



Health, Safety and Environment



Sustainability Report 2013-14

Beyond Supplying the Natural Gas . .
Sui Northern Gas Pipelines Limited



URS is a member of Registrar of Standards (Holdings) Ltd.





SUSTAINABILITY

SOCIETY | ENVIRONMENT | ECONOMY



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Foreword by the Managing Director

I take great pleasure in presenting the first “Sustainability / Corporate Social Responsibility” report of SNGPL. This sets out our Corporate Social Responsibility priorities and gives an overview of what we have achieved so far.

Sustainable development forms a significant part in our business strategies and is one of the key factors that lead us towards progress and growth. We aim to become one of the leading Natural Gas Transmission and Distribution Company and create value for all our stakeholders. Only through innovative strength and strict sustainable practices we can achieve this.



Today we are facing immense challenges; continued growth of the world’s population and acceleration in the global economic activity will continue to increase consumption and resource depletion. Keeping this in mind, our sustainability initiatives are diverse & well spread with a prime focus on education, health & protecting our environment. Despite our many achievements, we know that we still have a lot to do before we can claim to be the best in every way.

We want to thank all of you - our employees, partners in society, business and community for your strong commitments to sustainable development. With the publication of this report, we pledge to remain committed to our social responsibility and to promote sustainable practices


Arif Hameed
Managing Director





OVERVIEW & STRATEGY

SNGPL AT A GLANCE

Sui Northern Gas Pipelines Limited (SNGPL) was incorporated as a private limited Company in 1963 and converted into a public limited company in January 1964 under the Companies Act 1913, now Companies Ordinance 1984, and is listed on all the three Stock Exchanges of the Country.

The Company took over the existing Sui-Multan System (217 miles of 16 inch and 80 miles of 10 inch diameter pipelines) from Pakistan Industrial Development Corporation (PIDC) and Dhulian-Rawalpindi-Wah system (82 miles of 6 inch diameter pipeline) from Attock Oil Company Limited. The Company's commercial operations commenced by selling an average of 47 MMCFD gas in two regions viz. Multan and Rawalpindi, serving a total number of 67 consumers.

Sui Northern Gas Pipelines Limited (SNGPL) is the largest integrated gas company serving more than 4.5 million consumers in North Central Pakistan through an extensive network in Punjab, Khyber Pakhtoon Khwa and Azad Jammu & Kashmir **and is certified against ISO 14001:2004 & OHSAS 18001:2007 Standards. SNGPL's 11 sites have been registered under the "SMART2" Program by Pakistan Environmental Protection Agency (PAK-EPA).** The Company has over 50 years of experience in operation and maintenance of high-pressure gas transmission and distribution systems. It has also expanded its activities as Engineering, Procurement and Construction (EPC) Contractor to undertake the planning, designing and construction of pipelines, both for itself and other organizations.

SNGPL transmission system extends from Sui in Baluchistan to Peshawar in Khyber Pakhtoon Khwa (KPK) comprising over 7,676 KM of Transmission System (Main lines & Loop lines). The distribution activities covering 2,650 main towns along with adjoining villages in Punjab & Khyber Pakhtoon Khwa are organized through 13 regional offices. Distribution system consists of 87,796 KM of pipeline. SNGPL has 4,585,371 consumers comprising Commercial, Domestic, General Industry, Fertilizer, and Power & Cement Sectors. Annual gas sales to the consumers were 597,056 MMCF worth Rs. 216,652 million during Jul 2011- Jun 2012.

SNGPL has an approved policy for Corporate Social Responsibility (CSR). The proposed CSR projects are reviewed and recommended by the CSR Committee and approved by the Managing Director. CSR Policy and Projects are reviewed at a regular frequency for the implementation of CSR policy. As per CSR Policy, CSR Committee comprises of the following.

- | | |
|--|--------------------|
| 1. Deputy Managing Director (Services) | Chairman |
| 2. Chief Financial Officer | Member |
| 3. Senior General Manager (ES) | Member |
| 4. General Manager (LS) | Member |
| 5. General Manager HSE | Member / Secretary |





MISSION & VISION



VISION

To be the leading integrated natural gas provider in the region seeking to improve the quality of life of our customers and achieve maximum benefit for our stakeholders by providing an uninterrupted and environment friendly energy resource.

MISSION

A commitment to deliver natural gas to all door steps in our chosen areas through continuous expansion of our network, by optimally employing technological, human and organizational resources, best practices and high ethical standards.



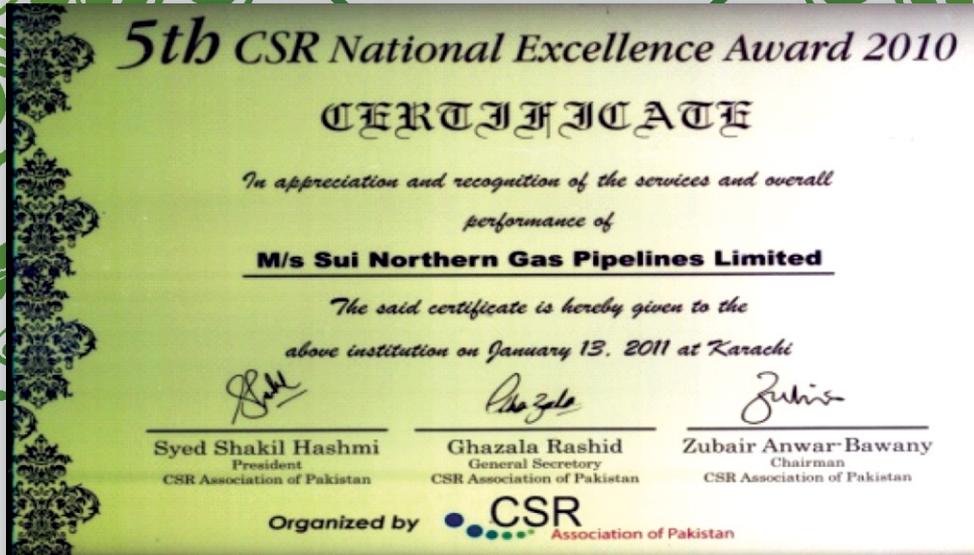
Awards & Achievements

SNGPL has won various awards in different categories of CSR. Winners are selected on the basis of the company's CSR activities: particularly good governance; addressing all key stakeholders; sincerity and on-going commitment in incorporating ethical values into their business; employee health and safety program; involvement in community related activities and protection of the environment. The companies are evaluated for their overall CSR best practices and not for one-offs or short-term projects.

Some of the CSR Certificates are mentioned below.

CSR







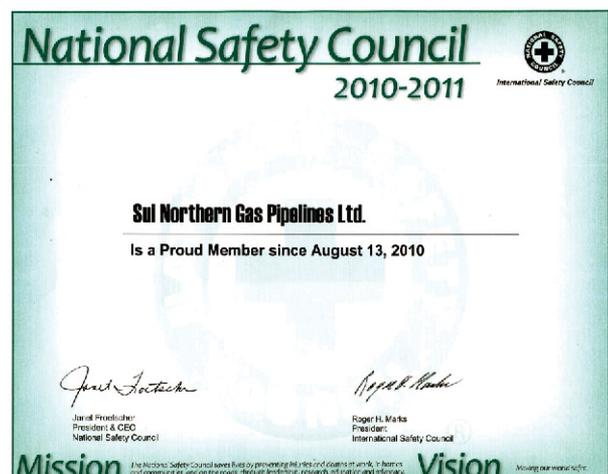
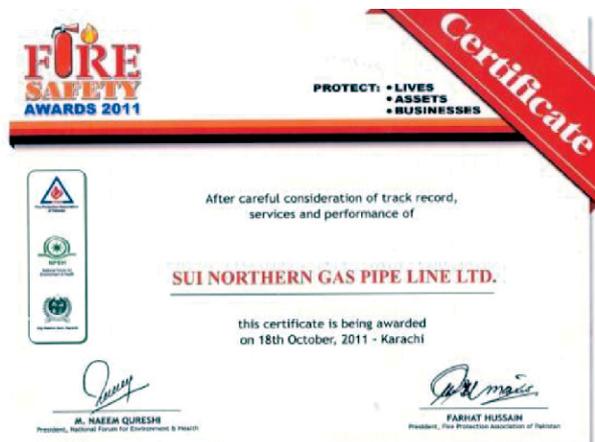
In order to succeed, your desire for success should be greater than your fear of failure.



SAFETY

Fire Protection Association of Pakistan (FPAP) give Fire Safety Awards to organizations after reviewing their fire fighting arrangements in accordance with latest international standards and best practices of the day.

SNGPL give immense importance to fire safety at workplace and utmost efforts are always made to improve fire safety arrangements, as a result of which after healthy competitions SNGPL won Fire Safety Awards in 2011, 2012 and 2013.





ENVIRONMENT

In appreciation and recognition of the services and overall performance of SNGPL regarding Environment, Company has won different Awards from M/s National Forum for Environment and Health . National Forum for Environment & Health is purely a non governmental, non profit organization. It is affiliated with the United Nations Environmental Program (UNEP) and supported by the Ministry of Environment, Government of Pakistan and Ministry of Environment, Government of Sindh. It is committed to serve and promote the cause of health care and protection of natural environment by creating awareness among all segments of society.

Following are some of the awards won by SNGPL.





CORPORATE SOCIAL RESPONSIBILITY (CSR)

Policy

SNGPL being a national Company is committed to honor its policy on Corporate Social Responsibility. This policy is based on global best practices envisaging management of the business processes by producing an overall positive impact on society and the environment. The laid out objectives are to be achieved by adopting a methodology that drives contact of the Company's business leading to commercial success in ways and manner that honor ethical values, people and communities.

SNGPL believes in

- **business that should be both profitable and beneficial to the society**
- **improving the quality of life of the communities especially those who are under privileged.**
- **ensuring harmonious relations with our stakeholders, by working in partnership with the community, the Government and NGOs through the principles of Sustainable Development.**

Principles

We pledge to perform our corporate duty, based on following acknowledge principles with dedication, diligence and integrity.

a) Standard of business conduct

We are committed to ensure that all our corporate activities are conducted strictly in accordance with high levels of professional and legal standards as per code of business ethics.



b) Health, Safety & Environment

We are committed to provide and strive to maintain clean, healthy & safe working environment by continually conducting public awareness campaigns to promote safe use of natural gas.

c) Community

We are committed to being a responsible corporate citizen by pro-actively supporting the affected communities in the events of national and natural catastrophe.

d) Disclosure

SNGPL shall provide information about descriptive as well as monetary disclosures of the CSR activities undertaken in each financial year on its website, annual reports and other communication media. The disclosure shall be made in the Director's report to the share holders annexed to the annual audited accounts.

The disclosure shall include but shall not be limited to the following:

- | | | |
|---|---|--|
| a) education | b) environment protection measures | c) safeguarding national heritage |
| d) culture activities | e) corporate philanthropy | f) energy conservation |
| g) community investment and welfare schemes | h) consumer protection measures | i) welfare spending for under privileged classes |
| j) industrial relations | k) employment of special persons | l) occupational safety and health |
| m) national-cause donations | n) business ethics and anti-corruption measures | o) contribution to national exchequer |
| p) rural development programmes | | |



Focus Areas

We will strive to

- Contribute due share in fulfillment of **basic human needs** of the deprived and underprivileged by focusing on health care, sport, sanitation and environment etc.
- Provide assistance for the **Promotion of education** in Pakistan.
- Build **self reliance** through programs aimed at Skill Enhancement and creating income generating opportunities for the under privileged.
- Conserve **National Heritage**, indigenous culture and sports.
- Implementing sound **Environment, Health & Safety Management Systems** and take a proactive approach to address environmental issues like tree plantations, awareness campaigns etc.
- Provide unbiased donations.
- Support and upload the principles contained in the University Declaration of **Human Rights** and the International Labor Organizations fundamental conventions on core **labor standards**.
- Provide medical and community aid to alleviate hardship and distress to under privileged.

CORPORATE GOVERNANCE

SNGPL shall ensure that effective systems are in place and budgetary resources are provided to manage and monitor compliance with this policy and take remedial action whenever we fall short of our commitment.

A CSR Committee having the following composition will review and approve strategic plans, assess progress and offer guidance about emerging CSR issues of importance.

i	Deputy Managing Director (Services)	Chairman
ii	Chief Financial Officer	Member
iii	Senior General Manager (ES)	Member
iv	General Manager (LS)	Member
v	General Manager (HSE)	Member/Secretary

CSR Committee will periodically evaluate and approve the projects recommended the regional CSR cells headed by each Regional In-charge duly assisted by his team.

The CSR Committee will ensure:

- that projects are within the area of SNGPL's operation. However, being a national Company. SNGPL may extend its support regardless of geographical locations for special projects of national importance.



- that SNGPL cooperates with and/or associates with NGOs and Community Based Organizations (CBOs) working in a financially transparent manner i.e. maintaining properly audited accounts and operations on non-profit basis and having credibility and reputation in the public sector.
- that priority is given to under-privileged areas and segments of society, institution projects which generally do not have easy access to other sources of funds.
- that NGOs/CBOs and institutions having political / ethnic affiliation are not supported.
- that special funds are got approved from the Board of Directors each year for implementing the CSR policy.

Independent Assurance

SNGPL shall ensure to make arrangement for obtaining independent third party assurance for verification of its CSR activities. Certification may also be obtained in this regard.



SUSTAINABILTY AND PERFORMANCE

CSR GOALS AND OBJECTVES

SNGPL has set the CSR Objectives, based on the CSR Policy. And these objectives have been developed in the light of CSR Guidelines, circulated by HSE HO across the Company. CSR Cells have been made at the all sites of the Company for the execution of the CSR Policy. Following are the main objectives.

1. Education
2. Relief Activities
3. Health, Safety and Environment
4. Energy Conservation
5. ECO Internship Program 2014, in collaboration with WWF
6. Celebration of Earth Day
7. Potable Drinking water for the Community
8. Bio Gas – Alternate Energy Resource





About the Reporting

This is the first Sustainability Report of Sui Northern Gas Pipelines Limited. The Report covers initiatives by the Company towards its engagement to their Environmental and Socio-Economic performance.



Reporting Period

This report covers information for the period from July 2013 to June 2014. However, since this is the first initiative, our Report contains data for the above period whereas the initiatives taken by the Company have been collated from 2010.

Report Content

The content of this report has been decided upon by the CSR Committee and the Regional CSR Cells and has been developed in accordance with our Sustainability framework based on the triple bottom line concept of economic, social and environmental parameters.

Process for defining report content

The report reflects the material issues which have significant economic, environmental and social impacts that can substantially influence the assessment or decisions of our stakeholders. The Company continues to proactively engage with key stakeholders, who either have a major interest or are significantly affected by our operations, products or services.

Assurance & Verification

This Sustainability Report forms is designed for general readership only. United Registrar Systems (URS) has conducted a desktop review and provided limited assurance of data presented in this report. The indicators for our sustainability reporting are selected from the G3 Reporting Framework issued by the Global Reporting Initiative (GRI). The GRI is a large multi-stakeholder international network of thousands of sustainability experts. The GRI G3 Reporting Framework is the most widely accepted global standard for corporate responsibility reporting.

Contact Us

We encourage feedback on our Sustainability Report. If you would like to comment on the report or find out more about our Sustainability strategy and program, please e-mail us at info.hse@sngpl.com.pk

A soft copy of this report and additional information on our organization is available on our website at www.sngpl.com

If you are unable to access these resources or need further information, please contact at 042-99204583.



SOCIAL AND ECONOMIC PERFORMANCE

Education

i) Sponsorship of Gold Medal

SNGPL has undertaken a wide range of initiatives to support several educational programs. Such initiatives include sponsoring of gold medals for top students of leading professional institutes including Ghulma Ishaque Khan Institute (GIKI). Rs 65,000/- in 2010 and Rs 70,000/- in 2011 had been granted to GIKI for the subject activity.

ii) Sponsorship of Chair on Gas Engineering

SNGPL is sponsoring three 'Chairs' on Gas Engineering at University of Engineering and Technology (UET) Lahore, University of Engineering and Technology, Peshawar and University of the Punjab (PU). The Chairs were constituted to fulfill the OGRA Licensing conditions to promote higher education. Company's Corporate Social Responsibility policy also has an objective of providing support in promoting education and to enable education to reach to the under privileged nationwide. As per approval of OGRA and BOD, annual grant of Rs 3.32 Million is being disbursed to each university for carrying out the research projects, alternate energy sources especially Solar energy and developing innovative techniques for energy conservation will be focused. Progress on chair is being sent to SNGPL periodically by both universities. Affairs of the 'Chair' are monitored regularly on quarterly basis by Steering Committee members which includes senior management.

a) 'Chair' on Gas Engineering at Department of Chemical Engineering and Technology, University of Engineering and Technology (UET), Lahore

Chair on Gas Engineering at UET Lahore has been established since 2006. Almost Rs 23 Million has been funded to UET LHR in last 10 years for the Chair on Gas Engineering. Focusing Energy Conservation, Chair in UET-LHR has developed a conical baffle for domestic water geyser to conserve natural gas.





UET- LHR Research team has prepared a modified design of existing domestic conventional gas water geyser to maximize the combustion / thermal efficiencies.

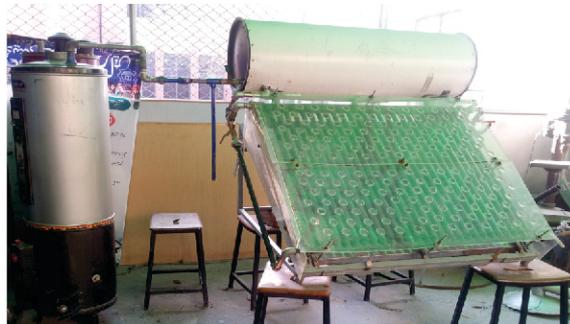
In this regard, SNGPL and UET mutually arranged a seminar on 14.11.2009 for the leading manufacturers of Gas Water Geyser and their appliance at University of Engineering & Technology, Lahore.

Ongoing research projects are enlisted below.

❖ Efficiency Enhancement of Domestic Gas Stove the design and fabrication of new assembly facilitated for easy maintenance and cleaning of previously / conventionally proven energy efficient stoves has been prepared. It includes a complete assembly (i.e. shelf stoves) for commercialization of designed, fabricated and tested stove. The research project is in advance stages and is close to a logical conclusion.



❖ Hybrid Solar Water Geyser Heater Cost analysis and provision for multiple reservoirs for Hybrid Solar water heater has been made by UET research team. Theoretically, water geyser in which coil is inserted has more heat transfer rate than the conventional geyser. Further experimentation is in progress in order to conclude the theoretical calculation.



❖ Energy Audit of Power Plant Commercial aspect for the energy audit is being explored. The benefits of conducting energy audit of power plant are proven with the practical results. A guideline has been submitted by UET research team in order to educate the industrialists about energy savings.





❖ Densification of biomass
Commercial aspect of the subject project is being looked into. The densified biomass can be used in conjunction with other solid fuels like coal, wood etc. Steering committee members are of the view that the commercial development of this project can contribute in reducing energy shortage.



b) 'Chair' on Gas Engineering at Institute of Chemical Engineering and Technology, University of the Punjab, Lahore.

Chair on Gas Engineering at PU Lahore has been established since 2007. Almost Rs 14 Million has been funded to University of the Punjab in last 08 years, for the Chair on Gas Engineering. Chair in PU has done research on Project of Identification and Mitigation of internal corrosion at 36"Ø Qadirpur-Bhong pipeline segment.

❖ Energy efficiency in small to medium industry through improvement in the design of industrial Gas burners. PU Research team has fabricated an assembly which comprises of gas burner and Air supply system. The Test furnace is insulated externally. After experimentation it has been concluded by research team that the average Gas saving is about 37% and the average net gas bill saving is 33%. Awareness will be created in the industrialists regarding this research project through the conferences and brochures.



❖ Estimation modeling for calculation of volumetric impact of above ground/ under ground leakage at CMS of distribution.





- ❖ Reduction of Noise level and protective measure for line pipe and fitting against freezing at downstream of regulators of SMS's.



c) 'Chair' on Gas Engineering at Department of Mechanical Engineering, University of Engineering and Technology, Peshawar.

SNGPL has recently sponsored 'Chair' on Gas Engineering at Department of Mechanical Engineering, University of Engineering and Technology UET, Peshawar. UET Peshawar research team is working on the Generation of Bio gas and its integration in current Natural Gas supply line and Design and Analysis of High efficiency Domestic Room Heater.



🚧 Relief Activities

Amongst other economic contributions, we also take pride in our immediate response to any situation. While it may be impossible to prevent disaster and misfortune from happening, it is possible to provide relief. Infact, we feel it is our duty to do so.

On 24th Sep 2013 Pakistan earthquake of magnitude 7.7 with an epicentre 66 kilometres (41 mi) hit north-northeast of Awaran in the province of Balochistan, southwestern Pakistan. The earthquake killed at least 825 people and injured hundreds of others. The earthquake struck a sparsely populated region of Pakistan. Most homes and buildings in the region are constructed of mud bricks and collapsed during the earthquake and aftershocks. Rs 6.35 Million has been donated to the affectees of Earthquake Awaraan by SNGPL in Prime Minister's Relief fund.





SNGPL will continue to play its role in contributing towards the nation's economic progress and prosperity beyond tomorrow. We will continuously not only improve the lives of individuals but also the progress of nations. Salaries of Employees were deducted for President/ Prime Minister's Relief Funds in different times. Rs 2,916,000/- have been donated in 2011-2012 and Rs 85,253/- donated in 2012-2013 for the relief activities.

**WE STAND UNITED WITH THE
NATION.....**





ECO Internship Program – 2014 in collaboration with WWF

SNGPL has recently signed an agreement with WWF Pakistan for the Sponsorship of “ECO Internship Program 2014” through which 2000 students of class 7 and above will be enrolled from Government and private educational institutions in Punjab, Khyber Pakhtoon Khawa and Azad Jammun Kashmir . Agreement was signed by Mr. Amer Tufail, DMD (Services), SNGPL and Dr. Ejaz Ahmad Sr. Director (Corporate Relations), from WWF. SNGPL will contribute an amount of Rs 1 million for the ECO Internship Program – 2014.



The six session long summer Internship Program will be held for students of class seven and above. It will include special training by Environmental experts, group works, participation in different activities, interactive discussions i.e. how to protect the environment, creative green challenges, environmental documentary – making and finally an exposure visit to a place of ecological importance including highlighting its environmental hazard.

The whole program is interactive and motivating, giving student the opportunity to be affiliated with the global organization and create genuine sense of civic responsibility in the students. The students will receive a certificate after the successful completion of the internship.

The students of Private and Government schools , colleges and Universities will be focused for the subject ECO Internship Program.

Following will be benefits to SNGPL.

- 1. Direct outreach to target audience.*
- 2. Branding of partner at the venue in the form of posters, standees, and banners.*
- 3. Promotional stall at the venue with branding and product display of partner.*
- 4. Students sign in at partner’s social pages.*
- 5. Logo of sponsor on the certificates and shields developed for the students, teachers and schools.*
- 6. The sponsor will associate itself with a well-reputed fundraising activity designed to serve a noble cause.*
- 7. The sponsor may take tax benefit for the funds given to WWF-Pakistan to implement this campaign.*



Celebration of Earth Day

SNGPL has calculated CO₂ Emissions for the last three calendar years from Vehicles / Welding Plants, Power Generation across the Company. As per data calculated, SNGPL is emitting 510 Million Metric Tons of CO₂ to the atmosphere annually. HSE department is in process of developing a baseline for the reduction of CO₂ emissions annually.

Keeping in view the Carbon sequestration, SNGPL has started “Tree Plantation” across the Company on continuous basis.

In this regard, Earth day was celebrated at “**Islamabad Region**” on 22nd April, 2011. All the Executives and staff actively participated in this activity.



Potable Drinking Water to the Community

In light of the company’s Corporate Social Responsibility (CSR) policy, an objectives was raised by Multan and Faisalabad Transmission in CSR Committee regarding the potable drinking water for the betterment of local communities living around SNGPL Network. Provision of Potable drinking water is an objective of CSR covered under community investment and welfare scheme. This initiative was aimed to improve the quality of drinking water for the local community by laying water line from water filter plant to the boundary wall of Transmission terminal, both Multan and Faisalabad.

Potable drinking water is one of the biggest issue of the locality. Provision of safe drinking water is vital to control the diseases like diarrhea, Typhoid and hepatitis A. The facility at both locations has become operational and people of the locality are now enjoying this facility and embracing the management for the initiative of noble cause for the community.





Training and Capacity Building

Training is an integral part of Company's HSE Management System (IMS). HSE Department through its team of highly qualified, skilled and experienced professional impart Trainings to the employees (Executives, SN and Casual staff) and also to the Contractor staff. Mentoring and Capacity building plays an important role for the Continuous Professional Development (CPD).

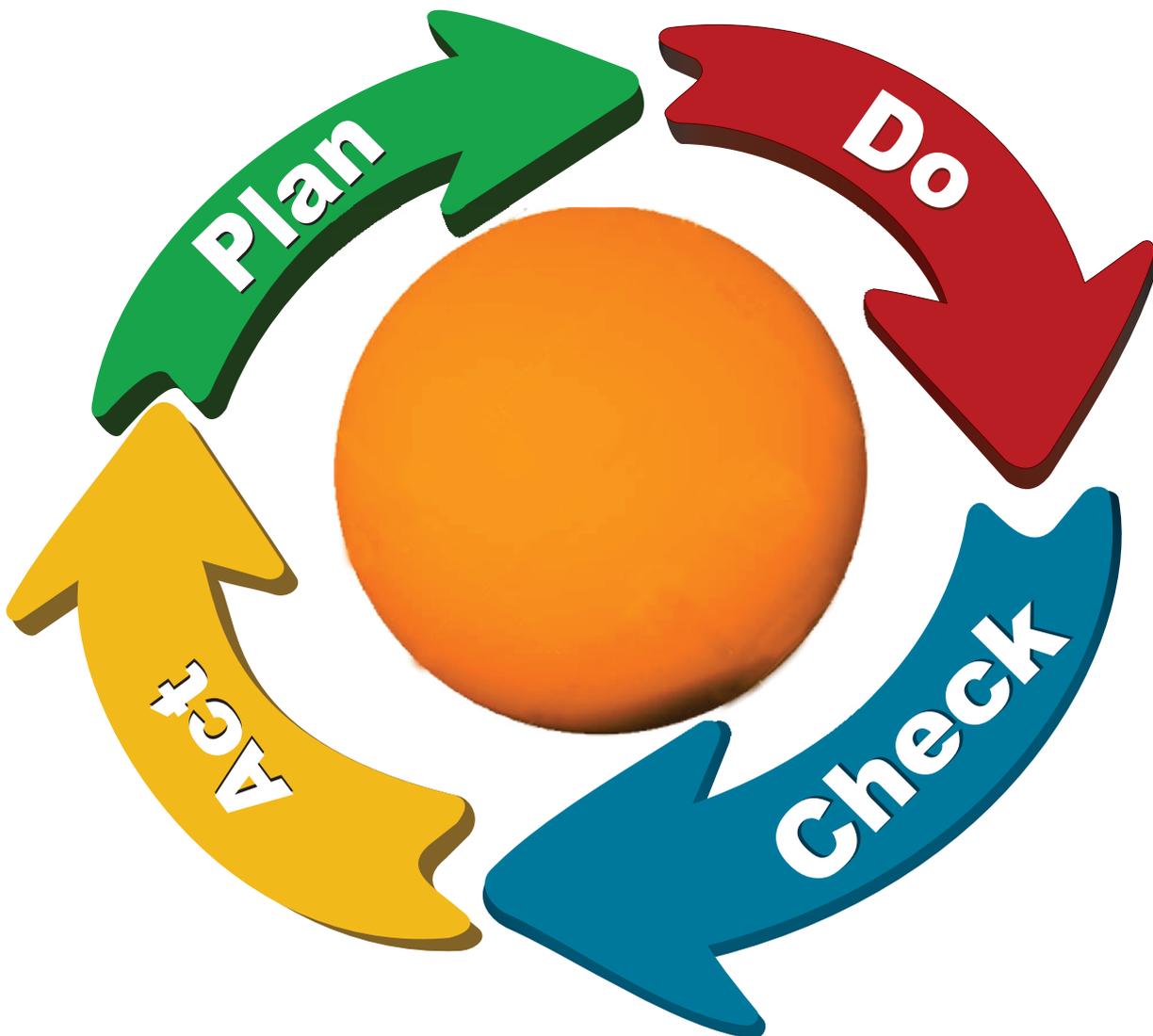




Environmental Performance

Commitment to Health, Safety and Environment

SNGPL being an **ISO 14001** and **OHSAS 18001** certified organization, has an Integrated Management System (IMS) based on **ISO 14001:2004** and **OHSAS 18001:2007** standards. SNGPL HSE Management System is based on the continual improvement process of the Plan – Do – Check – Act (**PDCA**) cycle utilized by such global standards as ISO 14001 for Environment and OHSAS 18001 for Occupational Health & Safety Management. Maintaining outstanding HSE Performance is a core value of SNGPL.





Actions Taken during the past years:

- ✓ Internal Audit by SNGPL's competent and Validated auditors for continual improvement as per defined frequency (bi-annual)
- ✓ 44 number of HSE Procedures were Reviewed and approved from the HSE Management Committee & implemented across the Company
- ✓ Environmental Risk Assessment of 31 Sites of SNGPL have been carried out and is being reviewed as per defined frequency
- ✓ OH & S Risk Assessment of 31 Sites of SNGPL have Been carried out and is being reviewed as per defined frequency (Bi annual basis)
- ✓ Online Incident Reporting System is in place
- ✓ Occupational Health Surveillance of the employees carried out by conducting HSE Week / Medical camp at Head Office Lahore, Wah Transmission, Peshawar Distribution, Abbotabad Distribution, Lahore Distribution Project camp Nowshera, Project Camp Manga, Manga Workshop and Stores, Gujranwala Distribution , Multan Distribution, Bahawalpur Distribution, Kacha Khu camp, Coating Plant UCH Sharif and AC-IX Compressor Station Bhong.
- ✓ Material Safety Data Sheets (MSDS) have been developed for all the hazardous / non hazardous chemicals used across the company. The same MSDS have been uploaded on the Company's Web Portal.
- ✓ Booklets for "Safety Talks", "Learning Events", "Contractor Safety" and "First Aid" have been developed and distributed across the company
- ✓ Brochures related to "Welding safety", "Hearing conservation", "Dengue", "Blood Pressure", "Diabetes" and Environmental Protection have been printed and distributed across the Company.
- ✓ There is continuous improvement in HSE Management System

SNGPL has successfully Re-certified by M/s United Registrar of Systems (URS), UK in the 12th Surveillance Audit (22-28 May, 2014) of Company's HSE Integrated Management System).

We are proud to maintain our HSE Certifications, against ISO 14001 and OHSAS 18001, since 2008.



Looking Forward

We will continue in future with our endeavor to improve management processes and the guidance provided to staff. These developments are reflected in the Corporate HSE Plan for 2014 – 15. This is likely to have a substantial impact on staff, which will be reflected in appropriate changes to our Health, Safety & Management System.



SNGPL Operational Team at the Rocky Terrain of Gurguri Field (Khyber Pakhtun Khwa) for laying Optical Fiber Cable for M/s MOL

Be Alert! “Expect the UN EXPECTED”



Due to spread out nature of organization, SNGPL has been divided as:

Department	HSE Focal Point	Total No. of HSE Focal Point
Distribution	13 Regions	13
Transmission	4 Sections	4
Compression	2 Stations	2
Projects	5 Construction Spreads 1 Coating Plant 1 Manga W/S	7
Metering w/s	Central Metering W/S	1
Corrosion	CP – LHR	1
Telecom	FSD – TEL	1
Stores	Central Base Store - Manga	1
Civil	Civil – HO	1



Safety Theme of the Month
February

Personal Protective Equipment (PPE)

Health, Safety & Environment Department
Sui Northern Gas Pipelines Limited

Employee and Contractor Safety

SNGPL's Integrated Management System articulates the key area pertaining to Occupational Health, Safety and Environment Protection initiatives. Mainly includes the procedures and guidelines to identify the existing and potential hazards and environmental aspects. Further a strategy criteria has been established to assess the Risk:

1. **E – Eliminate**
2. **R – Reduce**
3. **I- Isolate**
4. **C – Control**
5. **P – PPE's**



“We Believe”

The Best Safety Device is A SAFE WORKER.....



Active and ongoing participation by both the Company and Contractors are essential to achieve the Company “Zero Accident” goal.

Contractors control procedure in “Integrated Management System provides complete guidelines to improve contractor’s health, safety and environmental performance. In the light of this procedure Contractors/ suppliers are responsible for performing the work of contracts in conformance with all environmental, health and safety laws and regulations.

In order to ensure HSE compliance at Contractor’s sites, The Worthy Managing Director has approved four levels of penalties against the violators of HSE initiatives. It is responsibility of concerned Executives / Supervisors to strictly monitor the sites of Contractors / Sub Contractors under his domain for ensuring HSE compliances and penalties should be imposed on contractors for non compliance of HSE initiatives as per following..

- 1st Violation- Warning
- 2nd Violation- Fine of Rs. 5000/-
- 3rd Violation- Fine of Rs.20,000/-
- 4th Violation- Black Listing

HSE Department has increased focus on contractor’s sites and work stopped authority is also being executed where HSE non compliance is being observed.

Key Features:

HSE related hazards, aspects and risks

General Safety

Basic First Aid

Use of Personal Protective Equipment

Proper Barricading of construction sites

Requirement of Safety Checklists/ Work Permit

Hazardous Material Handling awareness

Basic actions in case of emergency

Basic Fire Fighting

Safe Driving etc.

HSE related hazards, aspects and risks





Issue No. 04
Issue Date: 17.01.2012



Health, Safety & Environment Policy

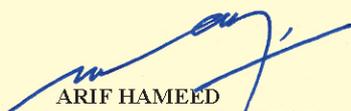
Sui Northern Gas Pipelines Limited will ensure that

- ☆ *The health of its employees, its consumers and its contractors is protected.*
- ☆ *All its activities are carried out safely.*
- ☆ *Environmental performance meets legislative requirements.*
- ☆ *There is continuous improvement in HSE performance.*

To implement HSE Policy, Sui Northern Gas Pipelines Limited will

- ☆ *Comply with relevant laws and regulations.*
- ☆ *Ensure that required Health, Safety and Environment Organization, Standards and Procedures are developed and established.*
- ☆ *Ensure that all its activities are carried out in accordance with relevant international standards and Company's Health, Safety and Environment Standards and Procedures.*
- ☆ *Set demanding targets and measure progress to ensure continuous improvement in Health, Safety and Environmental performance.*
- ☆ *Require every employee to exercise personal responsibility in preventing harm to himself/herself, to others and to the environment.*
- ☆ *Provide appropriate Health, Safety and Environment training/information to all employees, contractors and consumers.*
- ☆ *Ensure provision of safe working environment in order to protect the employees from occupational illness and accidents.*
- ☆ *Promote awareness and give due recognition to performance in the area of Health, Safety and Environment.*

Nothing contained in this policy will be interpreted so as to enhance the otherwise legal obligation of the Company.


ARIF HAMEED
MANAGING DIRECTOR

JANUARY 17, 2012



Smoking Policy

Sui Northern Gas Pipeline Limited is committed in providing a safe, healthy and productive environment for all its employees. Sui Northern Gas Pipelines Limited recognizes that smoking is a health hazards for both smokers and non-smokers. Sui Northern Gas Piplines will Endeavor to control the exposure of employees in the workplace to the harmful effects of tobacco products with the ultimate objective to protect non-smokers and in doing so enhance the air quality of the work environment for employees.

Sui Northern Gas Pipeline Limited Smoking policy shall apply to:

All employees, clients, visitors and contractors of the SNGPL an no exception to the polisy will be made.

All bulidings, premises or enclosed spaces occupied, owend, leased controlled by the SNGPL.

All workplaces, whch include all Company buildings, Labbies, Elevators, Cafeterias,

Washrooms, Vehicles or any other common areas frequented by employees.

Sui Northern Gas Pipeline Limited believes that all employees have the right to a safe and regulated smoking in the wokplace with the objective: healyhy workplace. In accordance with this belief, Sui Northern Gas Pipeline Limited has

To educate smokers about the harmful effect of smoking and give advice, guidance and support if employees decide to give up smoking.

To change the working environment to minimize the harmful effects of passive smoking onthe non-smoker.

To provide employees with healthy and efficient working environment and to avoid conflictin the workplace.

To provide education and information to all staff with information on the effects of smokingon health.

To provide a designated smoking area with clear markings and adequate ventilation forsmokers.

Nothing contained in this policy will be interpreted so as to enhance the otherwise legal obligation of the Company.


ARIF HAMEED
MANAGING DIRECTOR

JANUARY 17, 2012



Salient Features of HSE Management System

Hazards Identification and Risk Assessment
Incident Reporting
Work Permit
Safe working Environment
Emergency Response Procedure
Routine Safety Audits
Stores Safety
Handling Chemicals
Ergonomics
EMS Aspects and Impact Assessment
Environmental Monitoring
Waste Water Monitoring
Illumination Survey

Legal and Other Requirement
Housekeeping Inspection
Safe operation of Lifting Equipment
Material Safety Data Sheet
HSE Internal Audits
Vehicle fitness Certificate
Corrective and Preventive Action
Visual Display Units
Handling of Loads
Hazardous Waste Management
Drinking Water Testing
Noise Monitoring
Indoor Air Quality Monitoring





Occupational Health

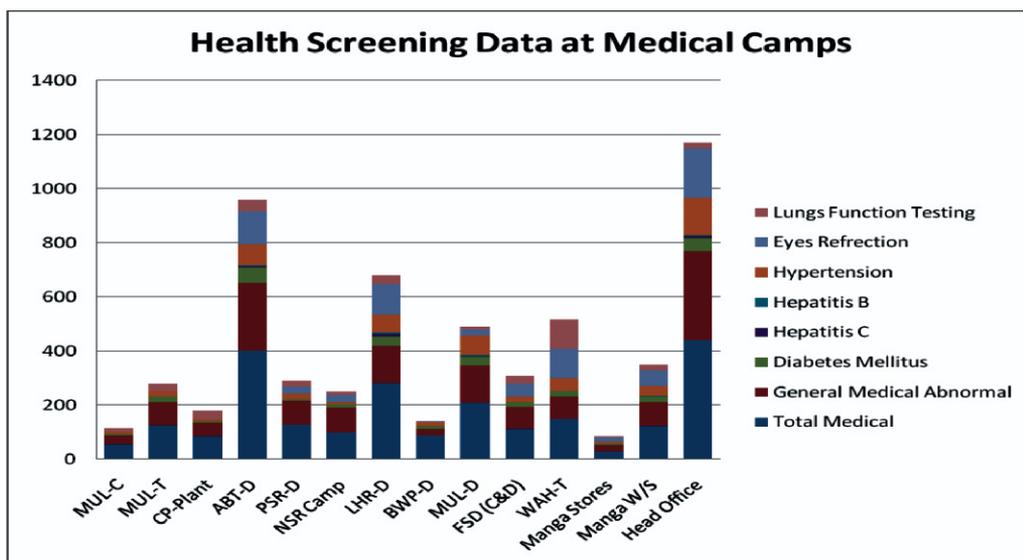
SNGPL's Management is committed to promote HSE culture in the Company. Identification of hazards and evaluation of associated risk is an integral part of SNGPL HSE Integrated Management System (IMS). This approach is also applied in the field of Occupational Health (OH), where high noise levels, heat stress and potential contact with hazardous chemicals may exist in the workplace. After careful evaluation of identified hazards, suitable controls are established in order to minimize any possible impact.

Regular health surveillance activities and adequate monitoring has enhanced the occupational health awareness amongst staff. Health awareness programs have been established at SNGPL offices during which employees have had the opportunity to discuss various aspects of their lifestyles which may be causing concern. A series of lectures awareness sessions has also been given to staff in order to improve their health.

Regular OH monitoring and health surveillance are being carried out across the Company specifically for those employees who are directly involved in some operational and / or who are exposed to such working environment which have some adverse impact on their health. The purpose is to promote awareness among the employees regarding Health care and for Health screening. A consolidated report of medical camps is to be apprised to Management for necessary review and advice.

Following activities are carried out in the Health Surveillance.

- a) Blood sugar Testing
- b) Height and Weight monitoring
- c) Blood Pressure Testing
- d) Hepatitis B and C Testing
- e) Food Handler stalls
- f) Eyes Refraction
- g) Bones Scan
- h) Pulmonary Function Test for Welders / Drivers / Computer Users
- i) General Medical Examination





Worthy Managing Director, Mr. Arif Hameed during the Medical Camp at Head Office Lahore

Commitment ----- Leads to action

Actions brings your dreams closer



Emergency Preparedness:

SNGPL HSE Management is based on the ISO 14001:2004 & OHSAS 18001:2007 Standards. Emergency Response Procedure is an integral part of Company's HSE Management System.

Preparedness focuses on preparing equipment and procedures for use when a disaster or emergency occurs. Preparedness measures can take many forms including the construction of Shelters, Provision of assembly points, training of the staff, implementation of the Emergency Response procedure, installation of warning devices such as Smoke detectors, and executing Mock drills etc. Planning for all such events is important in order analyze that in case of any emergency everyone knows about his / her responsibilities.

Key features:

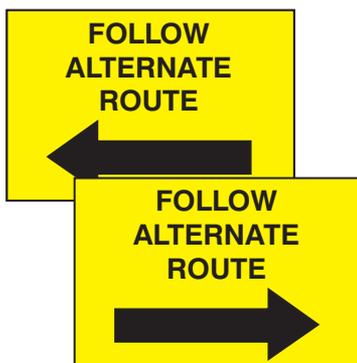
- ∨ **Emergency Response Procedure**
- ∨ **Fire Detection Equipment (Smoke / Heat Detectors)**
- ∨ **Fire Fighting Equipment (Fire Trucks / Fire Hydrant / Fire Extinguishers / Sand Buckets)**
- ∨ **First Aid box**
- ∨ **Emergency Response Team**
- ∨ **Emergency exits & Fire Alarm**
- ∨ **Mock Drills**
- ∨ **Training and Awareness**



ACCIDENT bring TEARS

SAFETY bring CHEERS

Remember

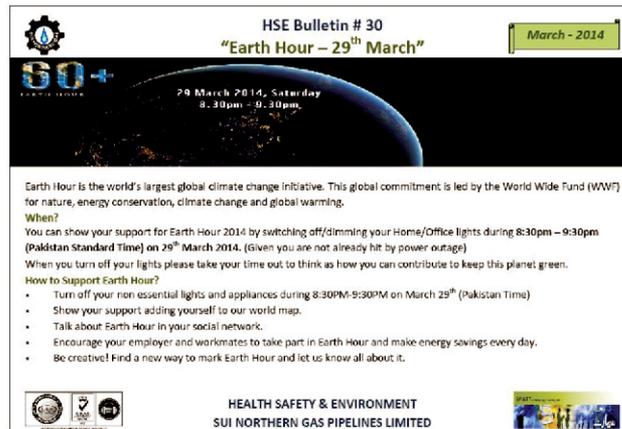




Energy Conservation

a) Energy Conservation by Celebration of Earth hour

Earth Hour is the world’s largest voluntary action and celebration of our planet. It is an initiative to encourage individuals, businesses and governments around the world to take accountability for their ecological footprint and engage in dialogue and resource exchange that provides real solutions to our environmental challenges. Participation in Earth Hour, by switching off lights for the hour, symbolizes a commitment to change beyond the hour.



In order to show commitemnt to conserve our Natural Resources and to save our Planet Earth, SNGPL celebrated Earth hour on 29.03.14 at Head Office Lahore, Regional Office Lahore, Islamabad, Faisalabad, Multan and Peshawar. All the Lights were switched off on 08:30pm for an hour. Special note on the significance of Earth hour has been circulated from worthy Managing Director. HSE Department also circulated a Bulletin in this regard to all executives.

This is definitely a proud moment that we are showing our commitment by reducing Energy consumption and by taking initiatives to save our Planet – Earth.

b) Gas Conservancy Campaign in Collaboration with WWF

Gas conservation is an essential aspect of gas management, planning and its distribution. Its conservation and efficient usage is essential for saving the fast depleting natural resources while also paying less in gas bills.

SNGPL is currently facing 957 MMCFD shortage of gas. The gas shortfall is likely to increase to approximately 2,000 MMCFD by FY 2019-20. The Government of Pakistan is however planning to mitigate the same through import of Liquefied Natural Gas (LNG) and piped gas from Iran, along with increased exploration for indigenous gas. The gas conservation will also play a critical role in reducing this gigantic shortfall for which creating awareness among masses is essential.

Gas Conservancy Campaign in Collaboration with WWF		
Year	No. of Students	Amount (Rs)
2011-2012	35,000	2,000,000
2012-2013	45,000	3,000,000
2013-2014	60,000	4,360,000

In this regard, Media Affairs Department of SNGPL and Corporate Relation Department of WWF - Pakistan launched the GAS CONSERVATION Campaign for FY 2012-13 in the schools of Punjab and Khyber Pakhtunkhawa for the second consecutive year to educate the younger generation about this very cause.



In the FY 2012-13, a total of 35,000 students of private and 10,000 students of public schools from level one to level nine were educated in respect of energy conservation resources at the cost of Rs. 3 million.



The core features of the program included the following:

- 1. Never allow Children to operate gas stoves.*
- 2. Playing with gas meter or pipe is dangerous.*
- 3. Always keep geyser on warm and install a conical baffle to avoid excess use of gas or use instant gas geyser to save gas and avoid high gas bills.*
- 4. Avoid gas heaters in all circumstances as they are not good for health. Stay warm with warm clothes.*
- 5. In there is smell of Gas in your room, open all doors and windows, call 1199.*
- 6. Never switch ON/OFF the lights, fans or any other electrical appliances to avoid mishaps in case of Gas leakages.*
- 7. Turn off all gas supplies before going to sleep and never use Rubber pipes with Gas Appliances.*

c)Energy Conservation by the Installation of Solar Panels

Keeping in view the prevailing energy crisis in the country and use of alternate resources, Company has a plan to shift its all Consumer Service Centres (CSC) on the Solar Panels. As an initiative, SNGPL is in process of installing the Solar Panels at CSC of Regional Office Lahore. The cost of the Solar panels system is around Rs 1.8 Million. It's a pilot project and will be installed at other locations also, after its successful execution and operation.

***Our EARTH, Our
FUTURE
Just SAVE IT.....***



Environmental Protection

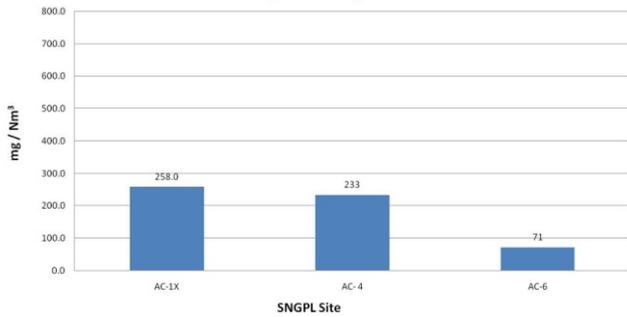
SNGPL is committed to protect the environment, and has strived to reduce any adverse environmental impact of its operations. We, in SNGPL, are committed to face these challenges in a manner that reflects our commitment to balance economic growth, social development and environmental protection. There is no doubt that the need to reduce greenhouse gas emissions is one of the most pressing issues facing our Company and we are committed to playing a leading role in reducing these emissions. In fact, we have already taken the required steps in the right direction.

Excessive Vehicular/ Welding Plant/ Generator Emission are the major cause of air pollution. These Vehicular emissions comprises of important gases like NO_x, SO_x, CO and HC. All these gases affect the human health in different ways e.g they cause disease of Chest, Lungs and Throat. Prevention from these diseases is quite possible, if vehicles tuned up in time on regular basis and abide by the regulations pertaining to Environmental protection.



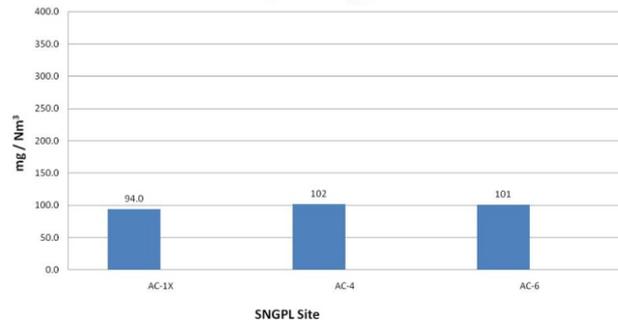
Carbon Monoxide (CO)

NEQS Limit 800 mg/Nm³



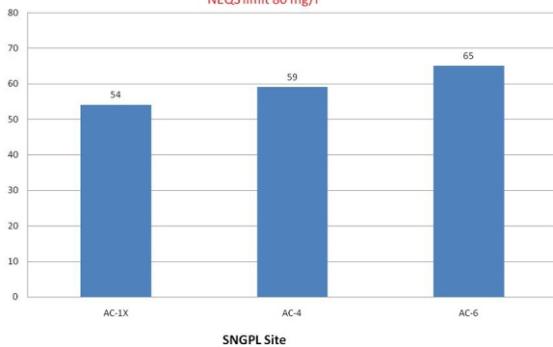
Nitrogen Oxides (NOx)

NEQS Limit 400 mg/Nm³



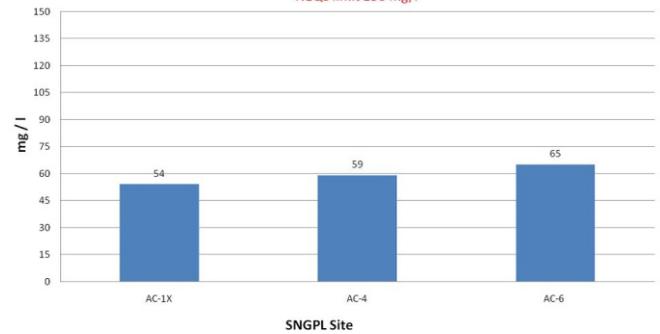
Biological Oxygen Demand (BOD)

NEQS limit 80 mg/l



Chemical Oxygen Demand (COD)

NEQS limit 150 mg/l



Intrinsically, there are environmental impacts associated with Natural Gas Transmission & Distribution Company. We are actively working to diminish our overall environmental impacts by promoting operational excellence and as well as investing on best available techniques to reduce these impacts. We monitor and measure impact of our operations, to better understand how our operations affect the environment. This ensures that the excellent environmental performance and continual improvement and aids in achieving our goal of “Protect the Environment”.





Bio Gas Plant – Alternate Energy Resource

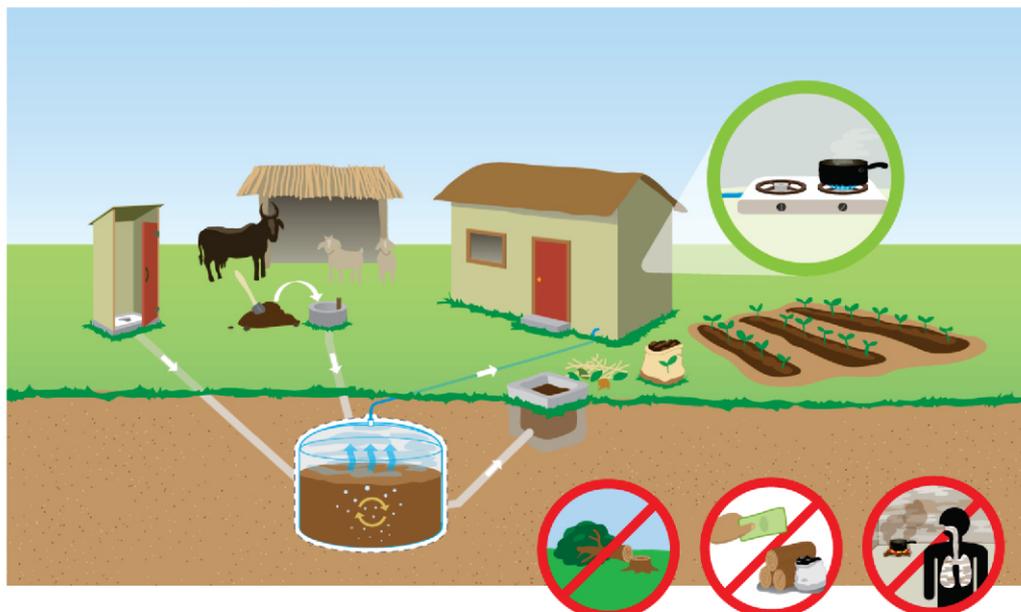
Biogas typically refers to a gas produced by the biological breakdown of organic matter in the absence of oxygen. Recent technological advancements in biogas digesters has greatly helped in developing a highly efficient, economically viable, environment and user friendly biogas plant, which is successfully being developed and used. The biogas could also be used to produce electricity using common petrol generators with little alteration.

Economic impact of biogas production on a rural family (average 10-12 members) is Rs. 7000/- per month as additional income by replacing two cylinders of LPG, three mounds of Fuel-wood, dung cakes and cost of chemical fertilizer. Saving of Rs. 7000/- month by a rural family is substantial economic gain and would lead to poverty reduction in rural Pakistan. Commercial biogas plant of 100 cubic meter size can produce 35-40 cubic meter of biogas that can run 16 horse power petrol engine for 4-5 hours. This can save Rs. 1000/- as replacement cost of the required 9-10 liter of diesel.

It has been proved that decentralized bio-gas energy production using animal dung is highly sustainable as it is economically viable, socially acceptable besides being environment friendly. Pakistan being the 5th largest livestock and dairy producing country can easily adopt these technologies at domestic and commercial level to ensure energy security in rural areas.

Keeping in view the prevailing energy crisis and use of alternate energy resources, SNGPL has the plan to install a Biogas plant of 100m³ capacity at village near Sheikhpura, for the community. The cost for the plant is around 2.8 Million Rupees. This plant will be a Pilot project. After the successful completion and execution of the Project, Company has a plan to install further plants at different locations.

The Bio-Gas Digester:





Miscellaneous

i) Donation to M/s GPO

General Post Office (GPO) Lahore was built in 1887 to commemorate Queen's Victoria's Golden Jubilee and replaced the telegraph office of Anarkali bazaar. The building was designed by Sir Ganga Ram, a renowned architect of that era.

SNGPL has donated Rs 150,000/- to M/s GPO regarding the maintenance of fountains and illumination lights .

ii) Distribution of Gifts to School children

Senior Management along with the executives of Projects, Land and HSE department, visited Sukkhar / Sanghi Camp for the inauguration of 42inch dia line on 25.11.13. The construction activities were checked and in order to establish better community relation meetings with the locals and political leaders were conducted.

In order to show the better SNGPL relation with the community, the ceremony started by the visit of SGM (P) along with the executives and staff of Lands, Project and HSE to the Govt Secondary school for Boys and Govt Secondary school for Girls, Wazir Milano, Pannu Aaqil. EDO education Sukkhar along with other officials were also present. SNGPL Management briefed the locals about the Company's 42inch dia project and its ultimate benefit to the community.

Management emphasized and encouraged primary education of rural areas of Sindh. SNGPL team distributed the gifts and goody bags among the students. Teachers were also encouraged for promoting education by distribution of gifts by SNGPL.



Assurance Statement

United Registrar of Systems (URS) was engaged by Sui Northern Gas Pipelines Limited (SNGPL) to conduct an independent Assurance of their Sustainability Report for the reporting period 2013–2014.



Assurance

United Registrar of Systems has conducted a limited assurance of the SNGPL's Sustainability Report 2013-14. The information and presentation of data within the CSR Report are the responsibility of SNGPL. This statement is the responsibility of URS and represents our independent opinion for the report audience and is written to be read in its entirety.

Reporting approach

The test of a good report is whether it meets the needs of a broad range of readers to understand the company's particular social, economic and environmental impacts, how those are identified and managed, whether the views of stakeholders are responded to, how challenges are addressed and what results are achieved.

Basis of Assurance

URS conducted this engagement in accordance with the URS Global Sustainability Assurance Standard And the GRI G3 guidelines. The URS Standard requires, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand the information in The Report,

Scope

Our engagement was designed to provide limited assurance on whether the Sustainability information in this Report provides a reliable representation of The Company's efforts and performance for the reporting year 2013-2014.

Assurance Methodology

The verification was conducted via telephone discussions and e-mail correspondence with SNGPL staff responsible for collating and reporting the data on which the report was based. Visits to the site, projects and other stakeholders did not form part of the assurance scope.

Conclusions

Based on the work undertaken we conclude that the claims and information related to SNGPL's Sustainability Performance in the report provides a reliable representation of the Company's efforts and performance in the reporting year 2013-2014. The reported information has, in all material respects, has been presented completely, accurately and adequately, in accordance with best practice.

Recommendations

Looking beyond actions and outcomes, the growing challenge is to consider how SNGPL can become truly sustainable in a resource constrained world. This involves systematically addressing the full life-cycle impacts of the business and its activities, economic and social as well as environmental.

This would shift the focus further away from what the company is doing on its chosen priority areas and move towards goals that reflect the expectations of society and governments. We believe SNGPL's initiative on reporting its sustainability performance and impacts provides a strong foundation to move forward in the right direction in future years.

On behalf of United Registrar of Systems,

Ali Khan, Chief Executive
United Registrar of Systems Pakistan
January 9, 2015



Health, Safety and Environment Department
Sui Northern Gas Pipelines Limited

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