

The Code of Conduct

The entire Organization of Sanghar Sugar Mills Limited (the Company) will be guided by the following principles of The Code of Conduct in its pursuit of excellence in all activities for the attainment of the Company's Objectives for the Company and its Directors, Executives, Managers, Employees and Workers:

1. Business Ethics:

- o Observe Company policies, regulations and code of best business practices;
- o Provide direction and leadership for the organization and take viable and timely decisions;
- o Promote and develop culture of excellence, conservation and continual improvement;
- o Develop and cultivate work ethics and harmony among colleagues and associates;
- o Ensure cost effectiveness and profitability of operation.

2. Understanding of the Legal Duties:

- o Fulfills all statutory requirements of the Government and follows all applicable laws of the Country together with compliance with accepted accounting principles, rules and procedures required;
- o Meets the expectations of the spectrum of society and Government agencies by implementing an effective and fair system of financial reporting and internal controls;
- o Promote and develop conducive environment through responsive policies and guidelines to facilitate viable and timely decisions;
- o Support and adherence to compliance of legal and industry requirements;
- o Maintain organizational effectiveness for the achievement of the Company's goals;
- o Acquire appropriate knowledge of the legal requirements relating to their duties to perform their obligations diligently and in compliance with the applicable laws, relevant guidelines and policies of the Company and to ensure compliance of applicable regulatory frameworks;
- o Make dedicated efforts to improve competence and skills in their respective roles through continuing professional education;
- o Bring to the notice of the Board, any non-compliance or violation of law or policy by the Company, other Board members or employees.

3. Personal Conduct:

- o Avoid following actions:
Misconduct, intimidating & insulting behavior, verbal onslaught, accusations, misogynist behavior, sexual harassment, ignorance of regulatory framework, spate communication (letters, emails, etc.) without highlighting specific discrepancies, humiliation, pressurizing tactics, coerciveness, disruptive and distractive measures, bullying, disruption of conduct of business, unnecessary interference in management issues, unethically tarnishing image of any person;
- o Exhibit high standards of personal conduct, both inside and outside the Company.

4. Conduct in Business Dealings:

- o Treat everyone, inside and outside the Company, professionally with respect and equality without taking improper advantage of their position;
- o To not involve in such practices like manipulation, misuse of privileged information and concealment of facts.

5. Safeguarding Company's Assets:

- o Use Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for personal benefits or gains and to make utmost efforts for the protection and efficient use of the Company's assets;
- o Ensure protection and safeguard the interest and assets of the Company and meet obligations of the Company.

6. Integrity and Honesty:

- o Maintain financial integrity and must avoid making personal gain at the Company's expense by participating in or assisting activities which compete with the Company;
- o Act, at all times, with honesty, integrity and independence to protect Company's properties, reputation and image, and not get into dishonest practices such as bribery or corruption, etc.;
- o Exercise due diligence, objectivity, sound and independent judgment while performing the duties;
- o Exercise prudence in effective, efficient and economical utilization of resources of the Company;
- o To not involve in practices with the intention to get any undue advantage either for himself or his family members.

7. Avoid Conflict of Interest:

- o Activities and involvement of directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are motivated by the interest of the Company rather their own;
- o To not get into any such business or practice that would tend to influence him/her in a way other than in the best interests of the Company;
- o To not get into any business transaction or agreement that would result in the conflict of interest in any manner, other than those in the best interests of the Company;
- o To not receive gifts and other benefits from the outsiders having pecuniary and other interest.

8. Ensure Confidentiality:

- o Protect confidential, proprietary and any such information received by virtue of their position in the Company and not disclose such information to anyone, unless the disclosure is required under any law or authorized by the Board of the Company;
- o To not use or intend to use the confidential and proprietary information for gaining unfair advantage and personal benefits, unless it becomes public.

9. Diversity and Inclusion:

- o To promote diverse and inclusive Board and management composition;
- o Provide equal opportunities to all employees for employment in the Company irrespective of their culture, race, gender, caste, and religion;
- o Promote a work environment free from discrimination, harassment and intimidations of any nature.

10. Role Towards Shareholders / Members and other Stakeholders:

- o Deals with all stakeholders in objective and transparent manner so as to meet the expectations of those who rely on the Company;
- o Ensure efficient and effective utilization of its resources;
- o Treat all shareholders/members and stakeholders of the Company in a fair and respectable way;
- o Act in the best interests of the Company and fulfill their fiduciary responsibilities;
- o Understand and consider the interests of all stakeholders in the success of the Company.

11. Encourage Environmental, Social and Corporate Governance (ESG) Practices:

- o Encourage to adopt digitalization to enhance efficiency and to protect the environment;
- o Promote and ensure compliance with ESG policy of the Company;
- o Encourage philanthropic activities, donations, contributions to charities and other matters of social welfare, in terms of sustainable practices;
- o Encourage to publish or disclose regular reports on their ESG targets, environmental and social impact activities;
- o Ensure that the Company operates in an environmentally and socially responsible manner;
- o Ensure that the Company adopts most efficient energy management system, prevention of energy waste and utilization of natural resources in responsible manner;
- o Ensure commitment to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

12. Promoting Safe and Healthy Environment:

- o Give due consideration to the safety and health of all employees and to provide safe, competitive and healthy working environment;
- o Institute commitment to environmental, health and safety performance;
- o Uses all means to protect the environment and ensures health and safety of the employees.

13. External Activities and Public Comments:

- o To not undertake any external activities during the working hours or, at the expense of Company's duties and commitments.

14. Avoid Insider Trading & Disclosure of Inside Information:

- o To not indulge in insider trading on the basis of unpublished price sensitive information, subject to exceptions given in the Securities Act, 2015, and ensure compliance with all relevant laws and Company's policies, on prohibition of insider trading;
- o Commit to making prompt public disclosure of 'material information' as prescribed by the Pakistan Stock Exchange Regulations, if required;
- o Information that is generally referred to as 'material inside information', the same must be held in strict confidence until it is publicly released or is no longer considered as 'material inside information';
- o To not indulge in buying or selling securities of a Company for their own account or any other account, if possess non-public information or inside information of the Company or information pertaining to any potential trade/deal which may affect the share price of the Company. Further, will not pass any such information to others.

15. Protection against Harassment at Work Place:

Implement a five step framework in daily functioning:

- o Raise prevention awareness;
- o Commit to all aspects of women empowerment;
- o Implement supportive policies;
- o Collaborate with other sectors; and
- o Ensure transparency and accountability.

Commit to eliminate violence and harassment at work and adopt to:

- o Affirm that violence and harassment will not be tolerated;
- o Establish violence and harassment prevention program with, if appropriate, measurable objectives;
- o Specify the rights and responsibilities of the workers and the employer, including the right of the worker to remove her or himself from a situation involving violence or harassment without fear or retaliation;
- o Establish complaint and investigation procedures;
- o Ensure all internal and external communications related to incidents of violence and harassment will be duly considered, and acted upon as appropriate;
- o Specify the right to privacy of individuals and confidentiality, while balancing the right of workers to be made aware of all hazards;
- o Include measures to address domestic violence; awareness rising, leave for victims, flexible work arrangements, temporary protection against dismissal for victims of domestic violence and referral to public mitigation measures;
- o Institute measures to protect complainants, victims, witnesses and whistle blowers against victimization or retaliation.

16. Role Toward Employees:

- o Promote a culture that supports enterprise and innovation, with appropriate short-term and long-term performance related rewards that are fair and achievable in motivating management and employees effectively and productively;
- o Encourage initiatives and self-realization in employees through meaningful empowerment;
- o Provide pleasant work atmosphere and ensure an equitable way of working and rewarding system;

- o Devote productive time and continued efforts to strengthen the Company;
- o Make concerted struggle for excellence and quality;
- o Protect and safeguard the interest of the Company and avoid conflict of interest;
- o Promote equal pay for work of equal value;
- o Prevent and end violence and harassment in the world of work;
- o Promote work family balance and an equal sharing of childcare responsibilities;
- o Building a future of work that works for women.

17. Miscellaneous:

- o Employees are required to comply with this Code of Conduct and are personally responsible for doing so. Employees must comply with any rules set out in this Code of Conduct. Breach of any principles within the Code may result in disciplinary action and a serious breach, such as if any employee is found to be in wanton abuse of the Code and their action can cause reputational risk or damage or financial loss to the Company, may amount to gross misconduct, which may result in dismissal. Further, the Company reserves the right to seek redress and damages from such individuals;
- o Employees at all levels will be required to certify annually that they understand the Code and that they are in full compliance with it. The Board monitors the findings of this certification on an annual basis;
- o The Company has in place a confidential 'Whistleblowing Policy' as a mechanism and process to encourage the reporting of any non-compliance with the Code of Conduct;
- o Employees agree that all right, title and interest in and to all work product resulting from the course of his/her employment with the Company, whether generated or produced by him/her or others or under his/her supervision, for the Company, including, without limiting the generality of the foregoing, all ideas, designs, concepts, information, data, inventions, improvements, works, discoveries, know-how and all intellectual property, including but not limited to patent, copyright, trade secrets and other related rights, belong to the Company exclusively and shall be the exclusive property of the Company and may be used by the Company at any time without any obligation to pay the employee any compensation whatsoever and to the extent that ownership of such work product may not automatically vest in the Company by operation of law or otherwise, the employee hereby assign, and upon the future creation thereof shall assign, all right, title and interest in and to the work product to the Company and may be used by the Company at any time without any obligation to pay him/her any compensation whatsoever and to the extent that ownership of such work product may not automatically vest in the Company by operation of law or otherwise, the employee hereby assign and the employee shall not use the same for any purpose other than for the benefit of the Company nor will he/she pass it on to any other person or institution other than to those approved by the Board of Directors of the Company and the employee will not take the same with him/her when the employee cease to be an employee of the Company for any reason whatsoever and the employee shall take all steps and shall execute all such documents as may be necessary or reasonably required by the Company, at the expense of the Company, to procure and ensure that the Company obtains and retains complete and exclusive legal title to any such invention or improvement and the employee shall assist the Company in obtaining, securing and enforcing the abovementioned intellectual property rights as is needed by the Company.
- o This Code may be amended, modified or waived only by the Company's Board of Directors and must be publically disclosed, if required by any applicable law and or regulations. As a general Policy, the Board will not grant waivers to the Code and waiver may be considered only case to case basis.