



Report on Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral part of Sanghar Sugar Mills' Vision, Mission and Code of Conduct. The Sanghar Sugar Mills Limited (the Company) acknowledges its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generations to come. Sustainability Policy is considered to be essential for continuing of the business. The Company considers itself accountable to its stakeholders and informs them about the initiative and measures taken to ensure sustainability and has identified the dimensions of performing social responsibilities which contributing to economy, environment, health, education and society.

The Company has taken various steps that demonstrate its resolve towards the community at large. During the year the Board of Directors has approved the Policy of Corporate Social Responsibility and formed a separate committee to oversight the activities of CSR and report to the Board on quarterly and annual basis. There are four members of the CSR Committee, three of them are from non-executive directors and one member from the management. Following are the members of the CSR Committee:

Name of Members	Status
1. Mr. Rahim Bux	Chairman
2. Mr. Muhammad Aslam	Member
3. Mr. Shahid Aziz	Member
4. Syed Rehan Ahmad Hashmi	Member - Representing Management

Responsibilities

The Board of the Directors has assigned responsibilities to the committee and some core responsibilities are as follows:

- o To review, agree and establish the Company's corporate strategy to ensure that corporate social responsibility is and remains an integral part of the strategy and its implementation in practice and that the social, environmental and economic activities are aligned.
- o To ensure that there is recognition by all within the Company, the impact of its activities upon all stakeholders including shareholders, customers, suppliers, employees and the wider community and environment and that those activities are regulated which are consistent with sustainable business and development, they are conducted in a socially responsible manner and have a positive impact on society.
- o To develop and recommend for acceptance by the Board policies on all key areas of CSR including the environment, health and safety, product testing and customer safety, standards of business conduct, ethics, employees and employee development, charitable activities and community initiatives.
- o To develop and support the activities necessary to convert CSR policies into an effective plan for implementation and to agree a programed of specific CSR activities and focus for each financial year, supported by appropriate targets and key performance indicators.
- o To monitor compliance with the CSR policies and review performance against agreed targets.
- o In conjunction with management and other committees of the Board, to identify material environmental, social and health and safety risk areas and to ensure that appropriate measures are taken to mitigate any such risks.
- o To evaluate and oversee on an ongoing basis the quality and integrity of any reporting to external stakeholders concerning CSR matters and, specifically, to review and present to the Board for final approval a CSR report for publication in the annual reports and accounts.
- o To develop and encourage effective way of communication concerning CSR issues within the business.
- o Where appropriate, to consider the appointment of external advisors to advise and support the committee in respect of CSR initiatives and to be responsible for establishing the selection criteria, terms of reference and fees in respect of any such advisors.



- o CSR Commitment Statement to be placed and agreed in each meeting of the Committee with respect to CSR definition, business value of CSR, vision and commitment (resources, time, personnel).
- o To determine the priority areas wherein the CSR projects are currently being managed (ongoing projects) and are planned to be initiated (upcoming projects).
- o To allocate resources and earmark specific resources (quantifiable), specific criteria, or a proportion of amount for selected CSR activities. The method of allocation of resources or identified criteria must be predetermined and endorsed by the Committee / Board.
- o Hold orientation sessions for the Committee members and the Board to ensure that the members and the Board have adequate understanding and expertise of CSR for making informed decisions and incorporate CSR as part of Annual Board Evaluation.
- o Specifying the organizational approach towards CSR.
- o Periodic monitoring and evaluation of CSR activities.
- o Recognizing and documenting the shortfalls / failures.
- o Incorporating improvement in future CSR policy / plans.
- o To consider such other topics and issues in relation to CSR as may be stipulated by the Board from time to time.

Key Areas

As a socially responsible entity, the Company has identified the following key areas that positively impact our society:

- o Employment
- o Health & Safety
- o Education
- o Environment
- o Economy

The Report

The following Report updates the stakeholders about the steps taken by the Company to ensure compliance:

- o To support the sugarcane growers of the area and provide better quality seeds and fertilizers to achieve improvement in quality of sugarcane and enhance its quantity and productivity in order to have regular, constant and better supply in future the major basic raw material for sugar mills.
- o To alleviate illiteracy in the rural areas of the Country, the Company has launched education program through Al-Qalam Welfare Trust School established in 2008 and is providing education facilities at the premises adjacent to the Mills' Employees' Colony by the qualified staff on concessional basis to the children of the factory employees and persons living nearby in rural areas. The Education started from a single class room of Kindergarten with admission of 10 students. Now, in a days, grows upto class 8th having total strength of 230 students (Boys: 150 and Girls: 80) with beautiful infrastructure, neat and clean environment with availability of all basic facilities within covered premises viz large size ventilated class rooms, computer lab, laboratory, playground, tuck shop and uninterrupted power supply. Teacher's strength of school is one head mistress, fourteenth lady teachers & one Arabic teacher (Aa'lma). Main emphasis to run the school is to help poor people of the area, to encourage girl's education, to inspire students to internalize Islamic education in their social growth, attaining self-actualization. Education in remote areas is a big challenges specially those who are not able to afford the expenses of such a qualitative, modern education nearer to their door step. In addition to above, various events are being organized like Annual Sports Day, Parent's Day etc.
- o The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.
- o To follow consciously the needs of the Society concerning health, safety and environment for achieving the objective. The Company is responsive to make efforts to minimize the accidental risks, have necessary medical facilities and continuously strive to improve greenery and maintain clean and safe environment around the Mills, better housekeeping, safeguarding the health of employees and application of the principles of safety in its operations, the consumers and public at large by following the rules and regulations in this regard. The Company is running dispensary through a qualified and experienced doctors for its employees and for persons living in adjoining areas.



During the year, two days Free Eye Camp has been organized on the premises of the Company on February 01, 2017 & February 02, 2017. In this free camp, checkup of total 1,099 Outpatients was conducted and operations of 289 patients were done satisfactorily. Before the launch of camp, an advertisement's campaign was made through radio, cable, social media & pamphlets for the information of needy persons. Free pick and drop arrangement was made for the patients and caring persons from the areas of Sanghar & Perumal. Free arrangements of accommodation and food were made for patients, care takers, doctors and their staff. Free medicines, medical checkup, operations were conducted. The whole Eye Camp was financed by our Executives personally and expenses incurred on Eye Camp amounting to Rs. 1,000 thousand.

In order to improve and extend Health Facilities for its employees, the Company has deliberated Ministry of Overseas Pakistanis & Human Resources Development, Workers Welfare Fund, Government of Pakistan, Islamabad, which has expressed its willingness to construct Fifty Beds Hospital by Workers Welfare Fund on the premises of the Company in Sanghar, if the Company is ready to donate (free of cost and any charge or mortgage) Five Acres Land and transfer its Title to Workers Welfare Fund, Ministry of Overseas Pakistanis & Human Resource Development, Government of Pakistan.

On November 23, 2016, the shareholders of the Company approved the Board of Directors proposal in the Extra Ordinary General Meeting that the donation (free of cost and any charge or mortgage) and Transfer 05 Acres Land valuing Rs. 2.5 million, out of 320 Acres Land of the Company in Sanghar.

In order to implement the Agreements with the Ministry of Overseas Pakistanis & Human Resource Development, Workers Welfare Fund, Government of Pakistan, Islamabad, for the purpose of construction of Fifty Beds Hospital on the above said Land in the vicinity of the Company located in Sanghar, the formalities of transfer of Land and other documentation is in process till date.

- o The Company's efforts have primarily on improving the social conditions of the Communities and employees related to the Company by establishing fair working conditions, ensuring occupational safety, setting social standard, establishing minimum wages, zero tolerance on child labour and forced labour etc.
- o The Company continuously is striving to improve greenery, maintaining clean environment around the mills and better house-keeping. The Company installed and maintained water filtration plant and tanks to purify the water used for drinking purpose.
- o To encourage employment of workforce living in the rural areas in order to yield significant gain and uplift their living standard.
- o There are policies and procedures which demonstrate the Human Resource department, a philosophy of fair and transparent appointments on the basis of merit and give objective of performance evaluation, which ultimately results in the increments, promotions, bonuses and cash awards. Being social responsible, the Company gives importance on providing an opportunity with dignity to people with special needs who are trained to serve the Company as a valuable human capital. We have appointed some special persons as part of human resource. The Company treats all employees fairly and compensates them according to the industry practice. The Company provides the benefits such as perquisites, annual leaves, pick and drop, facility of mess, safe and healthy working conditions etc along-with group insurance, making payments to Employees Old Age Benefits Institution, Worker's Welfare Fund, Worker's Profit Participation Funds. The Company is committed to maintaining the principles of integrity and trust with respect to privacy of the employees of the Company.
- o Pakistan is facing severe energy crises and efforts to increase power generation. This is resulting in load-shedding and power shutdowns in all sectors, whether industrial or residential. Considering the importance of energy, the Company has been heavily investing in power generation, which includes installation of equipment & machinery, with our manufacturing area for our in-house consumption and surplus energy are sold to Hyderabad Electric Supply Corporation, to overcome the crises of power generation to some extent.