discouraged. RBC principles encourage dialogue with worker representatives – whether through formal unions or informal worker committees – to address workplace issues collaboratively. Even if a business is non-unionized, management can establish worker councils or feedback mechanisms to hear employees’ concerns. This inclusive approach often improves morale and reduces conflict in the long run.

- ***Informal and Contract Labour:***

Many businesses outsource work to contractors or rely on seasonal labour (e.g. farm hands during harvest). These workers can be denied benefits or protections given to permanent staff. An RBC-oriented company will apply similar standards to **all** workers under its umbrella, even if indirectly employed. That might mean insisting labour contractors follow legal standards (e.g. no child labour, paying minimum wage) and monitoring their compliance. It also means gradually shifting “informal” jobs into formal ones where feasible (providing written contracts, social security registration, etc.). The “RBC goes beyond compliance” idea is relevant here – just because labour laws aren’t strictly enforced on contractors doesn’t exempt a responsible business from ensuring decent work conditions.

Practical Steps:

- » Ensure **fair compensation** for all workers. Regularly check that wages meet at least the legal minimums and are paid on time (no delayed payments). Offer written contracts or appointment letters that spell out wages, hours, and benefits, even to junior or temp workers – this transparency prevents exploitation.

- » Invest in **workplace safety and health**. Conduct basic risk assessments of your operations (or use the free provincial labour department safety inspection checklists). Provide necessary PPE such as gloves, masks, earplugs, and enforce their use. Schedule regular breaks and rotate workers on repetitive or strenuous tasks to prevent fatigue-related accidents. If an incident occurs, investigate it and support the affected worker (including compensation as per Workmen’s Compensation laws).

- » **Engage your workers** in improving conditions. Hold periodic meetings where workers can voice concerns about workloads, hazards, or abuses. When making decisions (like setting production targets or changing processes), consider their impact on workers’ health and family life. By involving employees in problem-solving (perhaps through suggestion boxes or a worker committee), businesses can often find low-cost solutions that management alone might miss.

- » Extend labour standards to your **supply chain**. If you source from farmers, artisans, or home-based workers, provide guidance on good labour practices. For example, a buyer of agricultural produce could train farmers on safe pesticide use and proper rest for field labourers. Leverage your influence: include clauses in supplier contracts that require compliance with labour laws and allow you to audit or spot-check conditions. Example: A manufacturing company updated its supplier code of conduct to ban forced or child labour and set safety requirements, and made continued orders conditional on meeting these standards.



CASE STUDY

Unilever Pakistan and Kinetic – Raising Safety Standards in Outdoor Advertising:

In Pakistan's fragmented Out-of-Home (OOH) advertising industry, where over 3,000 blue-collar workers operate in often precarious conditions, Unilever Pakistan partnered with Kinetic to embed RBC into billboard deployment practices.

Through this partnership, the companies aligned with the **Unilever Responsible Sourcing Policy (RSP)** and broader sustainability commitments under the **Unilever Sustainable Living Plan (USLP)**, aiming to enhance both safety and livelihoods.

Key Interventions:

- **Worker Safety Protocols:** A global safety consultant, Envirogreen, was engaged to create standard operating procedures (SOPs) for billboard installation. Spot audits were conducted across 15 locations in five cities.
- **Training and Awareness:** Industry-wide safety training programs were rolled out for vendors and fitters, formalizing previously inconsistent safety practices.
- **Fair Compensation:** The remuneration of billboard fitters was increased from PKR 37,000 to PKR 51,000 per month, impacting over 3,000 families.
- **Vendor Engagement:** 24 vendors across 29 cities and 161 assets were directly engaged and sensitized through individual meetings.
- **SME Development:** The initiative supported the creation of new SME companies and upskilling of the existing workforce, leading to over 5,000 new job opportunities.

This collaborative model highlights how integrating RBC principles into sourcing and operations not only improves safety and fairness but also contributes to systemic upliftment across the value chain.

Quick Checklist: Does your business...

- ✓ Pay all staff and workers at least the minimum wage and for any overtime hours, with no unfair deductions?

E.g.: A textile factory ensures every worker's monthly pay meets the provincial minimum in Sindh. When machine maintenance forces staff to do extra hours, those hours are logged and paid at double time. Any deductions (e.g. for damage) are clearly documented and agreed, not arbitrarily taken.

- ✓ Limit work hours and provide rest days in line with the law (typically a maximum of 60 hours/week with overtime, and 1 day off in 7)?

E.g.: An electronics-assembly plant operates 6 days a week, 8 hours/day. They provide a full day off every 7th day. When extra work is needed, they limit overtime so total hours (regular + overtime) do not exceed 60 hours in that week, and schedule extra rest days afterwards.

- ✓ Provide a safe, clean working environment with necessary protective equipment and training on health & safety?

E.g.: A food packaging facility installs non-slip flooring in wet zones, provides gloves, masks and protective footwear. They hold regular safety training so all workers know how to use fire extinguishers and how to deal with chemical cleaners.

- ✓ Maintain records of all workers (including temporary ones) and their employment terms, to ensure transparency and legal compliance?

E.g.: A small courier company keeps a database or registry with each worker's name, ID, role, start date, hours worked each week, overtime hours, deductions, wages paid. Temporary staff are given written contracts stating their terms. These records are reviewed monthly.

- ✓ Respect workers' rights to organize or collectively discuss workplace issues, and engage with them constructively to resolve concerns?

E.g.: In a mid-sized manufacturing company, workers form a "workers' committee" to discuss workplace concerns (like shift schedules, safety, hygiene). Management meets with them monthly, listens and takes action—for example improving washroom facilities or reviewing shift rotation to avoid night shifts without proper rest or transport.



ENVIRONMENTAL SUSTAINABILITY

Environmental stewardship is a crucial pillar of RBC, requiring businesses to minimize negative impacts on natural resources, climate, and public health. In practical terms, this means **reducing emissions and waste, conserving resources like water and energy, and preventing pollution of air, water, and soil**. Pakistan faces significant environmental challenges – from industrial pollution in rivers to air quality issues in cities, and extreme climate events like floods and heatwaves. Companies, big and small, have a role to play in addressing these issues. Moreover, under DGBP program expectations, projects should contribute to climate change mitigation and adaptation wherever possible.

Key Local Concerns

• **Pollution Control:**

Industries are expected to treat wastewater, manage solid waste, and control air emissions under the **Pakistan Environmental Protection Act (PEPA) 1997** and provincial environmental regulations. In practice, compliance is mixed. Common problems include dumping of untreated effluent into rivers (impacting communities downstream), unsafe disposal of solid waste, and air pollution from generators or kilns. Businesses should identify the pollutants their operations generate and implement controls. For example, a dairy processing plant must ensure effluent from cleaning equipment is treated so it doesn't contaminate local water sources. Likewise, managing the by-products of whey processing (in the *Whey2Value* project) should be done responsibly – e.g. converting waste whey into fertilizer or animal feed rather than letting it spoil and release greenhouse gases.

• **Resource Management:**

Pakistan is among the most water-stressed countries; water conservation is critical. Agriculture and food businesses can adopt water-saving techniques (rain-water harvesting, drip irrigation for farmers, fixing leaks in factories). Energy efficiency is another area – using energy-efficient appliances or solar panels can not only cut costs but also reduce the strain on Pakistan's power grid and lower emissions. Under RBC, companies assess their resource use and find ways to

use **less water, less energy, and more renewable or recycled materials** wherever feasible. The **Climate Change Act (2017)** has established frameworks for climate adaptation; businesses aligning with these (for instance, by improving energy efficiency or shifting to renewable energy) are contributing to national climate goals.



CASE STUDY

Artistic Milliners – Leading Environmental Stewardship through Climate-Smart Cotton in Pakistan

In a country facing acute water stress and mounting climate risks, Artistic Milliners has emerged as a frontrunner in promoting sustainable cotton cultivation through its Milliner Cotton Initiative (MCI) and AM-Regen regenerative farming pilot.

Operating across thousands of acres in Punjab and Baluchistan, the company has adopted climate-conscious practices to reduce environmental impact, regenerate natural systems, and build resilience within the cotton value chain.

Environmental Interventions and Outcomes:

1. Smart and Regenerative Farming (AM-Regen):

Launched in 2023 across 1,000 acres in Rahim Yar Khan (with a planned scale-up to 6,000 acres), AM-Regen applies a nature-based, holistic approach to restore soil health, reduce chemical dependency, and cut emissions.

Key environmental outcomes:

- Irrigation water reduced by 13% through efficient scheduling and soil moisture retention
- Diesel usage down by 29%, contributing to lower emissions
- Fertilizer usage reduced by 32%, replaced by compost, vermicompost, and natural pest control
- Pesticide cost cut by 28% via use of NIAB Eco Spray, pheromone traps, and sticky traps
- 2,000 trees planted to enhance biodiversity and carbon sequestration
- Soil organic matter increased to 0.64%, up from the national average of 0.52%

These interventions resulted in 18% higher cotton yield while reducing land degradation — proving that sustainable practices can be profitable.

2. Water Efficiency via Smart Farming:

Through the integration of smart farming technologies, including satellite imagery, soil sensors, and app-based monitoring (Crop 2X), the Milliner Cotton Initiative achieved a 54% reduction in water usage — lowering water consumption from 4,351 litres to just 2,000 litres per kilogram of seed cotton. In a country facing acute water stress, this shift highlights how data-driven, precision agriculture can transform cotton farming into a more sustainable and climate-resilient sector.

3. Cleaner Cotton and Field-Level Hygiene:

To reduce contamination and waste during harvesting:

Artistic Milliners provided 100% cotton picking bags, gloves, and cotton sheets to female workers. These tools minimized plastic, improved cotton quality, and reduced post-harvest pollution.

Why It Matters



Artistic Milliners' climate-smart cotton programs serve as a scalable model for other agribusinesses in Pakistan. By integrating resource efficiency, clean inputs, and ecosystem restoration, the company demonstrates how environmental sustainability can be embedded into mainstream sourcing — not as an add-on, but as a core operational advantage.

- **Waste Management and Circular Economy:** Many Pakistani SMEs face challenges in managing waste — from agricultural residue and plastic packaging to industrial scrap. In the absence of proper systems, open burning or illegal dumping is common, contributing to air and soil pollution. RBC promotes a circular approach: identifying opportunities to repurpose waste and create value from it. For example, whey, traditionally discarded as a by-product of cheese and yogurt production, can be transformed into high-protein beverages, livestock feed, or organic fertilizer, reducing waste while generating new revenue streams — the central idea behind the "Whey to Value" initiative. Likewise, a manufacturing unit can collect agricultural waste like rice husk, which would otherwise be burned, and use it as fuel in biomass boilers, lowering emissions and energy costs. These practices not only reduce environmental impact but also create economic opportunities, demonstrating how circularity can benefit both business and the planet.
- **Local Environmental Impact:** Businesses must be mindful of their immediate environment. Are you affecting a nearby community's health or livelihood? For example, brick kilns in Punjab have adopted new zigzag technology to reduce smoke, benefiting both the environment and villagers' health. In rural areas, overuse of chemical fertilizers or pesticides by agribusinesses can degrade soil and water; switching to integrated pest management or organic alternatives helps preserve the ecosystem. Pakistan's environmental law requires an **Environmental Impact Assessment (EIA)** for projects that might significantly affect the environment – RBC-aligned businesses will voluntarily conduct impact assessments even for smaller projects and take mitigation measures.

Practical Steps:

- » **Compliance as a baseline:** First, ensure you meet all applicable environmental laws – obtain necessary environmental permits, submit any required environmental management plans to regulators, and abide by the National Environmental Quality Standards (NEQS) for emissions and effluents. Non-compliance can lead to legal penalties and project shutdowns, aside from causing harm.

- » **Pollution prevention:** Identify points of pollution in your operations. Invest in appropriate technology to treat waste (e.g. install a wastewater treatment unit or join a common effluent treatment facility if available; use scrubbers or filters on exhausts). Sometimes simple changes yield results – e.g. enclosing dust-producing processes, regularly maintaining machinery to reduce smoke, or switching to non-toxic chemicals. Monitor environmental indicators (water pH, smoke opacity, etc.) to catch issues early.

- » **Resource efficiency:** Track your usage of key resources (water, energy, raw materials). Set targets to reduce usage year-on-year – for example, aim to cut energy consumption by 10% by using energy-efficient motors or recovering heat from boilers. Many Pakistani companies have cut costs by switching to solar energy or biogas for power; government incentives and financing are increasingly available for green energy. **Example:** A nutrition product company invested PKR 50 million to install solar panels at its plant, which significantly lowered electricity bills and ensured production during power outages.

- » **Waste reduction and reuse:** Apply the 3Rs – Reduce, Reuse, Recycle. Can you minimize packaging or use biodegradable packaging? Can organic waste be composted? If you generate non-recyclable hazardous waste (like used oil or chemicals), ensure you dispose of it through licensed hazardous waste handlers rather than dumping. Engage employees in waste reduction campaigns (e.g. incentivize ideas for cutting waste). Also, consider **collective action** – sometimes several companies in an area can collaborate on waste management solutions (like a joint recycling program or sharing waste treatment facilities).

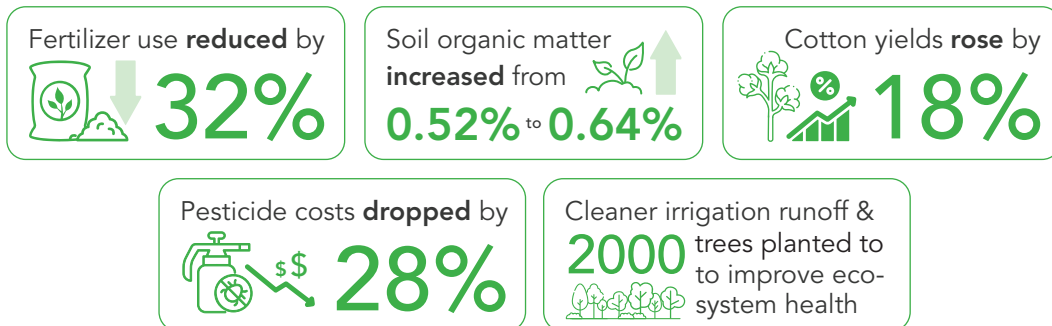
CASE STUDY

Artistic Milliners – Regenerative Cotton Farming for Soil and Climate Health

In southern Punjab's Rahim Yar Khan district, Artistic Milliners launched its AM-Regen regenerative farming pilot to tackle soil degradation and high chemical dependency in cotton farming. Overuse of synthetic fertilizers and pesticides was impacting soil health and raising input costs for farmers.

The company worked with 92 farmers across 1,000 acres to implement nature-based solutions such as composting, vermicompost, crop rotation, natural pest control, and integration of livestock. They also introduced satellite-based crop monitoring and real-time data tools (Crop 2X app) for precise input management.

Results within a year:



These interventions enhanced productivity while significantly reducing the environmental footprint. The eco-friendly produce is traceable via blockchain and commands higher market value, illustrating how climate action can also boost profitability.



CASE STUDY

Haleeb Foods – Reducing Water Pollution and Enhancing Sustainability in Dairy Processing:

Haleeb Foods, a major dairy processor in Pakistan, partnered with WWF-Pakistan to address the environmental impact of its operations — particularly water use and wastewater discharge from milk processing.

The company undertook a water footprint assessment and implemented several environmental upgrades:

- Installed Effluent Treatment Plants (ETPs) to treat and recycle water used in production
- Adopted clean-in-place (CIP) systems to reduce chemical discharge
- Trained staff on water-efficient practices in line with ISO 14001 guidelines

While exact pollution reduction figures are proprietary, WWF's case documentation confirms improved wastewater quality and reduced nutrient loading into surrounding water bodies. The company also reported operational cost savings from more efficient water use and strengthened its sustainability credentials with customers and regulators.

This case reflects how RBC can help industries transition from compliance-based risk mitigation to proactive environmental stewardship — while also enhancing operational resilience.

Quick Checklist: Does your business...

- ✔ Have processes to properly treat or safely dispose of waste (liquid, solid, air emissions), so that you're not polluting local land, air, or water?

E.g.: A chemical plant builds a neutralization tank for its acidic effluent, ensures solids are filtered before discharge, installs scrubbers for gas emissions, and engages a licensed hazardous waste company to collect and dispose of any hazardous by-products.

- ✔ Monitor and strive to reduce resource consumption (water, electricity, fuel) each year, and explore cleaner alternatives like solar energy or efficient equipment?

E.g.: A dairy processing factory audits its energy and water use, identifies that a lot of water is wasted in washing machinery, installs water recycling for certain wash-cycles; replaces old motors with energy-efficient ones and installs solar panels for heating water.

- ✔ Have emergency plans for environmental accidents (e.g. chemical spills, fire) and train staff in handling them to minimize damage?

E.g.: In a paint factory, management develops a spill response procedure: training staff how to contain spills, sealing off drains, having absorbent materials stocked, assigning roles, periodic mock drills, and maintaining emergency contact list for environmental regulators and cleanup firms.

- ✔ Consider the environmental impact of your supply chain (e.g. how raw materials are produced) and engage suppliers in reducing their environmental footprint?

E.g.: Suppose a textile company sources cotton; it asks its cotton suppliers to avoid pesticide overuse, to use water-efficient irrigation; audits them for waste disposal practices; prefers suppliers with environmental certifications; and offers to provide guidance / incentives to improve practices.

- ✔ Continuously look for ways to recycle or reuse waste materials, and work with community or industry partners on collective environmental solutions?

E.g.: A food processing company collects organic waste and turns it into compost (either on-site or via a partner). It also recycles plastics or packaging with local recyclers; works with neighbouring farms to supply compost; invests in re-using packaging material; hosts a local industry forum to share best practices on recycling among supply chain members.



ANTI-CORRUPTION AND ETHICAL GOVERNANCE

The fourth pillar of Responsible Business Conduct (RBC) involves conducting business with integrity – ensuring transparency, combating bribery and corruption, and building strong governance frameworks that uphold accountability. In Pakistan, corruption remains a pervasive issue that distorts markets, undermines fair competition, and increases the cost of doing business. Transparency International's Corruption Perceptions Index (CPI) 2024 ranks Pakistan 135 out of 180 countries with a score of just 27/100, reflecting a very poor perception of corruption in the country.

An RBC-aligned business commits to honesty and fairness, even when it is challenging, and puts systems in place to support ethical behaviour, ensuring that its practices align with global anti-corruption standards.

Key Local Concerns

- **Bribery and Facilitation Payments:**

It is not uncommon for businesses in Pakistan to face solicitation of bribes – whether to expedite a utility connection, win a government contract, or avoid a fine. However, giving or receiving bribes is illegal under laws like the **National Accountability Ordinance (1999)** and the **Prevention of Corruption Act (1947)**. These laws establish the National Accountability Bureau (NAB) and other mechanisms to investigate and prosecute corruption. For a business, the immediate temptation to pay a bribe can lead to long-term risks – legal penalties, blacklisting, and loss of reputation. RBC requires a zero-tolerance approach: no facilitation payments, no kickbacks. Companies should train employees on how to handle such situations (e.g. politely refusing and reporting the incident to higher management). It may sometimes mean delays or bureaucratic hurdles, but in the long run it builds a reputation as a trustworthy enterprise. Adopting this stance is also aligned with the EU Corporate Sustainability Due Diligence Directive (CSDDD) and Human Rights Due Diligence (HRDD) principles, which expect companies to identify, prevent and mitigate corruption risks in their operations and value chains. Demonstrating a clean

anti-corruption record strengthens credibility with international partners and clients conducting due diligence.

- **Financial Transparency:**

Ethical governance includes accurate record-keeping and truthful financial reporting. Practices like maintaining two sets of books (one for tax, one for actual) or underreporting revenues to evade taxes may seem financially beneficial in the short term, but they violate the principle of accountability. SECP's (Securities & Exchange Commission of Pakistan) corporate governance code for listed companies emphasizes robust internal controls and truthful disclosures. SMEs should also instil good practices – keep honest accounts, comply with tax laws, and prevent any fraudulent billing or misappropriation of company funds. Internal audits or reviews can help ensure everything is above board. This transparency not only keeps you out of trouble but can make your business more attractive to banks and investors (who prefer well-governed companies).

- **Conflict of Interest and Nepotism:**

In family-run or small businesses, it's common to employ relatives or give business favour to friends. While not illegal per se, favouritism can demoralize other employees and lead to suboptimal decisions. RBC principles encourage meritocratic decision-making and disclosure of any potential conflicts of interest. For example, if a manager's brother owns a supplier company, this should be disclosed, and the supplier should go through the same evaluation as any other. By formalizing processes (like competitive bidding for suppliers, transparent hiring criteria), companies can reduce nepotism and boost their credibility.

- **Whistleblowing and Accountability:**

A truly ethical company encourages employees to speak up if they see misconduct. Establishing a whistleblower mechanism (even a simple email or suggestion box that goes to top management or an audit committee) and protecting whistleblowers from retaliation are key governance measures. Globally, many

corruption cases are exposed by insider reports. In Pakistan, where speaking up can be culturally difficult, leadership must explicitly encourage it. Celebrate employees who flag issues as helping improve the company, not as trouble-makers. Additionally, if an issue is found (say, a procurement officer was taking commissions), take corrective action and learn from it – strengthen controls to prevent future incidents.

Whistleblower Protection Frameworks in Pakistan

JURISDICTION	LAW / STATUS	KEY FEATURES / GAPS	ANONYMOUS REPORTING ALLOWED / PROTECTED?
FEDERAL (PAKISTAN)	<i>Public Interest Disclosures Act, 2017</i> (in force); draft Whistleblower Protection and Vigilance Commission Bill 2025 under consideration	Allow disclosures to “competent authorities” but does not protect anonymous reports . Protections against retaliation exist on paper but weak in practice.	No (anonymous or pseudonymous disclosures may be refused under s.3(5))
KHYBER PAKHTUNKHWA (KP)	<i>Whistleblower Protection and Vigilance Commission Act, 2016</i>	Establishes a Commission to receive public-interest disclosures and protect whistleblowers from retaliation. Implementation uneven; identity can be kept confidential during inquiries.	Limited (identity can be concealed, but full anonymity not guaranteed by law)
SINDH	<i>Sindh Whistleblower Protection and Vigilance Commission Act, 2025</i> (recently passed)	Similar model to KP with a provincial commission. Still early stages of implementation; detailed rules/regulations awaited.	Likely limited (law provides for confidentiality but not explicit right to anonymous reporting)
PUNJAB	No dedicated Act yet (only draft bills/proposals)	No comprehensive whistleblower protection; some clauses in Right to Information or proposed bills but not operational.	No
BALUCHISTAN	No dedicated Act	Only Right to Information law; no explicit whistleblower protection framework.	No

Practical Steps:

- » Develop a **Code of Ethics** that lays out expected behaviours (no bribes, no fraud, treat partners honestly) for all employees and management. Have everyone sign it and conduct an annual refresher training with real scenarios (e.g. “What do you do if a customs official asks for a ‘fee’ to clear your goods?”). Make it clear that **bribery is against company policy**, even if it means an immediate business loss – the long-term integrity is more important.
- » Set up basic **financial controls**: for instance, require two signatures for large payments to avoid any single person diverting funds. Use accounting software, if possible, for transparent record-keeping. If the business can afford, have an independent auditor check the books yearly. These controls not only prevent internal fraud but also help catch any irregular payments that might indicate bribery.
- » **Develop and implement a whistle-blowing policy and procedure** that allows employees (and, where relevant, suppliers or contractors) to confidentially report suspected bribery, fraud, or unethical behaviour. Clearly set out how concerns can be raised (for example, through HR, a designated focal person, or a confidential email address), how reports will be assessed and investigated, and how the company will protect whistle-blowers from retaliation. Communicate the policy to all staff, include it in onboarding, and reinforce it through periodic awareness sessions.
- » **Engage with industry initiatives** against corruption. If available, join platforms like the UN Global Compact Network Pakistan or local chambers’ anti-corruption forums, where businesses share best practices. Collective action can also be powerful: if all suppliers in a region agree not to pay bribes to inspectors, the pressure on any one company lessens.

- Protect against corruption in your **supply and value chain**. Clearly communicate to suppliers and contractors that you don't accept or give kickbacks. If you tender out contracts, do it fairly – use objective criteria and committee decisions to select vendors, and document the process. Some companies include audit rights in contracts, allowing them to investigate a supplier's records if corruption is suspected.

- Foster a culture of **accountability**: managers should lead by example, declaring their conflicts of interest and not abusing company resources. When mistakes happen, focus on fixing the system rather than hiding the issue. Encourage employees to report unethical behaviour to a designated person (e.g. an HR manager or an ethics officer). Treat those reports seriously and confidentially.



CASE STUDY

Engro – Institutionalizing Integrity Across Operations:

Engro Corporation, one of Pakistan’s largest conglomerates, has taken a firm and highly visible stance against corruption, gifts, and kickbacks — especially across its supply chain and procurement functions.

Under its Code of Conduct, Engro enforces a **zero-tolerance policy** on:

- Bribery
- Facilitation payments
- Gifts and hospitality (of any form that may influence business decisions)

No-Gift Policy in Action:

- Engro does **not allow employees to accept any gifts, cash, or incentives** from vendors, suppliers, or public officials.
- The company has posted **“No Gifts or Favours” signage** across its offices, including near procurement desks, entry points, and meeting areas. This clear messaging acts as both a deterrent and a declaration of its values.
- Employees are **required to report any attempt to offer gifts or bribes**, and there are clear internal whistleblowing and grievance channels to ensure safe reporting.

Procurement Controls and Transparency:

- All supplier contracts and major purchases go through **standardized bidding procedures** and an **independent procurement committee**.
- Vendors undergo a **due diligence process**, including checks on beneficial ownership and conflict of interest disclosures.
- Periodic **audits and supplier assessments** ensure adherence to anti-corruption clauses.

Impact:

Engro's internal culture of transparency and ethical conduct has helped it:

- Attract international joint ventures and financing, including IFC and other global players that require robust governance.
- Avoid reputational risks in sensitive sectors like fertilizers, energy, and food processing.
- Build supplier confidence that contracts are awarded on merit, not connections.

This approach highlights that fighting corruption is not just about compliance—it's a strategic business decision that builds long-term trust and global competitiveness.

Quick Checklist: Does your business...

- ✓ Have a written anti-corruption policy or code that is communicated to all employees and stakeholders (e.g. suppliers), with top leadership commitment?

E.g.: Your CEO signs and launches a one-page "Zero Tolerance for Bribery" policy, distributes it to all staff and suppliers, and includes it in onboarding packs and supplier contracts.

- ✓ Keep accurate books and records, and conduct periodic reviews or audits to ensure no unexplained payments ("slush funds") or irregularities?

E.g.: Finance team runs quarterly spot-checks of expense accounts and petty cash; any "miscellaneous" or "consultancy" payments above PKR 50,000 need dual approval and written justification.

- ✓ Have a formal whistle-blowing policy and procedure that allows employees (and, where relevant, suppliers) to safely report suspected misconduct, and protects those who report concerns in good faith from retaliation?

E.g.: The company designates an HR manager or ethics focal person to receive whistle-blowing reports. Employees are informed during onboarding and refresher trainings that they can confidentially report issues such as bribery, fraud, harassment, or falsification of records via a dedicated email address or in person. All reports are logged, reviewed discreetly, and investigated, and the company clearly states that no employee will be penalised for raising concerns honestly, even if the issue cannot ultimately be substantiated.

- ✓ Provide a safe channel for employees to report unethical behaviour or suggestions, and protect those who speak up in good faith?

E.g.: A confidential email address or hotline operated by an independent third party; posters in the workplace explain how to report and reassure staff of non-retaliation.

- ✔ Avoid conflicts of interest in decisions (procurement, hiring, etc.), or disclose and manage them transparently when they occur?

E.g.: A manager discloses that her brother owns a vendor company bidding for a contract; she recuses herself from the evaluation committee, and the declaration is recorded.

- ✔ Comply with all regulatory requirements honestly – e.g. paying due taxes, obtaining licenses legitimately – and refrain from offering any undue payments to officials or business partners?

E.g.: When applying for an environmental permit, the company refuses to pay “speed money” and instead tracks the application formally, even if it takes longer, documenting all correspondence.

6

IMPLEMENTING RBC IN YOUR BUSINESS

Implementing RBC in Your Business: Step-by-Step Guide

Adopting RBC principles is a journey that involves systematic effort. This section provides a **step-by-step roadmap** to integrate RBC into your business operations. It closely follows the DGBP five-step due diligence approach, expanded into six practical steps for clarity. Whether you are a small enterprise or a larger corporate, these steps can be scaled to fit your context.

OVERVIEW OF THE STEPS:

1. **Commit & Lead:**

Establish leadership commitment and policies for RBC.

2. **Assess Risks and Gaps:**

Identify where your business might impact human rights, labour, environment, or be vulnerable to corruption.

3. **Engage Stakeholders and Prioritize:**

Consult with employees, partners, and communities to prioritize RBC issues.

4. **Action Planning:**

Develop a concrete RBC Action Plan with specific objectives, actions, responsibilities, and timelines.

5. **Implementation:**

Integrate the plan into everyday business – update policies, train staff, collaborate with partners – to carry out the actions.

6. **Monitoring and Reporting:**

Track progress on the plan, evaluate effectiveness, and communicate results to stakeholders; adjust as needed.



Facilitator's Note:

If using this in a workshop, you might break participants into groups to role-play each step with a hypothetical business scenario (for example, a fruit juice company addressing labour and environmental issues). This can help them internalize the process.

STEP
1**Commit to RBC and Establish Accountability**

“Tone at the Top” – RBC must start with a clear commitment from the business owners or top management. Begin by articulating your company’s commitment to responsible conduct. This can be in the form of an **RBC policy or a statement of values** that covers human rights, labour standards, environmental care, and anti-corruption. It doesn’t need to be long or fancy – even a one-page statement can suffice if it’s clear and genuine.

Key actions in this step:

- **Draft an RBC Policy:** Outline your commitments (e.g., “We will not employ underage workers; we will reduce our environmental impact; we have zero tolerance for bribery; we respect all employees equally.”). Align this with any existing company values or CSR policies. You can reference international principles or local laws within it. Ensure it’s in easy-to-understand language (and translate to Urdu or local language if needed for workers).
- **Get Buy-In from Leadership:** The owner, CEO, or directors should formally endorse the policy. Ideally, one senior person is assigned as the “RBC Champion” or focal point to lead the agenda. DGBP guidance expects each commercial partner to appoint a person with overall responsibility for RBC follow-up.
- **Set up Governance:** Determine how RBC will be managed. For a small company, this might be a part of management meetings. For a larger project or partnership, consider an RBC working group or include RBC as a standing agenda item in steering committee meetings. The idea is to institutionalize it so it doesn’t get forgotten.
- **Communicate the Commitment:** Announce the RBC policy to all staff and relevant stakeholders (suppliers, etc.). Make it public if possible (e.g., post on your website or at your office entrance). Public commitment builds external trust and also holds you accountable.

- **Lead by Example:** Management should demonstrate commitment through actions – e.g., if your policy says “no bribes,” the CEO must be first to refuse to pay one even if it costs a deal. This consistency will set the culture.



Facilitator Tip:

Encourage company leaders to share personal reasons for committing to RBC (such as “I want our business to be one that my children can be proud of.”). Personal conviction can motivate employees more than a generic statement.



Outcome of Step 1

A clear policy and leadership structure for RBC is in place. Everyone in the organization knows that RBC is a priority from the top. You have effectively laid the foundation – like planting a flag that says “we stand for responsible business.” This will guide all subsequent steps.

STEP 2

Assess Risks and Current Practices

Before you can improve, you need to know where you stand. Step 2 is about taking a hard look at your business activities to identify any **RBC risks, gaps, or impact areas**. Think of it as an initial RBC audit or screening. The DGBP framework calls this an **Initial Risk Assessment**, where you screen for potential negative impacts on human rights, decent work, environment, and governance.

Key actions in this step:

- **Map Your Operations and Supply Chain:** List out your main activities and partners. For each, brainstorm possible issues. For example, if you operate a food factory: consider labour conditions in the factory, where you source ingredients from, how you dispose of waste, etc. Use the four RBC pillars as a guide to not miss anything:
 - *Human Rights:* Do we have any risk of discrimination or harm to communities? (e.g., is our factory causing noise or air pollution affecting nearby residents? Do our hiring practices exclude any group unfairly?)
 - *Labour:* Are workers safe, paid properly, treated with respect? (e.g., any excessive overtime? any contractors who might be underpaying their staff? do workers have a way to voice grievances?)
 - *Environment:* How do we impact soil, air, water? (e.g., are we emitting any pollutants? using a lot of water from a scarce source? generating waste?)
 - *Governance:* Where could corruption or fraud occur? (e.g., do we deal with officials or third-party agents? who handles cash? do we have transparency in procurement?)
- **Use Checklists/Tools:** You can use available tools like the OECD RBC questionnaire as a guide- template shared as an part of the annexure.

- **Engage People for Input:** Talk to various stakeholders for a fuller picture. Internally, speak to employees at different levels – they often know the day-to-day problems. Externally, consider consulting trusted suppliers or even community members if your operations affect them.
- **Identify Existing Good Practices:** An assessment isn't only about finding negatives. Note where you are already doing well, as these can be built upon. Recognizing strengths boosts morale and shows RBC isn't about criticism only.
- **Prioritize Risks:** After gathering information, categorize issues by severity and likelihood. Focus on "salient" risks – those that could have severe negative impact on people or environment. This prioritization will feed into action planning (Step 4).

Summarize your findings clearly — a simple risk list or table works well. As per DGBP guidance, by the end of project formulation, you should have identified key RBC risks (e.g. gender inequality, labour rights, environmental impact) and how you plan to address them. For businesses, this means having a clear understanding of the priority issues to tackle to operate responsibly.



Outcome of Step 2

A clear understanding of where your major RBC risks and opportunities lie. This assessment will guide your strategy.

STEP
3**Engage Stakeholders and Set Priorities**

RBC is most effective when it reflects the perspectives of those affected by your business. In Step 3, focus on **stakeholder engagement**—consulting and communicating with individuals or groups who have a stake in or influence on your operations. While this step often overlaps with assessment (Step 2) and planning (Step 4), it is highlighted here to ensure it receives dedicated attention. The DGBP guidelines also emphasize the importance of engaging stakeholders and rights-holders early in the process.

Key actions in this step:

- **Identify Stakeholders:** Typical stakeholders include employees, suppliers, customers, local community members, investors, regulators and competition. For the Whey to Value project, stakeholders might also include dairy farmers, village head, and development partners.
- **Consult and Listen:** Organize meetings, focus groups, or informal discussions to hear stakeholders' views on the issues identified. For instance, if worker safety is a concern, hold a talk with workers: What hazards do you face? What causes them?
- **Address Fears and Manage Expectations:** When engaging, be transparent about your goals and limitations. Similarly, communities may expect instant fixes; explain you are making a plan and commit to update them on progress. Engagement is also about building trust.
- **Leverage Stakeholder Knowledge for Solutions:** Often, stakeholders have ideas on how to address issues. A supplier might suggest a joint training program on quality that could also cover labour practices. An NGO focused on labour rights might offer to help set up a grievance mechanism in your factory.

- **Set Priorities with Stakeholder Input:** Stakeholder engagement helps identify which issues matter most to those affected. While your assessment may highlight several RBC risks, discussions with stakeholders can clarify which ones are most urgent or impactful. These insights should guide the prioritization of your RBC action plan. According to the UN Guiding Principles, prioritization should be based on **scale** (how serious), **scope** (how widespread), and **remendability** (how difficult to resolve). Stakeholder input is essential to accurately assess these dimensions.



Facilitator Tip:

Document stakeholder engagements – even basic minutes of who was consulted and what was said. This shows transparency and will be useful when reporting on RBC efforts later.



Outcome of Step 3

You have a refined list of RBC priorities that reflect both your business assessment and stakeholder concerns. Importantly, stakeholders feel involved in the process and more likely to support the solutions implemented. This step lays the groundwork for more effective action, because the actions will address real needs and have buy-in from those affected.

STEP 4

Develop an RBC Action Plan

With priorities established, the next step is to develop a clear and actionable roadmap. **Step 4 involves formulating an RBC Action Plan**—a structured framework outlining key objectives, specific actions, assigned responsibilities, and timelines to enhance responsible business conduct. In DGBP terms, this corresponds to “RBC Action Planning”.

Creating the action plan involves several sub-steps:

↳ **4.1: Define Goals and Objectives** – For each priority area, define a clear and measurable objective. Objectives should follow the SMART criteria—Specific, Measurable, Achievable, Relevant, and Time-bound. For example:

“Eliminate child labour from all tier-1 suppliers within 12 months”

“Reduce factory carbon emissions by 30% over two years”

“Train 100% of employees on anti-corruption policies by year-end”

These targets provide a concrete direction for action. It is acceptable to begin with modest goals, as long as they reflect meaningful progress and a commitment to continuous improvement

↳ **4.2: Identify Actions for Each Objective** – For each objective, outline the key initiatives needed to achieve it. This ensures clarity on resources, timelines, and responsibilities.

- To **eliminate child labour**, conduct unannounced supplier audits, partner with an NGO to provide education for underage workers, and revise supplier contracts to include child labour clauses and penalties.
- To **reduce carbon emissions by 30%**, invest in energy-efficient machinery, transition part of operations to renewable energy, and engage employees through conservation training.

- To **train all employees on anti-corruption**, develop a simple training module, deliver it through scheduled sessions, have employees sign post-training commitments, and integrate ethics training into onboarding.

Listing out actions in detail will clarify resource needs and help in assigning duties.

- ↳ **4.3: Assign Responsibilities** – Clearly designate who is responsible for each action—ideally by role or department to ensure integration into the organizational structure. For example, Compliance or HR may oversee supplier audits, while Operations manages energy upgrades. In smaller businesses, one person may own multiple tasks, but ensure they have the capacity and authority to deliver. Include external partners where relevant (e.g. NGOs supporting training). Assigning clear accountability increases follow-through and effectiveness.
- ↳ **4.4: Set Timelines and Milestones** – Assign clear deadlines or timeframes to each action. Use interim milestones to track progress—for example, “Audit 50% of suppliers by Month 3; complete all by Month 6.” Ensure timelines are realistic given your capacity, and sequence tasks logically (e.g., draft contract clauses before updating contracts). For long-term goals, break them into yearly or quarterly targets to stay on track. A simple timeline or Gantt chart can help visualize and manage the rollout.
- ↳ **4.5: Allocate Resources** – Identify the resources required for each action—budget, personnel, equipment—and ensure they are secured. For example, a PKR 5 million investment in solar panels requires formal budget approval; staff time must be factored into workplans. Underfunding is a common reason for failure, so realistic resourcing is key. Where budgets are tight, consider creative solutions—such as cost-sharing with other companies or leveraging government grants or CSR funding. The action plan should clearly document these resource needs and strategies

↳ **4.6: Finalize the Action Plan Document** – Consolidate all elements—objectives, actions, responsibilities, timelines, and resources—into a structured document or table. A simple spreadsheet format works well, with columns such as:

OBJECTIVE | ACTION STEP | RESPONSIBLE PERSON/TEAM | TIMELINE | RESOURCES NEEDED | SUCCESS METRICS

Review the plan with your core team and leadership to ensure alignment and feasibility. Confirm that everyone assigned a task is informed and agrees to their role. Once finalized, formally approve the plan and circulate it to all relevant stakeholders to ensure shared understanding and accountability.

Action Plan Template:

OBJECTIVE	ACTION STEP	OWNER (RESPONSIBILITY)	TIMELINE	RESOURCES NEEDED	SUCCESS METRICS
Eliminate child labour in supplier operations (12 months)	<ul style="list-style-type: none"> - Conduct supplier - Update supplier contracts with no child-labour clause - Partner with NGO for child education program 	Compliance Manager (audits), Procurement (contracts), NGO X (education)	Q1-Q2 audits; Contracts by Q2; Education ongoing Q1-Q4	Audit travel budget;	100% of key suppliers audited; Child labour cases remediated by end of year
Reduce carbon emissions by 30% (2 years)	<ul style="list-style-type: none"> - Install solar panels (100kW) - Upgrade boilers for efficiency - Energy conservation training for staff 	Operations Director, Admin (training), External solar vendor	Solar by Q4; Boiler upgrade Q3 Trainings quarterly	Capex PKR 50M (solar); Boiler budget PKR 5M; Training material	30% emission reduction (vs baseline) by end of Year 2; Energy bill savings 20% Year 1
Train all employees on anti-corruption (this year)	<ul style="list-style-type: none"> - Develop training module - Conduct 5 training sessions (mix of online/in-person) - New hires induction module 	HR Manager (develop module), Department Heads (ensure attendance)	Module ready by Q2; Sessions by Q3; Ongoing induction	Budget PKR 200k (materials, refreshments)	100% employees trained and signed code; post-training quiz average score >80%

(This is a hypothetical illustration. This table needs to be filled according to the business requirement.)

As you build your action plan, include clear indicators of success. Define 1–2 key performance indicators (KPIs) for each objective—for example, number of workplace accidents (safety), percentage of women in the workforce (gender inclusion), or reduction in emissions (environmental performance). These metrics will help you track progress and demonstrate impact.



Outcome of **Step 4**

You now have a comprehensive **RBC Action Plan**—a practical roadmap outlining **who will do what by when** to address each priority issue. This document should guide implementation and serve as a live management tool, reviewed and updated regularly. DGBP projects are required to have such a plan in place.



Facilitator's Note:

Developing an action plan can be an engaging workshop exercise. Try dividing participants into groups, each group picks one issue (e.g. “improve workplace safety”) and they draft a mini action plan with objectives and actions, then share. This practice builds confidence in planning.

An action plan only delivers impact when it is put into practice. Step 5 focuses on implementation—embedding RBC into daily operations so responsible practices become “business as usual.” Effective implementation spans policies, people, partners, and broader stakeholder collaboration.

1

Policy Integration:

Update or create company policies to reflect RBC commitments. For example, add anti-discrimination clauses to the HR manual, introduce an environmental policy, or revise procurement protocols to include RBC clauses. Communicate changes clearly across the organization and ensure consistent enforcement by leadership.

2

Employee Engagement and Training:

Train staff at all levels to build awareness and ownership. Offer both general RBC training and targeted sessions (e.g. safety for operators, ethics for finance staff). Form volunteer groups such as Green Teams or Peer Educators to lead initiatives. Recognize employee contributions and share success stories internally to sustain momentum.

3

Supplier and Partner Engagement:

Engage suppliers and partners by communicating your RBC expectations. Support their improvement efforts through training, shared resources, or co-developed action plans. Use your leverage when needed to ensure compliance. Partnerships built on trust and shared value often deliver the best results.

4

Stakeholder Collaboration:

Work with communities, NGOs, government, and industry bodies to amplify impact. For instance, partnering with an NGO to train farmers on sustainable practices or joining sectoral coalitions on worker welfare can drive systemic change and boost your credibility.

Overcoming Implementation Challenges

- **Resistance to Change:** Address through awareness, training, and early wins that demonstrate value.
- **Resource Constraints:** Prioritize high-impact actions, seek partnerships, and explore external funding.
- **Monitoring Gaps:** Use metrics, digital tools, and audits to track compliance and progress.
- **Loss of Momentum:** Maintain leadership buy-in, integrate RBC into KPIs, and celebrate progress.

Maintain regular check-ins—monthly or quarterly—to review progress on the action plan. Track milestones, adjust timelines as needed, and document changes. This ensures your RBC efforts are responsive and results-driven.



CASE STUDY

Artistic Milliners and Interloop Ltd.,

two of Pakistan's top textile exporters, have demonstrated how responsible business practices can drive real environmental change.

In 2023, Artistic Milliners launched the **AM-Regen** pilot with 92 farmers across 1,000 acres in Rahim Yar Khan. By replacing chemical pesticides with **NIAB Eco Spray, pheromone traps, and yellow sticky traps**, and promoting **composting** and **crop rotation**, they cut pesticide costs by **28%**, improved **soil health**, and saw a return of biodiversity to fields.

Meanwhile, **Interloop** worked with cotton farmers under **BCI and organic conversion programs**, offering training on **non-chemical pest control** and **soil monitoring**, while ensuring traceability for global buyers.

Both companies faced initial resistance but overcame it through farmer training and long-term support. The result: **healthier ecosystems, lower input costs, and improved yields**—proving that sustainable sourcing benefits both business and the environment.

In summary, **Step 5 is the implementation phase where the RBC plan is operationalized**. It demands persistence, adaptability, and cross-functional collaboration. This is also the stage where tangible results begin to emerge—safer workplaces, improved employee morale, operational efficiencies, and strengthened community relations—clear signs that RBC is driving positive change.



Outcome of **Step 5**

RBC initiatives are actively being implemented, with principles embedded into company SOPs. Tangible progress is visible—such as updated policies, completed trainings, installed equipment, or resolved issues. The transition from planning to execution is underway, laying the foundation for impact measurement and effective communication in the next step.

STEP
6**Monitor Progress and Communicate Results**

RBC is an ongoing process, not a one-time effort. Step 6 focuses on two critical functions: **Monitoring** (tracking progress internally) and **Reporting** (sharing results externally and internally). These actions ensure accountability and foster continuous improvement, while also building stakeholder trust.

↳ **6.1: Define a Monitoring Framework:** Establish a system to regularly track the indicators and milestones outlined in your action plan. Whether via spreadsheets or digital dashboards, ensure each action and objective is supported by clear metrics. Define what data to collect, who collects it, and how often. For example:

- Track incidents and near misses monthly to measure safety improvements.
- Maintain attendance logs and feedback for training sessions.
- Monitor energy usage and emissions to assess environmental performance.
- Log supplier audits and follow-up actions for compliance.

Assign responsibility for compiling and analysing data—this could be your RBC coordinator or quality manager. Integrate RBC metrics into management routines to track progress.

↳ **6.2: Conduct Periodic Reviews:** Schedule formal reviews—quarterly is typical—with monthly check-ins where necessary. In each review:

- Assess each action's status and outcomes.
- Evaluate key performance indicators (KPI's) to see if goals are being met.
- Gather qualitative feedback from stakeholders.
- Document the review, update the action plan where needed, and assign follow-up responsibilities.

Reviews should focus on improvement, not blame. Address data gaps by upgrading collection tools or training staff accordingly.

↳ **6.3: Report Transparently to Stakeholders:** Keep both internal and external stakeholders informed. Internally, update staff to boost morale. Externally, report progress through:

- Annual updates to partners or donors (required in DGBP projects).
- Sustainability reports, websites, or community meetings.
- Industry forums or associations to share learning and demonstrate leadership.

Be transparent about challenges while highlighting achievements. Use visuals and case studies to keep reports engaging. Always connect back to initial goals and explain next steps when targets are not yet met.

Continuous Improvement Monitoring and reporting form a feedback loop. Use insights gained to revise goals, enhance strategies, and tackle new challenges. RBC is iterative—progress leads to new opportunities such as pursuing certifications (e.g., ISO 45001 or SA8000).

Typical Challenges and Solutions:

- *Poor data quality:* Improve collection tools and staff training.
- *Low engagement:* Make reports relatable using visuals and human stories.
- *Reluctance to share failures:* Promote a culture that views transparency as a path to learning.



Outcome of Step 6

A clear, documented picture of RBC performance. Evidence of progress (or learning from gaps) is available, and mechanisms for continuous improvement are in place.

7

CONCLUSION & NEXT STEPS

Conclusion and Next Steps

By completing these six steps, your business will have not only localized the DGBP RBC guidelines to the Pakistani context, but also made RBC an integral part of how you operate. This positions you for sustained success, meeting both local legal obligations and international standards, while contributing positively to Pakistan's development goals.

Embarking on the RBC journey in Pakistan is a rewarding challenge. As we localized the DGBP RBC guidelines through this guide, a few overarching themes emerged:

- **RBC is a Continuous Journey:** It doesn't end with a policy or one project. It's about fostering a culture of responsibility and improvement. Pakistani businesses that internalize this will be more resilient and respected.
- **Local Challenges Require Local Solutions:** While we align with global principles, the way we implement RBC in Pakistan must fit our context. We addressed issues like gender inclusion in communities with traditional norms, or improving safety in informal workplaces. **The key is practicality and cultural sensitivity.**
- **Benefits of RBC Accrue Over Time:** Early on, you might face higher costs or resistance. But the case studies illustrated tangible payoffs – cost savings from efficiency, higher product quality, access to new buyers and investors, improved employee morale, and risk mitigation. Moreover, by complying with Pakistani laws and international standards, you avoid penalties and reputational damage.
- **Support and Resources are Available:** You are not alone in this. Many organizations in Pakistan can help. The SUN Business Network and other development initiatives can offer toolkits (like this one) and sometimes technical support. The ILO office in Pakistan and local NGOs offer training on labour standards, while the Pakistan Environmental Protection Agency can guide on compliance.

- **Top Management and Facilitators Role:** For internal and external facilitators using this guidebook, your role is crucial in translating it into action. Motivate the participants by relating the material to their daily reality.

As a next step, we encourage you to take this guidebook and tailor an **RBC Action Plan specific to your organization or project**. Convene your team, start with Step 1, and move forward. Small steps lead to big changes.

Finally, remember that RBC is not just a set of rules – it's a mindset. It is about thinking of the impact on others with every business decision and finding win-win outcomes. By embedding this mindset, Pakistani businesses can thrive and contribute to a more equitable and sustainable society.

8

ANNEX

RBC Scoping Questionnaire

Here's a comprehensive NOT CONCLUSIVE list of internationally recognized frameworks for Responsible Business Conduct (RBC):

UN Global Compact: A voluntary initiative encouraging companies to align their strategies with universal principles on human rights, labour, environment, and anti-corruption.

UN Guiding Principles on Business and Human Rights (UNGPs): Global standards outlining corporate responsibility to respect human rights and provide access to remedies.

OECD Guidelines for Multinational Enterprises: Recommendations for Responsible Business Conduct in a global context, focusing on issues like human rights, labour relations, environment, and anti-corruption.

Sustainable Development Goals (SDGs): A set of 17 global goals adopted by the UN to address issues like poverty, inequality, climate change, and environmental sustainability, which can be integrated into business practices.

Corporate Sustainability Due Diligence Directive (CSDDD): An EU legislative initiative requiring companies to identify and address risks to human rights and environmental impacts across their supply chains.

ISO 26000 – Social Responsibility: Provides guidance on how businesses and organizations can operate in a socially responsible way, addressing human rights, labour practices, the environment, and fair operating practices.

ILO Conventions: Set labour standards promoting decent work, covering issues such as child labour, forced labour, discrimination, and workplace conditions.

Sustainability Accounting Standards Board (SASB): Provides sector-specific standards to help companies disclose financially material sustainability information to investors.

Global Reporting Initiative (GRI): Offers widely used standards for sustainability reporting, allowing companies to disclose their environmental, social, and governance (ESG) performance.

Task Force on Climate-related Financial Disclosures (TCFD): Develops recommendations for voluntary, consistent climate-related financial risk disclosures, which are increasingly integrated into RBC frameworks.

MANAGEMENT APPROACH: GOVERNANCE

1.1 Regulatory Compliance

Does the company comply with all relevant legal requirements on issues such as Human Rights, Labour Laws, Anti-Corruption, and Environment, as guided by international RBC frameworks like the UN Global Compact, UNGPs, OECD Guidelines, and SDGs? **(YES, NO, N/A)**

- 1.1.1 The company complies with all relevant local and national legislation related to issues covered by the Government of Pakistan. This includes legislation relating to human rights, occupational health and safety, labour rights, environmental and anti-corruption. **(YES, NO, N/A)**
- 1.1.2 The company has obtained the necessary permits and authorisations to operate from the relevant authorities. **(YES, NO, N/A)**
- 1.1.3 The company complies with international conventions and agreements relevant for the company operations and activities such as ILO conventions and UN charters. **(YES, NO, N/A)**

1.2 Assessment of risk, opportunity and impact

Does the company identify and assess the risks, opportunities, and impacts of its operations based on internationally recognized Global frameworks with RBC components- list of which has been shared at the top? **(YES, NO, N/A)**

- 1.2.1 The company takes an integrated approach to identifying the overall business risks, opportunities and impact, taking into account: human rights; occupational health and safety; labour rights; environmental and anti-corruption issues. **(YES, NO, N/A)**
- 1.2.2 The company has processes in place to ensure periodic identification and assessment of the risk, opportunity and impact of its business operations and activities. **(YES, NO, N/A)**
- 1.2.3 The company has a method for prioritising the most significant risks, opportunities and impacts, including the individuals who are most likely to be affected. **(YES, NO, N/A)**
- 1.2.4 When designing new operations or activities, the assessment of risk, opportunity and impact is included. **(YES, NO, N/A)**

1.3 Policy

Does the company have a policy statement in line with the international recognised frameworks? **(YES, NO, N/A)**

- 1.3.1 The company has a written policy covering respect for human rights, occupational health and safety, labour rights, environmental and anti-corruption issues. **(YES, NO, N/A)**
- 1.3.2 The company's policy has been approved by top management. **(YES, NO, N/A)**
- 1.3.3 The company's policy includes a commitment to meeting national and provincial legal requirements. **(YES, NO, N/A)**
- 1.3.4 The company's policy includes a commitment to making continuous improvements in performance. **(YES, NO, N/A)**
- 1.3.5 The company's policy includes contributing to local community development. **(YES, NO, N/A)**
- 1.3.6 The company's vision and mission statements reflect these statements. **(YES, NO, N/A)**
- 1.3.7 The results of the assessment of risk, opportunity, and impact are reviewed by senior management and inform the development of company sustainability goals, strategies, and policies. **(YES, NO, N/A)**

MANAGEMENT: IMPLEMENT

1.4 Decision-making and management

Do the company's decision-making processes and management systems include issues covered in the international recognised frameworks? **(YES, NO, N/A)**

- 1.4.1 The company has appointed a senior person(s) responsible for policies and plans related to issues covered in the internationally recognised frameworks. **(YES, NO, N/A)**
- 1.4.2 The company has defined and communicated roles and responsibilities with regard to issues covered by the internationally recognised frameworks. **(YES, NO, N/A)**
- 1.4.3 The company has documented procedures to enable decisions to be made regarding issues covered in the internationally recognised frameworks. **(YES, NO, N/A)**
- 1.4.4 The company prepares action plans describing the activities, time frames, responsibilities and means to address impacts and/or reach targeted improvements. **(YES, NO, N/A)**
- 1.4.5 The company monitors its procedures and instructions to ensure they are applied correctly e.g via internal and/ or external audits.
- 1.4.6 The company can document continuous improvement of its performance e.g. via key performance Actions (KPIs). **(YES, NO, N/A)**
- 1.4.7 The company promptly records, investigates and remediates any serious accidents or extraordinary impacts/events that occur. **(YES, NO, N/A)**
- 1.4.8 The company has a company-wide management system that is certified by a third party and/or operates in accordance with sector specific codes and standards. **(YES, NO, N/A)**

1.5 Worker involvement

Does the company involve workers when addressing issues covered by the internationally recognised frameworks. principles? **(YES, NO, N/A)**

- 1.5.1 Company workers are aware of the issues that are most significant for the company operations and activities, and know what is expected of them. **(YES, NO, N/A)**
- 1.5.2 The company regularly trains workers involved in activities that have, or could have, adverse impacts to ensure they are aware of risks, requirements and agreed procedures. **(YES, NO, N/A)**
- 1.5.3 Workers are encouraged to suggest ways in which the company can improve its performance relating to issues covered by the internationally recognised frameworks. **(YES, NO, N/A)**

1.6 Suppliers and business partners

Does the company promote issues covered by the internationally recognised frameworks. principles in its interactions with suppliers and business partners? **(YES, NO, N/A)**

- 1.6.1 The company has defined minimum requirements and communicates these in writing to new and existing suppliers and business partners through their supplier code of conduct and/or supplier guidelines. **(YES, NO, N/A)**
- 1.6.2 The company has policies and procedures for managing and monitoring the performance of suppliers and business partners that they are compliant to the law. **(YES, NO, N/A)**
- 1.6.3 The company has conducted an assessment to identify which of its suppliers and business partners have the greatest risk of negative impacts. **(YES, NO, N/A)**

1.6.4 The company's workers are familiar with the company policy covering the internationally recognised frameworks/principles. **(YES, NO, N/A)**

1.6.5 The company's procurement practices, such as prices, delivery times and internal incentive structures, encourage improved standards at suppliers and business partners. **(YES, NO, N/A)**

1.7 Community development

Does the company positively contribute to community development? **(YES, NO, N/A)**

1.7.1 The company donates time, in-kind or financial contributions to the local community e.g. education and training, cultural and infrastructure development as part of their CSR activities. **(YES, NO, N/A)**

1.7.2 The company takes action to help the local community following consultations with the local community. **(YES, NO, N/A)**

1.7.3 The company can demonstrate the impacts of its contribution and how these are aligned to the company's core and strategic issues. **(YES, NO, N/A)**

1.7.4 The company take action in support of broader UN goals and issues, such as the UN Sustainable Development Goals (SDGs). **(YES, NO, N/A)**

1.7.5 The company contributes to community development by entering partnerships with a range of stakeholders, including UN agencies, governments, civil society, labour, and other non-business interests. **(YES, NO, N/A)**

1.8 Grievance mechanisms

Does the company have a trusted procedure for hearing, processing and settling internal and external concerns/complaints? **(YES, NO, N/A)**

1.8.1 The company has a written procedure for how concerns and complaints are received, processed and settled. **(YES, NO, N/A)**

1.8.2 Information about how to use the procedure; what concerns/complaints can be reported; and how concerns/-complaints are processed and resolved, is clear and easily accessible. **(YES, NO, N/A)**

1.8.3 Workers, including temporary and contract workers, can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by management or other workers. **(YES, NO, N/A)**

1.8.4 Customers and external stakeholders can submit concerns/complaints regarding the company's activities and impact without threat of retaliation by company management. **(YES, NO, N/A)**

1.8.5 There is a committee responsible for hearing, processing, and settling concerns/complaints, and includes representatives of the concerned/complaining party in the committee. **(YES, NO, N/A)**

1.8.6 A worker lodging a concern or complaint is allowed to participate in hearings held with respect to that concern/complaint and is informed of the outcome of the resolution process. **(YES, NO, N/A)**

HUMAN RIGHTS: HEALTH AND SAFETY

2.1 Health and safety systems

Does the company ensure that its workers are provided safe, suitable and sanitary work facilities? **(YES, NO, N/A)**

- 2.1.1 Does the company ensure that its workers are provided safe, suitable and sanitary work facilities? **(YES, NO, N/A)**
- 2.1.2 There are fire safety exits in the office and factory buildings as per law. **(YES, NO, N/A)**
- 2.1.3 Responsibilities for health and safety tasks are clearly defined. **(YES, NO, N/A)**
- 2.1.4 The company routinely monitors its production processes, machinery and equipment to ensure that they are safe and in good working order. **(YES, NO, N/A)**
- 2.1.5 Workers, managers as well as all staff members including contractual staff members have to take part in fire safety drills, key operational and managerial staff is trained to respond to workplace emergencies; first aid kits and fire extinguishers are readily available; and escape exits are clearly marked and free from obstruction. **(YES, NO, N/A)**
- 2.1.6 The workplace is maintained to ensure clean and comfortable conditions including a suitable temperature, ventilation and lighting; suitable washing and sanitation areas appropriate for both genders. As well as special designated common room for women in factory settings as mandated by factory law. **(YES, NO, N/A)**
- 2.1.7 Residential or overnight facilities are safe and sanitary and meet the basic needs of workers including with regard to safety, space, temperature, lighting, ventilation, food, water, sanitary facilities, privacy, and affordability. **(YES, NO, N/A)**
- 2.1.8 The company provides safe drinking water for workers and facilities for clean and sanitary food storage and eating. **(YES, NO, N/A)**
- 2.1.9 Where relevant the company has put in place special health and safety precautions for pregnant women, employees with disabilities, night workers, young workers and other vulnerable groups. **(YES, NO, N/A)**

2.2 Protective equipment and training

Does the company ensure that workers are provided with the protective equipment and training necessary to perform their tasks safely? **(YES, NO, N/A)**

- 2.2.1 The company has a procedure to ensure that all workers are provided, free of charge or deposits, with the protective equipment necessary to safely perform their job functions. **(YES, NO, N/A)**
- 2.2.2 The company is committed to ensuring that workers use the protective equipment provided and understand why it is necessary to use the equipment. **(YES, NO, N/A)**
- 2.2.3 The company ensures that all workers have the necessary training to safely perform their job functions and keeps workers fully informed, in a language and form understandable to them, of the health and safety procedures. **(YES, NO, N/A)**
- 2.2.4 An accurate record is kept of who has been trained and for what tasks. **(YES, NO, N/A)**
- 2.2.5 On a regular basis and when assigned to new tasks, workers receive training in the safe use of equipment and processes. **(YES, NO, N/A)**
- 2.2.6 A company function or member of staff is responsible for keeping informed of scientific and technological developments regarding health and safety risks and protective equipment. **(YES, NO, N/A)**
- 2.2.7 Safety protocol posters are displayed all over relevant places to insure the workers are well aware of the protocol. **(YES, NO, N/A)**

2.3 Employee involvement

Does the company actively involve workers in health and safety work? **(YES, NO, N/A)**

- 2.3.1 A health and safety committee has been established including employee safety representatives and representatives from management. **(YES, NO, N/A)**
- 2.3.2 Health and safety accidents are reported and investigated including involving the relevant worker(s), and actions are taken to prevent recurrences. **(YES, NO, N/A)**
- 2.3.3 Health and safety near-misses (accidents not resulting in injury) are reported and investigated to help improve safety. **(YES, NO, N/A)**
- 2.3.4 Health and safety accidents are monitored including hours lost as a result of injury or illness and e.g. compared to total hours worked (lost time injury frequency). **(YES, NO, N/A)**

HUMAN RIGHTS: HOURS, WAGES AND LEAVE

2.4 Working hours

Does the company ensure that the workweek is limited to 48 hours; that overtime is infrequent and limited; and that workers are given reasonable breaks and rest periods? **(YES, NO, N/A)**

- 2.4.1 Normal company working hours are limited to 48 hours, six days a week, as per labour law in Pakistan. **(YES, NO, N/A)**
- 2.4.2 Overtime is infrequent, remunerated and does not exceed 8 overtime hours per week. According to The Factories Act, 1934, overtime allows for the extension of daily work hours to a maximum of 12 hours. However, weekly working hours, inclusive of overtime, should not exceed 56 hours. **(YES, NO, N/A)**
- 2.4.3 The company has a system to plan, record and monitor hours worked by each employee, and regularly evaluates whether the number of workers is sufficient to meet production targets without resorting to overtime. **(YES, NO, N/A)**
- 2.4.4 Where overtime per worker systematically exceeds 12 hours per week, the company increases its workforce to correspond to production targets, or puts in place measures to increase worker productivity and reduce overtime. **(YES, NO, N/A)**
- 2.4.5 Workers are allowed at least 24 consecutive hours of rest in every seven day period. **(YES, NO, N/A)**
- 2.4.6 The company ensures that workers have no less than 2 , 30-minute breaks in a full work day and that workers are allowed to use toilet facilities whenever necessary and not just during designated breaks. **(YES, NO, N/A)**

2.5 Wages

Does the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents? **(YES, NO, N/A)**

- 2.5.1 It is company policy to provide workers with a wage sufficient to meet basic food, clothing and housing needs and provide some discretionary income for themselves and their dependents. **(YES, NO, N/A)**
- 2.5.2 Is company is aware of whether the legal minimum wage in Pakistan meets the requirement for a living wage? **(YES, NO, N/A)**
- 2.5.3 If minimum wage standards are insufficient to meet the basic needs of workers and their dependents, does your company calculate living wage based on the cost of living in its area of operation. **(YES, NO, N/A)**
- 2.5.4 Do contractual workers receive any overtime compensation? **(YES, NO, N/A)**
- 2.5.5 The company pays wages at regular intervals in a timely manner. **(YES, NO, N/A)**

2.6 Leave

Does the company ensure that workers are paid holiday leave, sick leave, and parental leave in accordance with international minimum standards? **(YES, NO, N/A)**

- 2.6.1 Permanent Workers are granted at least 14 consecutive days of paid holiday leave per year. **(YES, NO, N/A)**
- 2.6.2 Workers are entitled to paid sick leave in accordance with the applicable national law as per the factory act and workers act (whichever is applicable). **(YES, NO, N/A)**
- 2.6.3 The company ensures that sick leave is not deducted from workers' vacation time. **(YES, NO, N/A)**
- 2.6.4 Female workers are entitled to no less than 3 months of paid maternity leave per child in all provinces except Sindh which allows for 4 months. **(YES, NO, N/A)**

2.7 Contractual Worker

- 2.7.1 There is leave entitlement for the contractual worker. **(YES, NO, N/A)**
- 2.7.2 They are entitled to some benefits even though there is no requirement by law. **(YES, NO, N/A)**
- 2.7.3 There is a due diligence process when engaging with the third party service for contractual staff procurement. **(YES, NO, N/A)**

2.8 Employment status

Does the company ensure that all workers have an official employment status? **(YES, NO, N/A)**

- 2.8.1 The company ensures that all employees receive employment contracts prior to starting work for the company, and that contracts are understood by each employee. **(YES, NO, N/A)**
- 2.8.2 Contracts detail each employee's rights and obligations of employment, including clear job description, bonus and salary systems, and reasonable notice periods. **(YES, NO, N/A)**
- 2.8.3 Reference to company handbooks or other relevant documents on employment terms are integrated into the contract. **(YES, NO, N/A)**

HUMAN RIGHTS: FAIR TREATMENT

2.9 Non-harassment

Does the company protect workers from workplace harassment including physical, verbal, sexual or psychological harassment, abuse, or threats? **(YES, NO, N/A)**

- 2.9.1 The company has a commitment to prevent workplace harassment. **(YES, NO, N/A)**
- 2.9.2 The company actively informs workers of their obligations to refrain from violent, threatening or abusive conduct. **(YES, NO, N/A)**
- 2.9.3 Managers receive training on how to identify and deal with instances of harassment in the workplace. **(YES, NO, N/A)**
- 2.9.4 The company investigates all complaints of workplace harassment and takes appropriate preventative and disciplinary action including reporting of criminal actions to the appropriate authorities. **(YES, NO, N/A)**
- 2.9.5 There is a compulsory training on reviewing the code of conduct, decoding unconscious bias and workplace ethics. **(YES, NO, N/A)**

2.10 Gender Inclusion

Does your company have a plan for gender inclusion? **(YES, NO, N/A)**

- 2.10.1 The company has a documented policy that promotes gender inclusion across all levels of the organization. **(YES, NO, N/A)**
- 2.10.2 The company actively communicates the importance of gender inclusion to all employees through regular training and awareness programs. **(YES, NO, N/A)**
- 2.10.3 Managers receive specific training on promoting gender inclusivity and addressing gender-related issues in the workplace. **(YES, NO, N/A)**
- 2.10.4 The company ensures equal opportunities for all genders in recruitment, promotion, and compensation practices. **(YES, NO, N/A)**
- 2.10.5 The company monitors and regularly reports on gender diversity metrics, and takes action based on the findings to improve gender balance. **(YES, NO, N/A)**
- 2.10.6 The company provides support and resources for employees who may face gender-related challenges, such as access to mentorship programs, flexible work arrangements, or parental leave policies. **(YES, NO, N/A)**

2.11 International Human Rights Laws

Is your company committed to supporting and respecting internationally recognised human rights? **(YES, NO, N/A)**

- 2.11.1 The company ensures through proper due diligence that it does not employ any underage labour. **(YES, NO, N/A)**
- 2.11.2 There is supply chain due diligence process to ensure there is human right compliance. **(YES, NO, N/A)**
- 2.11.3 What are human right laws that the company is currently adhering to (please state them in the comments section). **(YES, NO, N/A)**

2.12 Worker privacy

Does the company respect the privacy of its workers whenever it gathers private information or monitors the workplace? **(YES, NO, N/A)**

- 2.12.1 The company has a procedure stating which kinds of workplace monitoring are allowed; what kind of personal worker information is retained; where it is stored; who has access; and why the information is necessary. **(YES, NO, N/A)**
- 2.12.2 Workers are made aware of all workplace monitoring, including cameras and Internet or e-mail monitoring, and the specific purpose of the monitoring. **(YES, NO, N/A)**
- 2.12.3 The company obtains the worker's prior written consent before gaining information from an individual with whom the worker has a privileged relationship, including a former employer, doctor or lawyer. **(YES, NO, N/A)**
- 2.12.4 Workers have access to all personal data collected about them, including data concerning disciplinary decisions and data obtained through monitoring, but excluding confidential management specific information related to performance evaluations, salary negotiations, promotions, rotation and similar employment decisions. **(YES, NO, N/A)**

HUMAN RIGHTS: COMMUNITY IMPACTS

2.13 Land and property

Before buying, renting, acquiring or otherwise accessing land or property, does the company ensure that all affected owners and users of the land or property, have been adequately consulted and compensated? **(YES, NO, N/A)**

- 2.13.1 The company investigates the past usage and ownership of the land or property to ensure that past users and owners have not been wrongfully removed, and that any expropriations by the authorities have been conducted in accordance with international law. **(YES, NO, N/A)**
- 2.13.2 The company consults with affected users and owners of the land or property (including women, tenants, settlers, minorities and other vulnerable groups including indigenous peoples) and seeks their free, prior and informed consent before continuing to acquire or access the land or property. **(YES, NO, N/A)**
- 2.13.3 The company ensures that its lease or purchase of residential property and sourcing of food commodities does not considerably make housing and food scarce or too expensive for the local people. **(YES, NO, N/A)**
- 2.13.4 The company ensures that affected owners and users of the land or property are adequately compensated to help them restore their standards of living or livelihoods to the same or higher than before, and that the compensation standards are transparent and applied consistently to all communities and persons affected. **(YES, NO, N/A)**

2.14 Security arrangements

Does the company take steps to ensure that company security arrangements are in accordance with international principles for law enforcement and the use of force? **(YES, NO, N/A)**

- 2.14.1 The company regularly conducts security risk assessments, and ensures that company security arrangements, including the deployment of private guards or public security personnel, are proportionate to the security risk. **(YES, NO, N/A)**
- 2.14.2 There is a manual defining the duties of security personnel, and all security personnel receive training on rules of conduct. **(YES, NO, N/A)**
- 2.14.3 Where public security personnel are assigned to company facilities, the company seeks to ensure transparency concerning its interactions with public security agencies, and the company communicates to the relevant public security agencies its desire that security functions be conducted in accordance with international human rights standards for law enforcement and the use of force. **(YES, NO, N/A)**

2.15 Community engagement

Does the company engage with local communities on the actual or potential human rights impacts of its operations? **(YES, NO, N/A)**

- 2.15.1 The company has a commitment to engage openly with communities in and around its area of operations, prior to, during and after commencing activities that may negatively impact their access to resources (e.g. water, food, land) or livelihoods (e.g. fishing or hunting grounds). **(YES, NO, N/A)**
- 2.15.2 The company communicates and consults with local communities prior to, during and after commencing activities to prevent, reduce and mitigate impacts. **(YES, NO, N/A)**
- 2.15.3 The company takes steps to remedy the legitimate concerns of local communities regarding any negative impacts of the company's operations on the access to resources or livelihoods. **(YES, NO, N/A)**

8

ANNEX

HUMAN RIGHTS: PRODUCT STEWARDSHIP

2.16 Gender Inclusion

Does the company take steps to prevent risks to human rights arising from product defects or improper use or misuse of company products? (YES, NO, N/A)

- 2.16.1 The company is aware of and complies with relevant national laws, international guidelines and industry standards regarding product manufacturing, design and marketing. (YES, NO, N/A)
- 2.16.2 The company takes measures to eliminate ingredients, designs, defects or side-effects that could harm or threaten human life and health during manufacturing, usage or disposal of the products. (YES, NO, N/A)
- 2.16.3 The company provides written and visual warnings on all packaging or products about known health hazards associated with the product, including instructions for proper use in a language and form understandable to the users. (YES, NO, N/A)
- 2.16.4 If training, protective equipment or other measures are required for safe use of the product, the company takes steps to ensure that end-users are aware of such requirements. (YES, NO, N/A)
- 2.16.5 The company continuously monitors and protects against adverse human rights effects (including but not limited to effects on health, life, privacy, and security of person) arising from proper as well as improper usage or disposal of its products. (YES, NO, N/A)

HUMAN RIGHTS LAWS IN PAKISTAN APPLICABLE TO BUSINESSES AND FACTORIES

- 2.17 Does your company have a clear non-discrimination policy in place as per the Constitution of Pakistan?
- 2.18 Is there a zero tolerance policy against bonded labour in line with The Bonded Labour System (Abolition) Act, 1992?
- 2.19 Are all safety and health regulations met as required by The Factories Act, 1934?
- 2.20 Does your company ensure that no child labour is employed in violation of The Employment of Children Act, 1991?
- 2.21 Has your company implemented measures to prevent human trafficking as stipulated by The Prevention and Control of Human Trafficking Ordinance, 2002?
- 2.22 Is there a policy and mechanism in place to address workplace harassment, especially concerning the protection of women as outlined in The Protection against Harassment of Women at the Workplace Act, 2010?
- 2.23 Does your company provide equal employment opportunities for disabled individuals according to The Disabled Persons (Employment and Rehabilitation) Ordinance, 1981?
- 2.24 Is your company compliant with the obligations under the ICCPR and ICESCR regarding the treatment of workers?
- 2.25 Does your company regularly train its staff on human rights obligations and practices?
- 2.26 Has your company faced any human rights-related litigation or penalties in the recent past?
- 2.27 Does your company engage in community development programs that aim to improve the social and economic rights of the local communities?

In Pakistan, businesses and factories must adhere to a set of human rights laws that are designed to protect the rights and dignities of workers. These laws cover a range of issues from non-discrimination and equal opportunity to freedom from forced labour. Key human rights legislations and principles applicable include:

The Constitution of Pakistan: Provides the foundational rights including equality before the law, freedom from discrimination, and the right to earn a livelihood.

The Bonded labour System (Abolition) Act, 1992: Abolishes bonded labour, cancels all existing bonded debts, and prohibits the creation of new bonded debts.

The Factories Act, 1934: Includes provisions for the health, safety, and welfare of workers in factories.

The Employment of Children Act, 1991: Regulates the employment of children and prohibits child labour in hazardous environments.

The Prevention and Control of Human Trafficking Ordinance, 2002: Addresses human trafficking issues including forced labour and exploitation.

The Protection against Harrasment of Women at the Workplace Act, 2010: Protects women from harrasment at the workplace and promotes a safe working environment.

The Disabled Persons (Employment and Rehabilitation) Ordinance, 1981: Ensures rights for disables persons including employment opportunities and facilities.

International Human Rights Conventions: Pakistan is a signatory to various international human rights conventions such as the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social, and Cultural Rights (ICESCR), which sets standards that businesses are expected to respect.

LABOUR: FREEDOM OF ASSOCIATION

3.1 Association and bargaining

Does the company recognise the rights of its workers to freedom of association and to bargain collectively? **(YES, NO, N/A)**

- 3.1.1 The company has a commitment to recognise the rights of its workers to freedom of association and collective bargaining, including the right to freely form and/or join independent trade unions. **(YES, NO, N/A)**
- 3.1.2 The company recognises workers' unions for collective bargaining purposes and has procedures in place to ensure regular collective bargaining under the ILO convention, which Pakistan is Signatory of. **(YES, NO, N/A)**
- 3.1.3 The company prohibits discrimination or adverse actions against worker representatives or employees for participating or refraining to participate in lawful trade union activities. **(YES, NO, N/A)**
- 3.1.4 The company has agreed with workers' representatives about the requirements of a fair hearing to be followed in relation to all disciplinary cases and employee grievances. **(YES, NO, N/A)**
- 3.1.5 The company has a committee, with participation of employee-elected representatives, which is responsible for hearing, processing, and settling disciplinary cases and employee grievances. **(YES, NO, N/A)**

3.2 Company-level representation

If independent trade unions are either discouraged or restricted, does the company enable workers to gather independently to discuss work-related problems? **(YES, NO, N/A)**

- 3.2.1 There are townhall meetings or regular scheduled meetings within normal working hours, where employees can discuss concerns regarding working conditions with their representative who then takes these concerns to the management. **(YES, NO, N/A)**
- 3.2.2 If independent trade unions are not present, the company allows employees of to form independent collective representation at the workplace. **(YES, NO, N/A)**
- 3.2.3 The company informs workers of their right to engage in regular collective bargaining concerning all workplace issues. **(YES, NO, N/A)**
- 3.2.4 Company management meets regularly with worker representatives to discuss work-related problems and any concerns/complaints employees may wish to raise. **(YES, NO, N/A)**

LABOUR: FORCED LABOUR

3.3 Forced and compulsory labour

Does the company take all necessary measures to ensure that it does not participate in any form of forced or bonded labour? **(YES, NO, N/A)**

- 3.3.1 Permanent workers can give notice and leave employment within a reasonable length of time. This is clearly communicated to workers prior to starting employment. **(YES, NO, N/A)**
- 3.3.2 The company along with the third party contract ensures that it does not withhold wages or bonuses and that it pays them in a timely and regular manner. **(YES, NO, N/A)**
- 3.3.3 The company ensures it does not make deductions from wages for disciplinary measures or other deductions not authorised by national law. **(YES, NO, N/A)**
- 3.3.4 Within normal working hours workers are able to earn a living wage sufficient to meet the basic needs of themselves and their closest dependents. **(YES, NO, N/A)**

- 3.3.5 Overtime work is paid, voluntary and not compelled through threat of pay deductions, termination or other sanctions. **(YES, NO, N/A)**
- 3.3.6 The company (or its recruitment agencies) ensures that it does not retain identity cards, passports, travel documents or other personal items without which workers cannot leave employment. If letters of release or other documents are needed for the worker to leave employment, such letters are issued without delay. **(YES, NO, N/A)**
- 3.3.7 All workers are allowed to leave company premises during breaks and at the end of their shifts, and workers in company housing may freely enter and exit their accommodation at any time. **(YES, NO, N/A)**
- 3.3.8 The company (or its recruiting agencies) ensures that it does not require workers to pay recruitment fees or lodge money deposits. **(YES, NO, N/A)**
- 3.3.9 Loans or salary advancements to workers are based on fair terms that are clearly explained to the worker, are not granted to cover basic living expenses, are limited in size, and do not require the worker to remain with the company until repayment is completed. **(YES, NO, N/A)**
- 3.3.10 The company ensures that it does not use labour from agencies or firms involved in human trafficking or other forms of bonded labour. **(YES, NO, N/A)**
- 3.3.11 Ensure that no form of forced labour or human trafficking is involved in the supply chain. **(YES, NO, N/A)**

LABOUR: CHILD LABOUR

3.4 Child labour and young workers

Does the company comply with minimum age standards? **(YES, NO, N/A)**

- 3.4.1 The company ensures it does not employ workers under 15 years of age for full-time work, 13 years of age for light work and 18 years of age for hazardous work , including contractual worker. **(YES, NO, N/A)**
- 3.4.2 If the company employs minors below the age of 18, the company has a list of job functions that can safely be performed by minors. **(YES, NO, N/A)**
- 3.4.3 The company has a reliable procedure to check the age of young job candidates by birth certificate, other official forms of identification, or by alternative means such as physical appearance or knowledge of historic events. **(YES, NO, N/A)**

LABOUR: DISCRIMINATION

3.5 Discrimination

Does the company ensure that employment-related decisions are based on relevant and objective criteria? **(YES, NO, N/A)**

- 3.5.1 The company identifies different types of discrimination, including those rooted in formal structures and cultural traditions. **(YES, NO, N/A)**
- 3.5.2 It is company policy to ensure that decisions concerning hiring, wages, promotion, training, discipline, retirement and termination are based only on unbiased criteria, and are not linked to any of the discriminatory characteristics. **(YES, NO, N/A)**
- 3.5.3 Each job category in the company has a written description stating the salary level and the qualifications required for that job category. **(YES, NO, N/A)**

- 3.5.4 The company ensures that employment advertisements do not reference discriminatory criteria, such as race, gender or age (unless listed as part of a legal equal opportunities promotion). **(YES, NO, N/A)**
- 3.5.5 The company ensures that job applicants are not asked to give information about their marital status, pregnancy, intent to have children, number of dependents, or similar information that may lead to discriminatory hiring decisions. **(YES, NO, N/A)**
- 3.5.6 All hiring managers receive training regarding the company's non-discrimination policies. **(YES, NO, N/A)**
- 3.5.7 The company has established a procedure, accessible and known to all workers, where workers can safely report incidents of workplace discrimination. **(YES, NO, N/A)**
- 3.5.8 The company takes reasonable steps to enable qualified persons with disabilities or health conditions to gain employment opportunities with the company, for example by providing wheel chair access, flexible working hours, longer breaks etc. **(YES, NO, N/A)**

COMPLIANCE WITH LABOUR LAW

- 3.6 **Does your company comply with the Industrial Relations Act, 2012, in its operations and employee relations?**
- 3.7 **Are all employees over the minimum legal working age as required by The Employment of Children Act, 1991?**
- 3.8 **Does your factory adhere to safety and health standards as specified in The Factories Act, 1934?**
- 3.9 **Has your company ever been required to pay compensation under The Workmen's Compensation Act, 1923?**
- 3.10 **Does your company ensure that all employees are paid at least the minimum wage as set by The Minimum Wages Ordinance, 1961?**
- 3.11 **Are maternity benefits provided to all eligible female employees in compliance with The Maternity Benefit Ordinance, 1958?**
- 3.12 **Is your business compliant with the working hours and conditions stipulated in The Shops and Establishments Ordinance, 1969?**
- 3.13 **Are all eligible employees enrolled in the Employees Old-Age Benefits program as per The Employees Old-Age Benefits Act, 1976?**
- 3.14 **Does your company provide social security benefits to its employees according to The Employees' Social Security Ordinance, 1965?**
- 3.15 **Are wages paid on time and without unauthorized deductions as required by The Payment of Wages Act, 1936?**
- 3.16 **Has your company ever faced legal action for non-compliance with any labour laws?**
- 3.17 **Does your company conduct regular training for HR and management on adherence to labor laws?**

SUPPLY CHAIN

3.18 Supply Chain

How does the company ensure that there is no child/forced labour in its supply chain? **(YES, NO, N/A)**

3.18.1 Does your company make its suppliers sign a code of conduct. **(YES, NO, N/A)**

3.18.2 Does your company conduct supplier audits. **(YES, NO, N/A)**

3.18.3 Does your company hold sessions to educate its suppliers on ensuring no child/forced labour law is broken. **(YES, NO, N/A)**

3.18.4 The company ensures that affected owners and users of the land or property are adequately compensated to help them restore their standards of living or livelihoods to the same or higher than before, and that the compensation standards are transparent and applied consistently to all communities and persons affected. **(YES, NO, N/A)**

Does your company conduct a due diligence before inducting suppliers. **(YES, NO, N/A)**

ENVIRONMENT: PRECAUTION

4.1 Precautionary approach

Does the company support a precautionary approach to environmental issues? **(YES, NO, N/A)**

- 4.1.1 The company measures and documents the potential risks of climate change to its premiss, workers, consumers, the product supply chain. **(YES, NO, N/A)**
- 4.1.2 The company identifies any soil and water contamination at its site or sites, assesses the environmental impacts and remedies any significant contamination. **(YES, NO, N/A)**
- 4.1.3 The company tries to avoid environmental damage by regular maintenance of production processes and environmental protection systems (air pollution control, waste water treatment systems etc.). **(YES, NO, N/A)**
- 4.1.4 The company conducts systematic risk assessments of materials used, products and processes to apply the precautionary approach. **(YES, NO, N/A)**
- 4.1.5 The company ensures transparency and engages in regular stakeholder dialogue with neighbours, civil society organisations and others with an interest in the company on critical environmental issues. **(YES, NO, N/A)**
- 4.1.6 If relevant, the company supports scientific research on environmental issues relating to the company's products and processes. **(YES, NO, N/A)**

4.2 Emergency response

Does the company have emergency procedures in place to prevent and address accidents affecting the environment and human health? **(YES, NO, N/A)**

- 4.2.1 The company has identified the hazardous operations and the potential consequences on human health and the environment if an accident occurs. **(YES, NO, N/A)**

The company has detailed procedures, plans, equipment and training programmes to prevent accidents and emergencies.
- 4.2.2 **(YES, NO, N/A)**
- 4.2.3 The company has detailed procedures, plans and equipment to effectively respond to accidents and emergencies if they occur. **(YES, NO, N/A)**
- 4.2.4 The company trains workers to respond to accidents and emergencies, including carrying out emergency drills at least once a year involving all workers. **(YES, NO, N/A)**

The company trains workers to respond to accidents and emergencies, including carrying out emergency drills at least once a year involving all workers. **(YES, NO, N/A)**

ENVIRONMENT: RESPONSIBILITY AND PERFORMANCE

4.3 Energy consumption and climate change

Does the company take measures to prevent and reduce energy consumption and emissions of greenhouse gases? **(YES, NO, N/A)**

- 4.3.1 The company has a climate strategy that identifies opportunities to reduce the company's energy consumption and/or emissions of greenhouse gases. **(YES, NO, N/A)**
- 4.3.2 The company has initiated practical activities to reduce energy consumption and/or greenhouse gas emissions. **(YES, NO, N/A)**
- 4.3.3 The company provides information and trains workers to implement energy reduction measures. **(YES, NO, N/A)**

- 4.3.4 The company monitors its energy consumption and/or emissions of greenhouse gases. **(YES, NO, N/A)**
- 4.3.5 The company has defined a baseline for its greenhouse gas emissions, which includes a definition of the business operations and activities, and the greenhouse gases that are accounted for e.g. as described in the Greenhouse Gas Protocol. **(YES, NO, N/A)**
- 4.3.6 The company has targets for reducing its energy consumption and/or emissions of greenhouse gases. **(YES, NO, N/A)**
- 4.3.7 The company engages with the government and civil society organisations to develop policies and measures that provide a framework for the business sector to contribute to building a low carbon economy. **(YES, NO, N/A)**

4.4 Water and waste water

Does the company take measures to reduce water consumption and treat waste water? **(YES, NO, N/A)**

- 4.4.1 The company treats waste water before discharge to reduce adverse environmental impacts. If waste water treatment takes place outside the company's premises, the company is aware of the effectiveness of the treatment. **(YES, NO, N/A)**
- 4.4.2 The company monitors waste water discharges, including types, limit values and quantities of pollutants in the waste water. **(YES, NO, N/A)**
- 4.4.3 The company has targets for reducing water consumption and/or increasing the amount of water reused or recycled in different business operations and activities. **(YES, NO, N/A)**
- 4.4.4 The company provides information and trains workers to implement measures to reduce water consumption and reduce the need for waste water treatment. **(YES, NO, N/A)**
- 4.4.5 The company's use of water and its waste water discharges do not negatively affect the sustainability of water resources, the natural environment or the availability of water for drinking and sanitation purposes. **(YES, NO, N/A)**
- 4.4.6 The company engages with national, regional and local public authorities, and civil society organisations to address water sustainability issues related to affected water resources. **(YES, NO, N/A)**

4.5 Waste management

Does the company take measures to prevent and reduce the production of waste and ensure responsible waste management? **(YES, NO, N/A)**

- 4.5.1 The company has the necessary permits for the handling, storage, recycling and disposal of waste, and, if relevant, complies with requirements for transporting hazardous waste across borders. **(YES, NO, N/A)**
- 4.5.2 The company has a strategy to manage waste responsibly and continuously attempts to prevent and reduce the production of waste. **(YES, NO, N/A)**
- 4.5.3 The company ensures that waste relevant for recycling is sorted and managed in a responsible manner. **(YES, NO, N/A)**
- 4.5.4 The company has targets for reducing waste production and/or increasing waste reused/recycled and measures its progress against these targets. **(YES, NO, N/A)**
- 4.5.5 The company provides information and trains workers on the safe handling, storage, transport and disposal of hazardous and special waste types. **(YES, NO, N/A)**
- 4.5.6 The company marks areas used for storage of waste, and properly labels all containers for storing waste, including a relevant symbol of danger for hazardous waste. **(YES, NO, N/A)**

4.6 Air emissions

Does the company prevent, reduce and treat air emissions? **(YES, NO, N/A)**

- 4.6.1 The company has the necessary permits for emissions to air, and complies with legal requirements (e.g. air pollution standards and limit values). **(YES, NO, N/A)**
- 4.6.2 The company treats relevant pollutants before they are emitted to the atmosphere (e.g. by using filters). **(YES, NO, N/A)**
- 4.6.3 The company continuously attempts to prevent and reduce air emissions. **(YES, NO, N/A)**

4.7 Noise, odour, light and vibrations

Does the company prevent and reduce impacts on the surrounding environment from noise, odour, light and vibrations? **(YES, NO, N/A)**

- 4.7.1 The company has the necessary permits for levels of noise, odour, light and vibrations, and complies with legal requirements (e.g. standards or procedures). **(YES, NO, N/A)**
- 4.7.2 The company provides information and trains workers to manage noise, odour, light and vibrations. **(YES, NO, N/A)**
- 4.7.3 The company monitors levels of noise, odour, light and vibrations on the surrounding environment. **(YES, NO, N/A)**
- 4.7.4 The company treats/minimises impacts to ensure that there are no significant levels of noise, odour, light and vibrations. **(YES, NO, N/A)**
- 4.7.5 The company continuously attempts to prevent and minimise the levels of noise, odour and light (e.g. enclosed production, shielding, etc). **(YES, NO, N/A)**

4.8 Chemicals and other dangerous substances

Does the company minimise the use and ensure safe handling and storage of chemicals and other dangerous substances? **(YES, NO, N/A)**

- 4.8.1 The company has the necessary permits and complies with legal requirements for the handling, use and storage of chemicals and other dangerous substances. **(YES, NO, N/A)**
- 4.8.2 The company does not manufacture, trade and/or use chemicals and other dangerous substances subject to national or international bans or phase-outs. **(YES, NO, N/A)**
- 4.8.3 The company provides information and trains workers on the safe handling and use of chemicals and other dangerous substances. **(YES, NO, N/A)**
- 4.8.4 The company monitors the quantities of all chemicals and other dangerous substances used in production and maintenance. **(YES, NO, N/A)**
- 4.8.5 The company marks areas used for storage of chemical substances and products. **(YES, NO, N/A)**
- 4.8.6 The company properly labels all chemical substances and products including name of the chemical and a relevant symbol of danger. **(YES, NO, N/A)**
- 4.8.7 The company considers substitution important and continuously tries to use less harmful chemicals and substances. **(YES, NO, N/A)**

4.9 Biodiversity

Does the company prevent, minimise and remedy significant impacts on biodiversity? **(YES, NO, N/A)**

- 4.9.1 The company has the necessary permits to operate in or alter the natural environment, and complies with legal requirements. **(YES, NO, N/A)**
- 4.9.2 The company is committed to operating within the framework of international conventions addressing biodiversity (e.g. the Convention on Biological Diversity, Cartagena Protocol on Bio-safety and the CITES Convention). **(YES, NO, N/A)**
- 4.9.3 The company has previously and/or is currently taking measures to prevent and reduce the impacts of its operations and activities on biodiversity. **(YES, NO, N/A)**
- 4.9.4 The company clearly labels products containing GMOs and indicates if GMOs have been used in the production process. **(YES, NO, N/A)**

4.10 Natural resources

Does the company ensure that natural resources are used in a sustainable manner? **(YES, NO, N/A)**

- 4.10.1 The company has the necessary permits and complies with legal requirements regarding the cultivation, harvest, extraction and/or use of natural resources (e.g. wood, fish, metals, oil, coal etc). **(YES, NO, N/A)**
- 4.10.2 The company continuously attempts to prevent, minimise and remedy significant impacts on natural resources through environmentally friendly methods and alternative resource use. **(YES, NO, N/A)**
- 4.10.3 The company demonstrates efforts to substitute non-renewable resources used in production with renewable resources. **(YES, NO, N/A)**

4.11 Environmentally friendly technologies

Does the company encourage the development and use of environmentally friendly technologies? **(YES, NO, N/A)**

- 4.11.1 The company uses environmentally friendly technology. **(YES, NO, N/A)**
- 4.11.2 The company regularly evaluates its processes and technologies to see if there are more environmentally friendly alternatives. **(YES, NO, N/A)**
- 4.11.3 When developing new technologies and products, the company focuses on developing environmentally friendly technology e.g. by using life cycle assessments (LCA), design for sustainability or a cradle-to-cradle approach. **(YES, NO, N/A)**
- 4.11.4 When planning new investments in technology, the company considers the best available technology and stipulates minimum environmental criteria. **(YES, NO, N/A)**
- 4.11.5 When investing in new buildings, the company implements environmentally responsible and resource-efficient materials and/or technologies. **(YES, NO, N/A)**
- 4.11.6 The company makes information describing the environmental performance and benefits of using environmentally friendly technologies available to stakeholders. **(YES, NO, N/A)**

4.12 Environment and Biodiversity law Complainace

- 4.12.1 Does your company comply with the Pakistan Environmental Protection Act, 1997, in its daily operations? **(YES, NO, N/A)**
- 4.12.2 Has your business been assessed for environmental impact by the relevant authorities? **(YES, NO, N/A)**
- 4.12.3 Does your company have an environmental management system (EMS) in place? **(YES, NO, N/A)**
- 4.12.4 Are all emissions and effluents from your factory within the national legal limits? **(YES, NO, N/A)**
- 4.12.5 Does your company conduct regular environmental audits to ensure compliance with environmental laws? **(YES, NO, N/A)**
- 4.12.6 Is there a designated environmental officer or department in your company? **(YES, NO, N/A)**
- 4.12.7 Has your company implemented any biodiversity conservation measures as required by the Wildlife Protection Act, 1972? **(YES, NO, N/A)**
- 4.12.8 Does your company provide training to employees on environmental protection and compliance? **(YES, NO, N/A)**
- 4.12.9 Do you have a policy to manage and dispose of hazardous waste according to national regulations? **(YES, NO, N/A)**
- 4.12.10 Has your company taken any steps to reduce its carbon footprint and promote energy efficiency? **(YES, NO, N/A)**
- 4.12.11 Does your company participate in or support local or national environmental conservation projects? **(YES, NO, N/A)**
- 4.12.12 Is your company compliant with any provincial environmental protection acts that apply to its location of operations? **(YES, NO, N/A)**
- 4.12.13 Has your company faced any legal action for failing to comply with environmental laws? **(YES, NO, N/A)**

4.13 Supply Chain

Does the company take measures to prevent air, water, and soil pollution across the value chain? **(YES, NO, N/A)**

- 4.13.1 Does the company measure its scope3 emissions. **(YES, NO, N/A)**
- 4.13.2 Does the company encourage recycling, reuse of materials, and the reduction of waste in both production and logistics. **(YES, NO, N/A)**
- 4.13.3 Does the company Train employees and partners across the value chain on best practices for pollution prevention, emphasizing compliance with environmental regulations and sustainability goals. **(YES, NO, N/A)**

Pakistan Environmental Protection Act, 1997: This act provides the main framework for environmental protection and conservation in Pakistan. It includes regulations on waste management, air quality, and conservation practices.

The Forestry Act, 1927 (amended over time): Governs the conservation and management of forests and related resources.

The Wildlife Protection Act, 1972: Protects wildlife and their habitats, prohibiting hunting and trade of endangered species.

The Fisheries Ordinance, 1961: Regulates the fishing industry to protect aquatic life.

The National Conservation Strategy (NCS), 1992: Provides guidelines for conserving natural resources and promoting sustainable development.

Provincial Environmental Protection Acts: Enacted by provincial governments to address local environmental issues effectively.

ANTI-CORRUPTION: COMPANY CULTURE AND PROCEDURES

5.1 Signalling a non-corrupt environment

Does the company take a clear stand against corruption? **(YES, NO, N/A)**

- 5.1.1 The company's board of directors, CEO or president have a strong policy of not engaging in corruption at any time or in any form. **(YES, NO, N/A)**
- 5.1.2 The company has a policy rejecting corruption and requiring all directors, managers and workers worldwide to behave ethically and in conformity with the law. **(YES, NO, N/A)**
- 5.1.3 The company anti-corruption policy includes how to handle requests for facilitation payments, giving and receiving gifts, engaging in sponsorships, giving political contributions, and how to conduct responsible lobbying. **(YES, NO, N/A)**
- 5.1.4 The company has defined benchmarks and Actions regarding its anti-corruption initiatives and reports these to the public (e.g. in its annual CSR report). **(YES, NO, N/A)**
- 5.1.5 The company has appointed a manager to devise, implement, monitor and improve the anti-corruption initiatives under the oversight of senior leadership. **(YES, NO, N/A)**
- 5.1.6 Does your company report in accordance the total number of employees which have undergone training on anti-corruption? **(YES, NO, N/A)**

5.2 Anti-corruption risk assessment

Does the company assess the risk of corruption when doing business? **(YES, NO, N/A)**

- 5.2.1 The company evaluates the potential areas of corruption including customers or business partners involved. **(YES, NO, N/A)**
- 5.2.2 The company evaluates the risk of corruption when workers, agents, intermediaries or consultants deal with govt officials. **(YES, NO, N/A)**
- 5.2.3 The company evaluates the risk of internal and external conflicts of interest in relation to business partners. **(YES, NO, N/A)**
- 5.2.4 The company has developed an action plan to address the risk of corruption, and has defined responsibilities for each task, as a minimum for high-risk areas. **(YES, NO, N/A)**
- 5.2.5 The company has identified internal functions with the highest risk of corruption within the company and seeks to address these weaknesses. **(YES, NO, N/A)**

5.3 Awareness raising

Does the company ensure that relevant workers are properly trained? **(YES, NO, N/A)**

- 5.3.1 The company informs all workers about its anti-corruption commitment. **(YES, NO, N/A)**
- 5.3.2 The company provides regular anti-corruption training for all relevant workers within the organisation e.g. procurement and sales staff. **(YES, NO, N/A)**
- 5.3.3 Information on disciplinary procedures for violations of company anti-corruption policies is available to workers. **(YES, NO, N/A)**
- 5.3.4 The company actively seeks worker feedback and dialogue on its anti-corruption initiatives. **(YES, NO, N/A)**
- 5.3.5 The company has and promotes a function by which workers can safely report suspicion of corruption related cases (e.g. hotline or mailbox) and allocates resources to systematically address the issues that are identified. **(YES, NO, N/A)**

5.4 Anti-corruption procedures

Do the company's internal procedures support its anti-corruption commitment? **(YES, NO, N/A)**

- 5.4.1 The company has assigned different individuals or departments to be responsible for handling contracts, placing orders, receiving goods, processing invoices and making payments. **(YES, NO, N/A)**
- 5.4.2 The company mentions "anti-corruption" and/or "ethical behaviour" in its contracts with business partners. **(YES, NO, N/A)**
- 5.4.3 The company prohibits informal employment and any 'off the books' record-keeping. **(YES, NO, N/A)**
- 5.4.4 The company performs internal audits and has checks in place in connection with all anti-corruption commitments. **(YES, NO, N/A)**
- 5.4.5 The company's procurement, financial and internal audit personnel have clear instructions to look for and to identify alarms, report them to management, and follow-up counter measures. **(YES, NO, N/A)**
- 5.4.6 The company requests external auditors to maintain a critical eye and follow all alarms and irregularities. **(YES, NO, N/A)**
- 5.4.7 Any alarm or irregularity reported by external auditors is systematically addressed by management. **(YES, NO, N/A)**
- 5.4.8 The company monitors compliance and continuously identifies strengths and weaknesses in the anti-corruption initiatives to remain effective and up-to-date in addressing changing risks. **(YES, NO, N/A)**
- 5.4.9 Conducts external audits. **(YES, NO, N/A)**

5.5 Agents and other associates

Does the company's anti-corruption initiative cover agents, intermediaries and consultants? **(YES, NO, N/A)**

- 5.5.1 The company conducts an inquiry and/or attentiveness (e.g. financial, legal, labour, tax, IT, environment, market/commercial) on all agents, intermediaries and consultants. **(YES, NO, N/A)**
- 5.5.2 All agreements with agents, intermediaries and consultants are fully documented in written, signed contracts. **(YES, NO, N/A)**
- 5.5.3 The selection and terms of reference of agents, intermediaries or consultants are approved at the senior management level or at a level above that of the management involved in the operations for which the intermediary is hired. **(YES, NO, N/A)**
- 5.5.4 Contracts with agents, intermediaries and consultants include a section on anti-corruption and that the contract-holder must comply with all applicable laws and regulations. **(YES, NO, N/A)**
- 5.5.5 Agents, intermediaries and consultants are provided with information on the company's anti-corruption commitment, anti-corruption policies, training material on anti-corrupt behaviour and information on disciplinary procedures for violations of company anti-corruption policies. **(YES, NO, N/A)**
- 5.5.6 The company ensures that payment to agents, intermediaries and consultants are in line with standard payments for other service providers of similar ranking. **(YES, NO, N/A)**
- 5.5.7 The company only makes payments by bank transfer or check - never in cash - in the country of the agent, intermediary and consultant and never to a third party without prior examination. **(YES, NO, N/A)**

Compliance

- 5.6 Does your company have a policy that explicitly prohibits bribery and corruption?
- 5.7 Are employees at all levels regularly trained on anti-corruption practices and compliance?
- 5.8 Does your company maintain accurate financial records that do not contain any disguised or false entries?
- 5.9 Is there a clear procedure for employees to report corruption or bribery confidentially and without fear of retaliation?
- 5.10 Does your company conduct due diligence on third parties and partners to ensure they comply with anti-corruption laws before entering into agreements?
- 5.11 Has your company implemented a compliance program that adheres to the guidelines set out in the Companies Act, 2017?
- 5.12 Does your company have a designated officer or department responsible for overseeing compliance with anti-corruption laws?
- 5.13 Has your company ever been investigated or penalized for corruption or bribery?
- 5.14 Does your company monitor and regularly assess the effectiveness of its anti-corruption policies and practices?
- 5.15 Does your company participate in industry initiatives or partnerships to combat corruption?
- 5.16 Does your company comply with the National Accountability Ordinance, 1999, in terms of transparency and accountability?
- 5.17 Is your company committed to refusing involvement in any form of money laundering, as stipulated by the Anti-Money Laundering Act, 2010?

Pakistan has several key anti-corruption laws, including:

The Prevention of Corruption Act, 1947: Addresses public sector corruption.

The National Accountability Ordinance, 1999: Establishes the National Accountability Bureau (NAB) to combat corruption practices.

The Federal Investigation Agency Act, 1974: Empowers the Federal Investigation Agency (FIA) to investigate offenses involving corruption.

Foreign Exchange Regulation Act, 1947: Controls foreign exchange and potential related money laundering.

The Companies Act, 2017: Includes provisions for corporate governance to prevent corrupt practices in the private sector.

Anti-Money Laundering Act, 2010: Provides measures to combat money laundering that may relate to corruption.

