



CSH Pharmaceuticals (Pvt.) Ltd

SOP # HR – 014/01

STANDARD OPERATING PROCEDURE

HUMAN RESOURCE & ADMIN DEPARTMENT

TITLE:	CODE OF CONDUCT			
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1. Purpose

The maintenance of acceptable and ethically correct behavioral standards is essential to the best interests of the Company and its employees. Where such standards are breached, management has the right and responsibility to take or initiate corrective action.

The Company's disciplinary code and procedures are designed to clarify the expected behavioral standards and correct unacceptable deviations from these standards. Dismissal of an employee may take place only where corrective action has failed or where a breach of discipline is so extreme to the extent that no viable alternative exists.

2. General Guidelines

2.1 Behavior

Each employee reflects the character and image of the Company through his personal behavior; therefore, he is expected to behave in a manner worthy of the trust vested on him. It is the responsibility of each one of us to avoid situations that may result in conflict of interest involving moral considerations and refrain from engaging in any illegal activities. The employment of any person will be subject to immediate termination should a complaint arise from the legal authorities as a result of such activities.

2.2 Removal of Records and Documents

All employees are forbidden to remove any records, documents or property items from the Company offices unless specifically authorized by the Management.

2.3 Confidentiality

All employees are bound to respect the confidentiality of the company's business affairs. They are in no way allowed to use inside information obtained by reason of their employment for personal gain or advantage. This includes the disclosure of confidential information, establishing business relations or the abuse of company's information or property. The employment of any person will be subject to immediate termination should there be a breach of this confidentiality requirement.

2.4 Company Assets

It is one of the primary responsibilities of every employee to protect, maintain and safeguard the Company assets such as vehicles, furniture, office equipment, record, etc. against theft. Employees should be alert and report any such occurrence to their Department Head / Manager immediately.

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In case company assets are damaged or a major loss occurs to the company due to the negligence or carelessness of the employee, the company will recover part or total cost of the damage from the employee. The employee will also be liable for a strict disciplinary action, including possible termination of service.

In case a company vehicle meets with an accident, the employee should inform his Department Head / Supervisor / Admin Officer in order to take the necessary steps. If the accident is due to the negligence of the employee and there is a cost involved (e.g. the excess clause amount of the insurance policy), the same will be recovered from the employee as per the procedure detailed in Section 5 of the manual.

2.5 Abuse of Company Property or Resources

No employee is allowed, irrespective of his position, to use Company property or resources for personal purposes. Cases warranting such assistance should be referred to the management.

2.6 Employment other than with the Company

Employees may not accept any paid or unpaid part time employment with another employer or engage in any trade or business. This will be a violation of the company service rules. Anybody found working for a second employer after office hours should face disciplinary action.

The Management must approve in writing all significant honorary appointments.

2.7 Gifts

Acceptance of gifts can prejudice the company's interests and are not acceptable. Gifts of nominal value may be accepted, but employees are expected to use their discretion before accepting gifts from suppliers, customers or any third party with whom the Company conducts business to ensure their judgment is not impaired by acceptance of such gifts. As a general rule, gifts that are essentially office utility items (e.g. folders, coasters, pens, etc.) may be accepted. Gifts which are of primarily personal use - perfumes, scarves, carpets, etc. may not be accepted.

2.8 Public Statements

Statements made to the press, government bodies, television, etc. in an official capacity reflect on the organization and are often subject to debate and speculation. Therefore, employees should not make any statements to any third party. Prior permission must be obtained in advance from the Management before any statements are actually made.

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2.9 Personal Telephone Conversations

As a general rule, employees should not be engaging in personal telephone conversations during normal working hours. Therefore, the use of office phones and other electronic devices for personal conversations should be discouraged during normal working hours. Employees should restrict personal telephone conversations to official breaks, where possible.

2.10 Use of Internet

The facility to access external sites has been provided to certain employees specifically to leverage some information for their role in the Company. Visiting “inappropriate sites” is unacceptable and will result in disciplinary action. Personal use outside the normal working hours is acceptable as long as it is not excessive and misused.

2.11 Use of the Corporate E-mail System

As a Company asset, all e-mail correspondence should always be professional and reflect the company’s standards. It should never be used in support of personal business or functions external to the interests of the Company. The Company reserves the right to monitor the e-mail system to ensure adherence to the Company policy. As a general rule, all employees are expected to abide by the following guide lines.

- Do not unnecessary reply with attachments unless it is essential to do so.
- Do not copy unconcerned employees just to create a sense of self protection.
- Discuss sensitive situations with the concerned colleague rather than addressing it in a mail as an easy measure to avoid dealing with it personally.
- Do not use abusive language, write your E-MAIL clear and simple in a respected manner.
- Double check the recipient address before sending the mail as there are many similarities in the names and internal mails might end up in a different continent.
- Prioritize your sent and reply E-Mails in the order of business requirement.
- Please respond in time when e-mails are directly addressed to you.

2.12 Smoking

Smoking whilst on duty (inside the office / warehouse / production / plant) or in the Company vehicles is strictly prohibited. Employees should not smoke in the Company premises unless special provisions have been made.

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2.13 Dress Code

Office based employees

- Men – Formal shirt and tie, Trousers, socks and shoes.
- Women – Normal acceptable formal attire.

2.14 Business Meetings

For business meetings involving external customers, either inside or outside the office, formal business attire will be preferred.

2.15 Other Departments / Areas

It would be as prescribed by the Department head. However, the Company considers it necessary for specified employees to wear Company uniform. A uniform identifies the employee as a member of the Company and projects a clear and consistent image of the Company. It should be worn in its entirety and not mixed with items of private clothing. Where private items are permitted to be worn, such as shoes, they must be of a style and color which is in keeping with the uniform, and acceptable to the Company. Where a uniform has been issued, it must be worn at all times when the employee is on duty.

Under no circumstances may the employee wear the Company uniform when off duty.

2.16 Grooming and Hygiene

All employees are required to:

- Dress smartly and modestly as appropriate to the work environment.
- Report to work in an alert mental and physical condition.
- Maintain acceptable grooming, cleanliness and personal hygiene:
- Uniforms and shoes must be always clean and good repair.
- The use of perfumes and deodorants are recommended.
- Hands must always be washed after using toilet facilities.
- Hair must be well groomed and of an acceptable length.
- Fingernails are to be clean and cut short.
- Overall personal cleaning must be observed.

2.17 Safety

Employees are responsible for their colleagues' and own safety. The employees working in the plant are requested to speak to their supervisors for additional safety rules and guidelines. Violation of the safety procedures may result in correction action including possible termination.

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In order to accomplish the company objectives, employees are expected to:

- Learn and know their job thoroughly
- Know the location of and be able to use first aid, fire protection, safety equipment and hazardous material.
- Clean or make repairs or adjustments to equipment only after obtaining proper authorization. The equipment should be shut down when making repairs, adjustment or for cleaning.
- Store supplies and equipment safely and neatly.
- Report unsafe conditions and defective equipment immediately to the supervisor or designated management.
- Keep all tools and equipment in a proper working condition.
- Use the proper tool for each job.
- Use equipment only when they have been properly trained to do so.
- Not to lift items that are too heavy for them.
- Operate equipment only if the required shields or safety quads are in place.
- Wear or use all required protective equipment.
- Drive carefully and ensure that they follow the local road and safety procedures.

2.18 DISCIPLINE

It is the Company's aim to provide its employees with fair remuneration, worthwhile employment, competitive environment, fringe benefits and working conditions in return for a fair day's work, acceptable behavior and adherence to the Company's rules, regulations and standard of discipline. Therefore, the Company expects its employees to:

- Carry out the duties and responsibilities for which they have been engaged or subsequently appointed, in a conscientious manner and with due regard to the interest of the Company and of other employees.
- Maintain high standards of honesty with due respect for the property and possessions of the Company.

Employees need to be aware of the standards of conduct expected of them; however, it is not possible to cover all instances of misconduct or state what the disciplinary action would be taken. This depends on the circumstances of each case but will be carried out in line with the agreed procedure. Offences of misconduct will normally result in the issuance of a warning letter and offences of gross misconduct will normally result in dismissal.

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2.19 Standards of Conduct

a) Gross Misconduct

The following list broadly shows all types of offence that would normally constitute gross misconduct. It is not exhaustive or exclusive.

- Deliberately damaging or stealing company property.
- Committing any serious criminal offences at work.
- Committing proven criminal offences outside work that make the employee unsuitable to perform his duties.
- Discrimination or harassment of employees or members of the public.
- Deliberately endangering life.
- Driving a company vehicle under the influence of alcohol or whilst otherwise unable.
- Deception or fraud at work. For example: falsifying application form details, overtime sheets, expense claim forms, personal records or sickness certification documents.
- Destruction, misuse or improper disclosure of official documents or records.
- Incapability on duty due to the effects of alcohol or non-prescribed drugs.
- Fighting or physical assault in company premises, or during working hours.
- Serious acts of insubordination.
- Action or conduct which could potentially damage the company's reputation.
- Deliberate disregard of safety practices, procedures and rules.
- Collections of the sales operations:
 - Mishandling of money and not depositing customer cash in company account.
 - Selling to the customers in fairly large amounts without getting the company's prior approval for credit and/or proper documentation.

b) Misconduct

The following list broadly shows all types of offence that would normally constitute misconduct. It is not exhaustive or exclusive.

- Unauthorized absence from duty.
- Failing to adhere to prescribed working hours.
- Willful hindering of production or work schedules.
- Deliberately failing to maintain an acceptable standard of performance or to achieve the required level of output, excluding issues of capability.
- Unauthorized use or misuse of company property or equipment.
- Disregard of safety practices, procedures and rules.
- Unauthorized operation of equipment.
- Unauthorized presence on company property.

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- Undertaking activities detrimental to recovery whilst taking time off due to sickness.
- Concealing the misconduct of others.

2.20 Disciplinary Action

The disciplinary action would be taken to help and encourage the employees to achieve and maintain acceptable standards of conduct, attendance and job performance. It aims at ensuring that the facts concerning an alleged breach of discipline are established quickly and that employees receive consistent and fair treatment.

No formal disciplinary action will be taken against an employee until the case has been fully investigated. Where an investigation is required, an employee may be suspended pending a decision. Where suspension is necessary, the employee will not be paid his basic salary and allowances. At every formal hearing, the employee will be advised of the nature of the complaint against him and will be given the opportunity to state his case before a decision is made.

The Department Head / Manager may give a verbal or written warning for the purpose of improving conduct when an employee breaches the established standards of conducts. Verbal or written warnings will not require a formal disciplinary hearing, but will require a discussion between the Supervisor and the employee. Where the matter is more serious, the case will be referred to the Department Head / Manager who might request for a formal disciplinary hearing to be conducted which may be attended by the Manager HR & Admin.

The procedural stages are as follows:

2.21 Verbal Warning

Where there is a minor breach of rules or where conduct does not meet the acceptable standards in a minor way, the Department Head / Manager will normally give a verbal warning. The warning will advise of the nature of the error, the standards required and the time for improvement. A record must be kept on the employee's personal file.

2.22 Formal Written Warning

Where a breach of rules or where conduct does not meet the acceptable standards, the Department Head / Manager will normally issue a written warning. In the interest of fairness and in terms of the prime objective of a warning is correction rather than reprimand, every warning should include the following:

- Facts and evidence that justify the warning.
- A clear explanation for the warning.
- An opportunity for the employee to give his point of view and to be fairly heard.
- The required behavior standards clearly stated / explained.
- The consequences of failing to meet these standards explained.
- An adequate, correct and fair record maintained.

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The degree to which these components are elaborated upon or formalized will depend on the nature of the breach of standards and the type of warning being given. The employee may be issued a First, Second and Third Warning Letter. He has the right to reply to written warnings.

A copy of the written warning is kept in the employee's personal file for reference.

2.23 Final Written Warning

If there is a failure to improve and the employee's work, conduct or omission is still unsatisfactory, or if the misconduct is sufficiently serious to warrant only one written warning but not to justify dismissal, a final written warning will be given to the employee by his Department Head / Manager. This will advise the employee of the reason for the warning, the standards expected and the improvement required. It will warn that further disciplinary action will be considered if there is no satisfactory improvement and that dismissal will result if further offence occurs. Details of the written warning must be entered on the employee's personal file.

2.24 Suspension / Dismissal

An employee can be suspended from work while given a Warning provided that suspension without pay does not exceed five days in a month.

Dismissing an employee is the most serious form of warning and is appropriate only where corrective action has failed or where a breach of standards is so serious that continued employment is unsustainable. The Department Head should take up the matter with the Management and Manager Human Resources & Administration requesting for the termination of the concerned employee. Cases of termination need approval from the Management prior to termination taking place. The letter of termination will be sent to the employee by the Manager HR & Administration.

In the interest of fairness and because of the employment contract is terminated, it is essential that the following elements are not overlooked:

- Evidence: The evidence supporting dismissal should be firm, reliable and adequately documented and wherever possible, the employee's signature should be available.
- Formal Hearing: Before a decision to dismiss an employee is taken, there should be a formal 'hearing' at which the employee must have a fair and reasonable opportunity to channel his views.
- Authority for dismissal: The decision to dismiss an employee should be taken by a Department Head / Manager from Chief Executive Officer (CEO). The Human Resources Manager will be involved in the dismissal process to avoid any perceived personal involvement, bias or subjectivity.

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2.25 GRIEVANCES

The Company accepts that in spite of every effort to apply fair and consistent conditions of service, work procedures and discipline, situations may arise where an employee genuinely believes that he has been unfairly treated.

The aim of the grievance procedure is to enable an employee to have a grievance resolved as quickly as possible. The underlying guideline on which any effective grievance procedure is summarized as follows:

- The best place to resolve a grievance is where it occurs and without undue formality. It should therefore ideally be resolved between the employee and his immediate superior.
- Assuming an informal discussion has not resolved the matter, all individual grievances should be given in writing to, and discussed with, the employee's Department Head / Manager. This can be referred to HR for grievance hearing.
- If the grievance hearing does not resolve the issue, employees may write to CEO / Manager Human Resources & Administration. This is referred to as the Appeal.
- The Appeal level will listen/ consider facts and circumstances of the grievance and a decision would be given within week of the hearing. The decision so awarded will be final and binding.

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