



**CODE OF ETHICS AND  
BUSINESS CONDUCT**

**FOR**

**CENTRAL PUBLIC  
SECTOR EMPLOYEES**

*{As approved by the Minister of (HI&PE) for adoption by the CPSEs}*

*(Duly adopted by the Board of Directors of HPL in its 380<sup>th</sup> meeting held on 29.11.2011)*

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## **1. PRELIMINARY**

- 1.1 This code shall be called **Code of Ethics and Business Conduct for Central Public Sector Employees.**
- 1.2 It shall be applicable to all employees of Central Public Sector Enterprises.
- 1.3 This Code supplements the various laws and regulations applicable to the CPSE's as also their internal policies, guidelines and the CDA (Conduct, Discipline and Appeal) Rules, compliance with which is mandatory and violations punishable as prescribed.

## **2. ETHICAL CONDUCT – GENERAL EXPECTATIONS**

- 2.1 This Code is a set of Guidelines for ethical, corporate and individual behavior in conduct of business and discharge of duties.
- 2.2 The underlying values, principles and norms for such ethical conduct include among others honesty, integrity, professionalism, fairness, accountability, credibility, diligence, respect for others, a sense of responsibility for the job, loyalty to the company, primacy of company's interest over personal interests, respect for the law, staying above the temptation to utilize official position or knowledge for personal gain, and a strong personal sense of right or wrong.

## **3. WORKPLACE RESPONSIBILITY**

- 3.1 In addition to adhering to the basic values and principles underlying ethical behavior, employees should strive to abide by the principles of respect for all persons including those juniors/subordinate to them or who are less advantaged; respect for individual dignity and rights; non-discrimination on the grounds of race, ethnicity, caste, material status or gender and maintaining a work environment free of sexual harassment or exploitation.
- 3.2 It is incumbent upon all Public Sector Employees to treat all those who deal with them with courtesy and respond to their queries or legitimate requests positively and on a timely basis.

- 3.3 Any misuse of one's position as a PSE employee to seek or accept any gratification for doing what is a part of the employee's duty is clearly illegal and unethical, and must be punished by the company appropriately. The same must also apply to any employee offering any gratification to anyone or bringing extraneous pressure for seeing undue favour.
- 3.4 It is the responsibility of every employee to bring to the notice of appropriate authorities any violation of rules, regulations or codes of conduct which they should do in a manner as may be prescribed by the company. However, it is also important that this facility is not misused to wrongfully harm someone, and such misuse must also be punished by the company appropriately.
- 3.5 Every employee should ensure at all times the integrity of the data/information furnished by him/her to the company or to the auditors/regulators /authorities.

#### **4. FAMILIARISATION WITH RELEVANT LAW, REGULATIONS, POLICIES, RULES ETC. AND REGULATORY COMPLIANCE**

- 4.1 It is expected that all employees would study and familiarize themselves with laws, regulations and guidelines/standards issued by regulators that are relevant to their work and ensure that they are complied with where they are responsible for doing so on behalf of the company or / and in their personal capacity.
- 4.2 They should also be familiar with the policies; rules etc. of the company and follow them as a matter of course.
- 4.3 They should discharge their duties in this regard in a truthful, accurate, diligent and timely manner.

#### **5. PROTECTING ASSETS OF THE COMPANY**

- 5.1 It is the responsibility of all employees to ensure that all the assets of the company tangible (such as machinery, equipment, systems, facilities, computers, vehicles, materials etc) as also intangible (such as information and communications system and technology, proprietary information, relationships, brand equity and intellectual property etc.) must be used in the interest of the company, for the conduct of business and the propose for which they have been provided, and to prevent any misuse or misappropriation for personal or unauthorized use.

## **6. CONFLICT OF INTERST**

- 6.1 Every employee must act in the best interest of the company, and ensure that any business or personal association which he/she may have does not involve a conflict of interest with the operations of the company and his/her role therein.
- 6.2 A conflict of interest, actual or potential, may arise where, directly or indirectly an employee
- (i) Is unable to exercise an independent and unbiased judgment of the best interests of the company, or is impaired in any manner to act in its the best interests, in view of his/ her personal interest, or that of close relatives/ associates, being involved or could be perceived to be involved.
  - (ii) Knowingly engages in a business relationship or activity with anyone who is a party to a transaction with the company
  - (iii) Is in a position to derive an improper benefit, personally or to any or his/her relatives/associates, by making or influencing decisions relating to any transaction;
- 6.3 In situations where some historic conflict of interest exists or where an inadvertent conflict or potential conflict comes to the notice of the employee, it must be reported immediately to the superiors.
- 6.4 In situations of doubt about the likelihood of a conflict/potential conflict of interest, the employee must disclose the matter to the superiors and seek clearance/directions.

## **7. COONFIDENTIALITY OF COMPANY RELATED INFORMATION**

- 7.1 Subject to the Code of Corporate Disclosure Practice or other relevant policy/instruction on disclosures to outside parties that may be prescribed in the company information regarding the company's business should be treated as confidential and should not be shared with anyone within and outside the company, formally or informally, unless authorized to do so and only to those authorized to receive it with suitable safeguards as feasible to prevent misuse of the information.
- 7.2 Information and data relating to but not limited to areas like financial performance and results, assets revaluations, investment plans/decisions, business strategies, marketing plans, sales or contracts, customer lists, proprietary, pricing or costing data etc should be treated as confidential and not disclosed without proper authorization while the employees is in service and even subsequently.
- 7.3 In situations where the performance of a specific job inherently requires sharing of information, including that of otherwise confidential nature (for example with auditors, Board, Committees, regulators etc.) or where certain information needs to be provided under the law , regulations or in the course of any official enquiry/query or in similar situations, appropriate authorization should be obtained.
- 7.4 Even in situations where some information relating to the company's business may be in public domain, its disclosure or elaboration should be done only by specifically authorized persons and within the bounds of the company's policies and guidelines.
- 7.5 The confidentiality of information to other entities with which the company has business dealings should also be equally respected and protected.

## **8. PROHIBITION OF USE OF COMPANY RELATED INFORMATION FOR PERSONAL GAIN**

- 8.1 No employee or his immediate family/ close associates should derive, or assist anyone else to derive any benefit from access to information about the company or those with whom it does business that is not in public domain, and therefore constitutes unpublished and price sensitive insider information not available to the investing public.
- 8.2 No employee should use or share such information for making or giving advice on making investment decisions about the securities of the company or of such entities with which it does business.
- 8.3 The existing laws and regulations on prevention of insider trading should be followed scrupulously by all employees of the company.

## **9. USE OF POSITION IN COMPANY AND FOR PERSONAL PURPOSES**

- 9.1 The employee should not use his official position in the company to obtain any support for activities in which he/she may be involved in a personal capacity including those of a non-commercial nature e.g. cultural, literary, charity etc. from anyone with whom the company has business dealings; nor should he/she use the official position, time or resources to pursue such activities, even if these may be desirable activities per se.

The employee should not seek or accept, directly or indirectly, any gift, donation or comparable benefits from anyone having business dealings with the company, except as prescribed under the policy or rules of the company.

## **10. CONCURRENT DIRECTSHIP OR EMPLOYMENT**

- 10.1 No employee should accept any directorship or any employment, assignment or position of responsibility, including consultancy or freelance work, irrespective of whether it is with or without remuneration, in any other company or organization without specific approval.

## **11. SOCIAL AND ENVIROMENTAL RESPONSIBILITY**

- 11.1 The public Sector Enterprises need to be specially committed to issues that go beyond the financial performance of a company, such as those relating to corporate citizenship health, safety, education, social justice, gender, climate change and environmental sustainability to name some. Their operations and business conduct should to the extent feasible benefit the locations and communities in which they operate and must not be detrimental to them or to the local environment.
- 11.2 The employees are responsible not just for carrying out the policies of the company in this context a s apart of their duties, but should also integrate these concerns in their working and contribute pro-actively in ensuring that the company operates as a good and responsible corporate citizen. Where a company operates in different geographies, the company and also its employees should respect the culture, customs and traditions of each country and region.