

SUI NORTHERN GAS PIPELINES LIMITED

COMMUNICATION ON PROGRESS 2017



COMMUNICATION ON
PROGRESS

SUSTAINABILITY REPORT

**01ST OF NOVEMBER 2017
(PERIOD COVERED: JULY 2016-JUNE 2017)**



COMMUNICATION ON
PROGRESS

DISCLOSURE

This Communication on Progress (COP) is a stand alone document which includes the Annual performance of SNGPL with respect to activities related to Health, Safety, Environment and Corporate Social Responsibility, in addition to the compliance to ten principles of UN Global Compact.

Company's first COP report is based on "Core Option" in accordance with GRI Standard. We report our progress in implementing 10 principles at the "GC Learner Level". This COP contains a statement by Managing Director expressing continued support for the Global Compact and renewing our company's ongoing commitment to the initiative and its principles.

Our Annual Report (along with Audited Financial Statements) is available at link: http://www.sngpl.com.pk/web/page.jsp?pgids=1724&pgname=PAGES_NAME_a&secs=ss7xa852op845&cats=ct456712337&artcl=artuyh709123465



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MANAGING DIRECTOR'S STATEMENT

In SNGPL, we live up to our legacy of giving back to the society and investing on our people. We want to make a positive impact by addressing societal concerns through our investment focus, as we believe; our biggest asset is our people.

The Communication on Progress and our Annual Report relates to the activities in the areas of Human Rights, Labor, Environment and Anti – Corruption. This document captures our contribution as a committed signatory of UN Global Compact.

Along with trust comes accountability we believe all of us are uniquely created with the ability to reason, make decisions and be held accountable for our commitments and actions. We hold ourselves accountable for fulfilling our responsibilities and commitments

We understand that we have achieved a great deal but have a lot more to go to achieve our HSE and Sustainability Vision. We intend to do this by carrying our business in a way that contributes to safe work place, safe and transparent practices

environmental improvement, welfare activities, stronger communities and a better future for all our stakeholders. We believe in Continual Improvement and efforts have to be directed towards this cause.

On behalf of SNGPL Management, I would like to thank all Company's employees for their hard work, commitment, dedication and our stakeholders for their support. We are certain that all our efforts during the year have made us more strengthened to work in challenging environment in order to achieve our goal. We wish for a safe year ahead, with the promise of continual improvement.

AMJAD LATIF
Managing Director

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ABOUT US



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 The Companies Act 2017, and is listed on the Pakistan Stock Exchange (PSX).

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 5.3 million consumers in North Central Pakistan through an extensive network in Punjab, Khyber Pakhtun khwa and Azad Jammu & Kashmir and is certified against ISO 14001:2004 & OHSAS 18001:2007 Standards. SNGPL is the member of 'National Safety Council' USA, which is a non-profit organization dedicated to their mission of saving lives by preventing injuries and deaths at work, in homes and communities, and on the road through leadership, research, education and advocacy. In addition to this, HSE Engineers of SNGPL are the International Member of American Society of Safety Engineers (ASSE) which is a global association and premier leader for Health, Safety and Environment (HSE) professional, dedicated to the profession.



OUR HOPE
FOR A BETTER TOMORROW.....

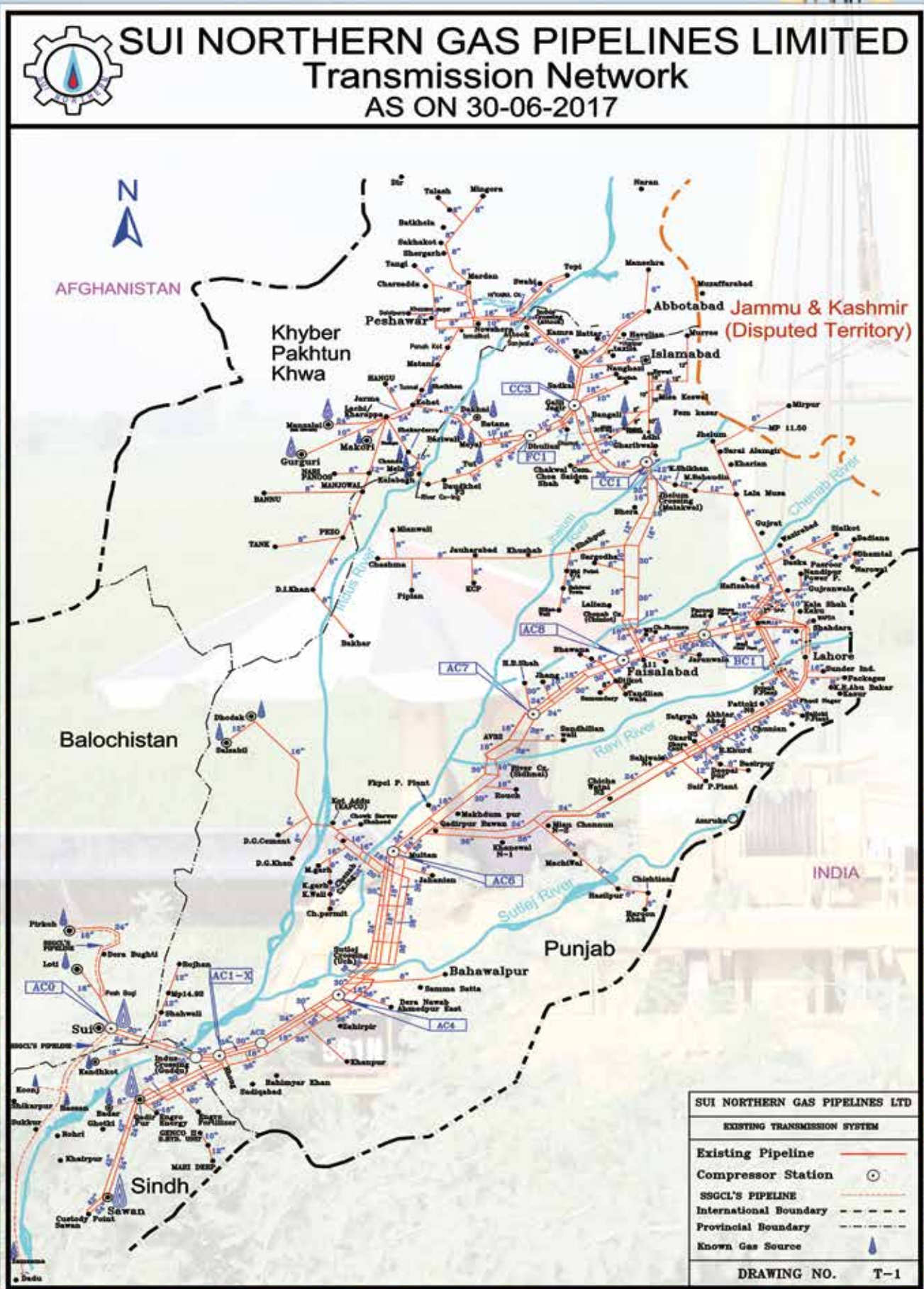
The Company has over 50 years of experience in operation and maintenance of high-pressure gas transmission and distribution systems. It has also expanded its activities as Engineering, Procurement and Construction (EPC) Contractor to undertake the planning, designing and construction of pipelines, both for itself and other organizations.

SNGPL transmission system extends from Sui in Baluchistan to Peshawar in Khyber Pakhtun khwa (KPK) comprising over 7,756 KM of Transmission System (Main lines & Loop lines). The distribution activities covering 3,250 main towns along with adjoining villages in Punjab & Khyber Pakhtun khwa are organized through 15 regional offices. Distribution system consists of 94,263 KM of pipeline. SNGPL has over 5.3 million consumers comprising Commercial, Domestic, General Industry, Fertilizer Power & Cement Sectors. Annual gas sales to the consumers were 615,003 MMCF worth Rs. 346,308 million during Jul 2016 - Jun 2017.



Company Registration Number: **CUIN-0043761**
National Tax Number (NTN): **0801137-7**
General Sales Tax Number (GST): **03-91-9999-967-19**

MAP OF
TRANSMISSION NETWORK OF SNGPL



CORPORATE GOVERNANCE

Good Business is all about corporate governance. This is the main philosophy based on which Company's business has been successfully operated since 1964. The prime objective of the Company is to protect the interest of all stakeholders through fair, ethical and transparent business practices. The Board has ensured compliance to Code of Corporate Governance by adopting transparent procedures and methodologies which are constantly being monitored and reviewed through better internal controls. The Company also ensures compliance to the Compliance Act 2017, Listing Regulations of Pakistan Stock Exchange Limited and Financial Reporting Framework of Securities and Exchange Commission of Pakistan.

The Board of Directors provides strategic guidance for sustainable growth along with effective management oversight in respect of comprehensive corporate governance. All periodic financial statements and working papers for consideration of the Board and its sub-committees are circulated to the Directors well before the meeting (i.e at least seven days before the meeting) except in case of an emergent meeting, in order to give sufficient time for informed and prudent decision making. The minutes of the meetings are circulated within fourteen days from the date of meetings after due clarification from respective Chairman of the Board and its sub-committees.



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OUR MISSION



MISSION STATEMENT

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.

5

OUR VISION



VISION STATEMENT

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.



OUR VALUES

1. COMMITMENT

We are committed to our vision, mission, and to creating and delivering stakeholder value.

2. COURTESY

We are courteous - with our customers, stakeholders and towards each other and encourage open communication.

3. COMPETENCE

We are competent and strive to continuously develop and improve our skills and business practices.

4. RESPONSIBILITY

We are responsible as individuals and as teams - for our work and our actions. We welcome scrutiny, and we hold ourselves accountable.

5. INTEGRITY

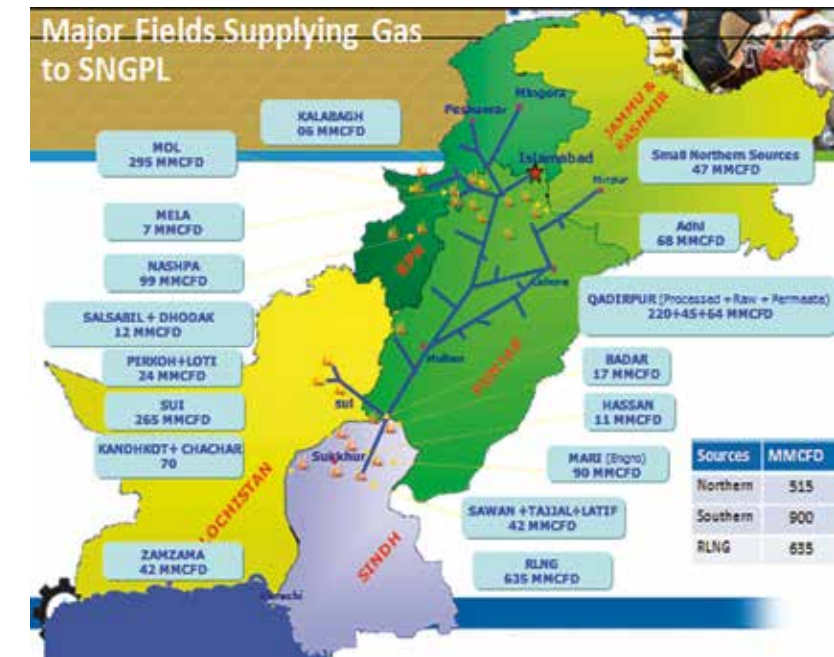
We have integrity - as individuals and as teams - our decisions are characterized by honesty and fairness.



CORPORATE STRATEGY/OBJECTIVES

SNGPL IS COMMITTED FOR:

- Enhancement of System Capacity.
- Expansion of Transmission and Distribution Network.
- Increase in Gas Sales
- Rehabilitation of Transmission and Distribution Network.
- Reduction in Unaccounted for Gas Losses.
- Improvement in Profitability.
- Improvement in Consumer Services.
- Adoption of Information Technology.
- Human Resource Development.
- Pursue Pipelines Construction and Advisory Business.





GEOGRAPHICAL LOCATIONS

OF SNGPL OFFICES

Sr. No.	Site	Location / Address
01	Abbottabad-D	Regional Office Mansehra Road, Jab Pul, Abbottabad, Pakistan
02	Lahore-D	Industrial area, Gulberg-III, Lahore, Pakistan
03	Multan-D	Piran Ghaib Road, Samijabad, Multan, Pakistan
04	Islamabad-D	Plot # 27-30, Industrial Area, Sector I-9, Islamabad, Pakistan
05	Faisalabad-D	Sargodha Road, Faisalabad, 38800, Pakistan
06	Peshawar-D	Phase 5, Hyatabad, behind Rehman Medical Complex
07	Gujranwala-D	M.A. Jinnah Rd, D.C. Colony, Gujranwala, Pakistan
08	Bahawalpur-D	2-A, Railway Road, Model Town A, Bahawalpur, Pakistan
09	Sahiwal-D	Farid Town, Sahiwal, Pakistan
10	Sheikhupura-D	Sargodha Road, Near Punjab College, Sheikhupura. Pakistan
11	Rawalpindi-D	Al-Mansha plaza, opposite Humak More, Main G.T Road (N-5), Rawalpindi, Pakistan
12	Gujrat-D	State Life Insurance Building, G.T Road, Gujrat, Pakistan
13	Sargodha-D	15-Muslim Town, Near New Satellite Town, Sargodha, Pakistan
14	Sialkot-D	SNGPL Regional Office, Malk –e- Kalan, Marala Road, Sialkot, Pakistan
15	Mardan-D	SNGPL Regional Office Mardan, Main Nowshera Road near Industrial estate Mardan, Pakistan
16	FSD-T	Transmission Head Quarters, Terminal, Sargodha Road, Faisalabad, 38850, Pakistan
17	MUL-T	Transmission Office, Piran Ghaib Road Multan, 59030 Pakistan
18	Wah-T	Transmission Office, Gudwal Lind Road, Lalarukh, Wah Cantt, 47010, Pakistan
19	LHR-T	Transmission Office, Section-IV, Defence Road, Mohlanwal, Lahore, Pakistan
20	MUL-C	Compression Station, A-7, Piran Ghaib Road, Multan, 60000, Pakistan
21	FSD-C	Compression Department, Transmission Head Quarter, Terminal, Sargodha Road, Faisalabad, 38852, Pakistan
22	Coating Plant UCH Sharif	Pipe Coating Plant, Uch Sharif, 54000, Pakistan
23	Mardan Camp	SNGPL Project Camp Jandai, Gujjar Garhi, main Takht bhai Malakand Road Mardan, Pakistan
24	Lachi Camp	Opp. Saad Ullah Shah PSO Pump Tehsil Lachi District Kohat, Pakistan
25	Sadiqabad Camp	SNGPL Construction Camp, Near Jamal Din Wali By Pass Chowk, Sadiqabad, Pakistan
26	FSD / SKP-Camp	Al Hamrah Plot # 82 Near Waheed Estate Agency Canal Road, Faisalabad
27	Taranda Camp	Taranda Muhammad Panah Liaqat Pur Rahim Yar Khan, Pakistan
28	Shujabad Camp	Jalal Pur Road, 5 Km from Shujahbad By Pass. Pakistan
29	Manga Camp	1.5 Km Manga Raiwind Road SNGPL Construction Camp Near Taj Flour Mill Manga Mandi, Pakistan
30	Habibabad Camp	Habibabad Camp Multan Road Akhtarabad District Okara, Pakistan
31	Manga W/S	Stores & Maintenance Division, Manga Mandi, Lahore, Pakistan
32	Manga Store	Stores & Maintenance Division, Manga Mandi, Lahore, Pakistan
33	Civil Head Office	Co-Generation Plant, Gas House, 21-Kashmir Road, P.O Box # 56 Lahore, 54000, Pakistan
34	CCC-LHR	C.P Plant, 150-Industrial Area, Kot Lakhpat, Lahore, Pakistan
35	Metering W/S	Metering Workshop, Plot # 113/14, Quaid e Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan

WE WORK DEDICATEDLY AND SAFELY IN HARD AREAS - TOUGH ENVIRONMNET

IT’S THE WILL, NOT THE SKILL



GENERATING SMILES...
BEYOND SUPPLYING MMCFD'S



Together
WE
Achieve
More



PROUD TO BE A
TEAM MEMBER OF
SUI NORTHERN

9 HUMAN RIGHTS PRINCIPLES

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed Human Rights; and
- Principle 2:** make sure that they are not complicit in Human Rights abuses
- Assessment, Policy and Goals



WE BELIEVE IN
SOCIAL GROWTH

9.1

ASSESSMENT, POLICY AND GOALS:

SNGPL is devoted to UNGC Human Rights principles as reflected in our Code of Conduct. The Code of Conduct has been prepared for the use and guidance of all SNGPL employees. It clearly sets out the standards of professional behavior that are expected and outlines the principles that should guide employees in maintaining the highest professional level of ethical conduct. We manage our business responsibly, sustainably, and with a passion for creating value for our customers, our shareholders, consumers and communities we serve. We recognize that creating shared value for shareholders, employees, consumers, and communities is critical to our long-term success.

Our Code of Conduct upholds the international Human Rights principles as a whole. We strive to conduct our business with the utmost integrity. Our code of conduct sets out the legal and ethical principles that guide our daily work activities. Upholding the principles is crucial to maintaining our reputation as an employer and a reliable business partner. The code of conduct is binding for all employees as well as all entities that are part of SNGPL.

The following policies stated within our Code show our compliance with the above mentioned principles.

Clause 1: Personal Maintenance

Employer and the employees should jointly encourage the work environment where all of us can practice the organizational values and job goals both effectively and efficiently.

Clause 2: Performance Management Policy

SNGPL understands that the most important method of attaining and maintaining performance excellence in the Company lies in proper monitoring, appraisal and feedback of individual staff performance. To ensure the optimum degree for coherence of Company objectives with individual performance objectives, it is paramount to first clarify expectations and performance standards and then review delivery of each employee. Proper alignment of compensation and benefits with employee

performance is ensured only after a thorough comparison of employee performance with employee objectives.

Clause 3: Health & Safety Environment Policy:

The Company also has a comprehensive Health Safety & Environment Policy and referrals should be made to the policy for guidance in a typical matters pertaining to the same. Every staff member should take reasonable care to ensure the health and safety of him / herself and others, who may be affected by his/her acts or omissions at work. Staff members should not temper with or misuse any item provided by the Company to secure the safety, health and welfare to its staff and for the protection of the environment.

To preserve and protect the environment, all SNGPL staff members should:

- Design and operate the Company's facilities and processes so as to ensure the trust of adjoining communities.
- Promote resource conservations, waste minimization and minimization of the release of chemicals / gas into the environment.
- Provide employee customers, supplies, public authorities and communities with appropriate information for informed decision making, and
- Strive continuously to improve environmental awareness and protection.

All SNGPL staff is to operate Company facilities in a manner, so as to ensure trust of their surrounding communities, thus contributing directly to the Company's Corporate Social Responsibility (CSR) Policy. Employees should promote resource conservation, and waste minimization.

Clause 4: Statement of Intent

SNGPL believes the key to the proper functioning and maintenance of public and stakeholder confidence in the Company, is that employees perform their duties with honesty and integrity. SNGPL requires its entire staff both in executive and subordinate cadres to observe the highest ethical standards in the conduct of its business activities to minimize the significant risk associated with non compliance. This policy is intended to assist SNGPL staff in

HUMAN RIGHTS PRINCIPLES



meeting the standards of professional and personal integrity expected of them. SNGPL staff will act with honesty at all times, protecting and safeguarding the reputation of the Company. Any contravention of this policy will be regarded as misconduct.

Clause 5: Conflict of Interest

All employees must avoid situations where there is a conflict of interest, as failure to comply with these ethical policies may render an individual liable to disciplinary action and even subsequent dismissal in an instance where a severe breach of policy occurs.

It is not possible to make a policy comprehensive enough to cover every eventuality; hence, staff should use common sense and remain conscious of their personal behaviour with respect to the Company and its operations. The following guidelines provide a business code of conduct within which all SNGPL executives must abide.

Clause 6: Confidentiality

During the course of employment with SNGPL, employees may have access to confidential information pertaining to the Company or its customers. As a matter of course, they are expected to maintain confidentiality and integrity of all such

information during and after their employment with SNGPL. Within the Company, disclosure of such information must be limited to those persons whose duties require and permit them to have access to it. It may be noted that customer privacy is a basic principle of relationship management.

Employees should also guard against unintentional disclosure through careless handling of data. Desks and open areas should be clear of business related paperwork after business hours/ office timings and sensitive information should be kept in a locked area. During telephone conversations, care must be taken to prevent outsiders from overhearing confidential information. Particular care needs to be exercised in handling of credit information and data given must be governed by acceptable standard practice. A supervisor must be referred to whenever doubt exists in the minds of staff.

Clause 7: Honesty & Integrity

Company employees shall not convert for their own personal use any funds or property which is not their own, nor should they assist another person in the misappropriation of such assets. SNGPL expects absolute assurance of its employees when it comes to honesty and integrity. Maximum caution has to



be exercised in making sure that information given to customers is free of errors, making it as factual or candid as can be while protecting interest of the Company. SNGPL executives shall not indulge in speculative trading of shares of the Company, or of a company or companies under the management of SNGPL.

Clause 8: Personal Conflict of Interest

An employee must not engage in any activity that could result in a potential or perceived conflict of interest. Thus, an employee should not represent SNGPL in any transaction if the personal interests of the employee might affect his or her ability to represent SNGPL fairly and impartially. Any transaction by SNGPL that also involves a member of the employee's family must be brought to the attention of the Company management and authorized by the Company to be handled by another employee. Employees should never become personally involved in any transaction, negotiation, or contract on behalf of the Company with an entity, a family member, or a friend in which they have an interest, without full written disclosure and prior consent of SGM HR, Head of Compliance / Audit, and / or individual Department Head.

Clause 9: Exchange of Gifts

Receiving. It is the Company policy that no gifts should be accepted from customers or suppliers. Having said this, potential donors of gifts should be informed as politely as possible regarding this policy. Since moderate hospitality is an accepted courtesy of a business relationship, recipients should not allow themselves to get into a situation where they might be influenced in making a business decision as a consequence of accepting such hospitality. However, where refusal of a gift would be regarded as an insult or where the return of a gift would be impractical, a gift may be accepted under the following criteria:

Giving. It is also Company policy that no gifts should be given either directly or indirectly, or through third parties to promote SNGPL's political or economic advantage. Exceptions are made for gifts of nominal value that are given on the Company's behalf as common promotional goodwill.

Clause 10: Media Communications

If an employee wishes to write any article or give an interview that may be construed as representing SNGPL's position, prior written approval must be obtained from the Managing Director. All other contacts with the media should be reported to the Company immediately, including any type of acting, television appearances, etc.

Clause 11: Taking Part in Collective Agitation and Political, Religious or Subversive Activities

No political activity that interferes with employment by the Company should be carried out by any SNGPL employee. Nor should an employee utilize Company facilities and material in the pursuance of political end. No employee should collectively or through an association agitate for purposes of agitation of demands relating to their remuneration or terms and conditions.

No employee should propagate any religious or sectarian creeds or take part in such controversies that are likely to affect his / her integrity in the discharge of his / her duties, to embarrass the Company, or to create feelings of discontent or displeasure amongst the Company's employees.

HUMAN RIGHTS PRINCIPLES

No employee should indulge in provincialism, parochialism, or willful abuse of his / her office. No employee should propagate views of political parties during working hours at the establishment or bring – or attempt to bring – political or outside influence, directly or indirectly, to bear on the Company or any employee of SNGPL in support of his/her claim or intervention on his / her behalf in any matter.

Clause 12: Alcohol, Drugs and Gambling

The use of alcohol in any form is prohibited on all Company locations / premises. Similarly, the use of drugs, except under medical advice, is prohibited on all Company locations / premises. Any staff member arriving at a work place under the influence of alcohol or drugs will not be permitted to enter the premises and will be liable to disciplinary action. All forms of gambling / betting on the Company's premises are forbidden.

Clause 13: We are Socially Responsible Business

SNGPL is dedicated towards its CSR policy which is based on the best practices all over the world to leave a positive impact on the environment, employees, social norms and economic development. 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, environment, 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.

We as "SNGPL", believe in "Social Responsibility". SNGPL has an approved CSR Policy. CSR Cells have been established at sites for the implementation of CSR Projects. Various CSR Projects completed in FY 2015-16 are enlisted as below:

- SNGPL upholds its value of treating everyone fairly, equally and also valuing diversity within

the workplace while carefully practicing human rights. We are a socially responsible corporate citizen, providing opportunities to make desired changes within the community. We have developed robust policies and we try to make sure that our third party contractors or business partners reflect the same ethos in Human Rights principles as ours. We conduct businesses with entities that do not actively violate the International Human Rights standards.

- Being a responsible Company, SNGPL carries out multiple activities for enhancing the quality of life of community in which it operates. Corporate Social Responsibility (CSR) policy of the Company, approved by the Board of Directors, is in line with the laid down principles of Securities and Exchange Commission of Pakistan (SECP) and covers all aspects of CSR.

ASSET MAKE
THINGS POSSIBLE
PEOPLE MAKE
THINGS HAPPEN



9.2

MEASUREMENT OF OUTCOME:

In the past 01 year, SNGPL has achieved considerable improvements in our business processes, systems and culture.

Management Committee Meetings

Management Committee Meetings are being conducted frequently (Almost monthly) and is chaired by the Managing Director. The Agenda includes not only the issues related to the Benefits / Privileges related to the Employees but also about those pertaining to the Company's operations and business growth.

Grievance Redressal Policy

SNGPL has a well established Grievance Handling Policy. The purpose of which is to maintain and improve positive working relations between SNGPL Management and its employees. We encourage our employees to raise their concerns in the event they come across illegal or unethical circumstances.

The Grievance Redressal committee is headed by the Board Member or Senior Management (depending upon the seniority of the Executive whose case is to be discussed). Furthermore, our Management has an open door policy. Our Staff can meet the Management any time, in order to discuss any issue. The purpose of formulation of this committee is to make sure that Human Rights of each employee are protected, maintained and upheld at all levels.

Career at SNGPL

Following comprehensive training programs specific to company needs had also been designed and being delivered for Executives. Pedagogy behind these programs, persists the advancement and development of participant's Technical and Managerial skills so that they can prepare themselves for senior leadership roles.

- Executive Development Program (EDP)
- Developing Future Leaders (DFL)

Executive Development Program (EDP):

After detailed Training Needs Analysis (TNA), Executives (Grade I to Grade III) of the Company have been exposed to a wide range of courses, which were designed for the fulfillment of TNA. A comprehensive Executive Development Program (EDP) was envisaged in consultation with all stake holders, enabling the participants to understand the needs of the corporate cultural change, acquisition of leadership and communication/ presentation skills besides understanding basic elements of company's business. So far 39 EDPs have been conducted with participation of about 887 Executives.

HUMAN RIGHTS PRINCIPLES



Developing Future Leaders (DFL): Keeping up the tradition of extending excellence to the Executives (Grade V- Grade VI) another landmark was achieved in shaping of an in house training program for the future leaders namely "Developing Future Leaders". Considering the utmost importance of human resource development a unique blend of soft and technical skills was conceived to equip the Middle Management for the current and the challenges of the future. Eight (10) DFL's have been conducted with the participation of 171 Executives.

These programs focus on personality development, professional and skills up gradation of employees leading to reshape the Company's culture by creating a conducive work environment. The ongoing feedback from the Senior Management and the participant's input has been monitored and evaluated in light of a vibrant and dynamic culture of the organization,



internally and externally. To keep the employees abreast with the latest knowledge and business trends of 21st century a repository of knowledge in hard and soft form is accessible to all employees of SNGPL.

Potential Assessment Test: PAT is devised to determine special abilities required to measure concentrate and responsiveness of the employees of the Company. These types of tests are used for the potential evaluation for jobs with high, specific requirements. Third Party Consultants/ Professionals vide PPRA rule is used to hire for these activities.

● Health, Safety and Environment at SNGPL

To ensure that our Health, Safety and Environmental Policy is systematically applied and best industry practices are adopted within all operations, we have developed an Integrated HSE Management System (IMS) based upon 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 the international certification standards. Maintaining outstanding HSE Performance is a core value of SNGPL.



STRATEGY FOR IMPLEMENTATION OF INTEGRATED HSE MANAGEMENT SYSTEM IN SNGPL

- HSE infrastructure at SNGPL is divided into 35 sites of operational departments. Incharge of each site is designated as HSE Focal Points. Each HSE Focal Points is responsible for the Implementation of Company's HSE Management System through line management under his domain.
- In compliance to Company's HSE Policy a systematic Management Program is introduced by developing procedures and guidelines for all operational activities across the Company.
- Monitoring and measurement is carried out as per standard through HSE Internal Audits



and Surveillance Audits by Certifying Body to evaluate the effectiveness of Company's HSE Management System. This reflects the Management Commitment towards implementation of HSE Management System.

- We have developed 35 procedures for implementation of HSE Management system, duly approved by the management based upon operational activities of the Company and circulated across the company for implementation in true letter and spirit. These procedures are also available on Company's web portal for easy access.
- To show its commitment towards implementing HSE Policy across the Company, Management Review Meeting headed by Managing Director is conducted bi-annually for periodic review and evaluation of HSE management system.
- All the operations and maintenance manuals of our Technical Departments are in line with the IMS Manual.
- Integrated Management System Manual is based on PDCA Cycle, which is elaborated as below.

P – Plan
D – Do
C – Check
A – Act



HUMAN RIGHTS PRINCIPLES



● **Trainings**
SNGPL is continually developing its employee workforce and protection measures through employee trainings. Training of Human Resource is crucial to any organization's success and growth. The Company in the year 2005 established Sui Northern Gas Training Institute (SNGTI) at Kot Lakh Pat, Industrial area, Lahore, with an aim to develop employee skills and competencies which contribute towards overall organizational efficiency.



Trainings, Certification Training for Welders, and Helper Trade Test etc. SNGPL investment in Training and Development is perhaps the single most important way that manifests the Top Management's recognition that Employees are our greatest asset. In the FY 2016-17 SNGTI conducted 355 training courses relevant to the organizational working, culture and Training needs of the employees in above mentioned categories and trained 5119 organizational employees. The mosaic of training modules included not only Class room lectures but also Technical workshops, Hands of Trainings, Case studies, Assignments, Presentations, Interviews, Trade tests, Theoretical and Practical examinations. Practical Trainings on drilling machines and welding machines are also arranged.

The Institute has highly qualified Trainers who possess Best Academic and Corporate work experience. They are proficient in designing, developing and delivering Training programs reflective of the modern business tools and techniques in today's challenging and vibrant business environment. Its professional training workforce offers and conducts trainings in more than thirteen (13) different types/categories i.e. Technical Trainings, Soft Skill Trainings, External-Domestic Trainings, External-Foreign Trainings, Orientation Programs, Management for Junior Executives (MJE), Developing Future Leaders (DFL), Executive Development Program (EDP), Guest Speakers, Gas Control, Regional

Training and awareness is an integral part of Company's HSE Management System and specific certification training plays important role for Continual Professional Development. Capacity building of HSE Engineers is required to enable them for better identification of hazards and assessment of associated risks to which Company employees are exposed at their work places especially during execution of various field activities. It is also necessary for equipping themselves with considerable knowledge and modern techniques employed for the protection of workforce.

A Training Hours per employee FY 2016-17

Average no of employees per month	415
Training Hours	115,720
Average Hours of Training	23.24

B Training hours per employee by gender FY 2016-17

	Average no of employees	Man-Hours	Average Training Hours
Male	401	111,600	23.14
Female	13	4,120	26.24

C Training hours per employee by category FY 2016-17

Category	Average no of employees	Man-Hours	Average Training Hours
Management	266	82,520	25.77
Staff	148	33,200	18.68



EMPLOYEE ENGAGEMENT FOR COMMUNITY SERVICE:

Since becoming the member of UNGC, SNGPL has become actively involved in community service.

i) Employee Engagement Activity at Changa Manga – Manga Mandi Lahore, Punjab

During the Month of April, SNGPL joined hands with WWF Pakistan for the Employee Engagement activity for the Conservation of Environment and to aware community about its significance.

Around 100 SNGPL Executives participated in Employee engagement plan. The activities include Tree Plantation Drive, Team Building / ECO tasks (knots techniques, tent pitching,



HUMAN RIGHTS PRINCIPLES



directions & navigation), Cleanup Drive and other related activities. Caps were distributed among SNGPL Executives, in order to protect from the harsh weather and also to project the uniformity. ECO Friendly activities were carried out in Groups and all the executives participated actively in the team building tasks and remained motivated throughout the day. Evaluation and assessment of each group was done by the WWF teams. Female executives participated equally and enthusiastically in every activity. Tree Plantation and Cleaning activity (for waste collection) was also carried out. The purpose of the team building exercises is to improve inter personnel communications, building effective working relationships and finding solutions to team problems. In short, team building is one of the most widely used group-development activities in organizations.

We are of the view that such events must be organized in order to build the inter personal communications, skills, to improve the performance and office environment.

After the successful completion of the internship, in accordance with the pre set terms and conditions students receive their certificates along with the **30 Hour Community Service Letter**. This year more than 700 students were engaged in different community service projects.



ii) Road Safety Awareness

Road safety initiatives are implemented to reduce the risk of road accidents and road side injury because of the unsafe acts of people and unsafe conditions while driving on the road. Every person on the road has risk of injury or death, such as pedestrians, motorists, cyclists, passengers, etc. Everyone needs to be well aware of the road traffic rules especially children and young people who are at significant road accident risks.

Keeping in view the above and Safety Theme of Month March "Road Safety" Coordination was made with National Highway and Motorway Police (NH&MP), Islamabad to arrange a session on Defensive Driving/ Road Safety Management and Road Safety Awareness Walk for Drivers posted at Islamabad Region. With the approval of DIG (NH&MP) Mobile Education Unit's trainers arranged a Session and Walk at Regional Office, I-9, Islamabad in March, 2017.

iii) Awareness to the Public / Community regarding Gas Safety

SNGPL being a socially responsible organization believes that the safety of consumers is equally important and essential, as depicted in Company's HSE Policy. Gas Safety instructions are being communicated to the consumers through electronic and print media, time to time, as a "Public Service Message". Furthermore, Gas Safety and Conservation instructions are printed at the back side of our Gas Bill. Material Safety Data Sheet (MSDS) of Natural Gas, Monthly Magazine of SNGPL "PRIDE", Bulletin on different topics of HSE, Safety Talks Booklet, First Aid Booklet, Dengue Booklet is also displayed at Company's website.

WE BELIEVE THAT OUR YOUTH IS OUR FUTURE GENERATION. WE ARE PROVIDING A PLATFORM FOR THE YOUNG MINDS OF OUR COUNTRY, TO DEVELOP THEIR ABILITY TO COMPREHEND THE ISSUES FACED BY OUR PLANET AND COME UP WITH LONG-RUN SOLUTIONS TO THE EVER INCREASING ENVIRONMENTAL THREATS, FOR FUTURE.



HUMAN RIGHTS PRINCIPLES



- **How Responsible we Are**
SNGPL is dedicated towards its CSR policy which is based on the best practices all over the world to leave a positive impact on the environment, employees, social norms and economic development. 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 honour ethical values, environment, 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 OF CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

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 be 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) Energy Conservation
- c) Community Investment and Welfare Schemes
- d) Consumer Protection Measures
- e) Welfare spending for under privileged classes
- f) Industrial Relations
- g) Employment of special persons
- h) Occupational safety and health
- i) Rural Development Programmes

We will ensure that effective systems are in place 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	Chairman
ii	Senior General Manager (ES)	Member
iii	Chief Financial Officer	Member
iv	General Manager (LS)	Member
v	Chief Engineer (HSE)	Member/Secretary

CSR Committee will periodically evaluate and approve the projects recommended by 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 and 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 implementation the CSR policy.



HUMAN RIGHTS PRINCIPLES

FOCUS AREAS

Basic Human needs

- Contribute due share in fulfillment of basic human needs of the deprived and underprivileged by focusing on health care, sport, sanitation and environment etc

Educational Reforms

- Provide assistance for the Promotion of education in Pakistan

Self Reliance

- Build **self reliance** through programs aimed at Skill Enhancement and creating income generating opportunities for the under privileged

Health Safety & Environmnet

- Implementing sound Environment, Health & Safety Management Systems and take a proactive approach to address environmental issues like tree plantations, awareness campaigns etc

Labour Standards

- Support and upload the principles contained in the University Declaration of Human Rights and the International Labor Organizations fundamental conventions on core labor standards

Medical Facilities

- Provide medical and community aid to alleviate hardship and distress to under privileged

National Heritage

- Conserve National Heritage, indigenous culture and sports during implementation of projects

Awareness programs

- Organise awareness programs regarding gas conservation, dengue awareness, promotion of renewable energy resources, training workshops for workers

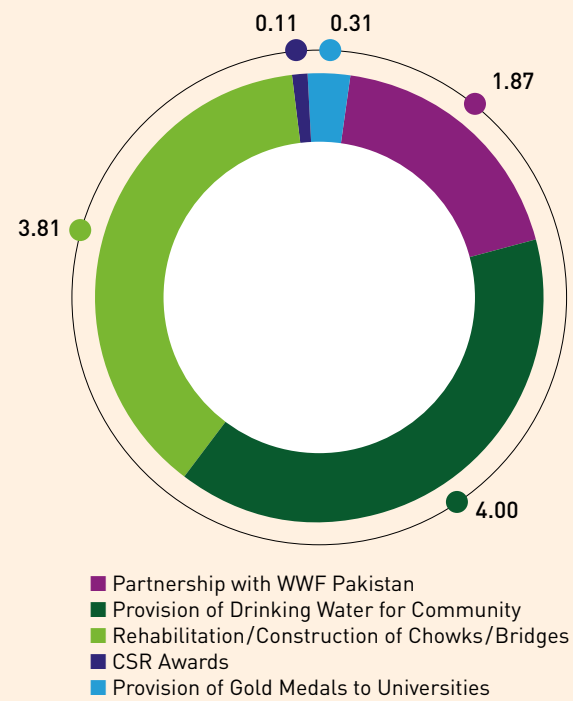
CSR GLANCE AT SNGPL

1. • International ECO Internship Program, Gas Conservancy Campaign and Agro Waste Project with WWF Pakistan
2. • Corporate Membership from WWF Pakistan
3. • Provision of Drinking Water for Community at Murree, Kahuta, Karak, Nowshera, Shahdara (different areas of Punjab and Khyber Pakhtun Khwa), alongwith the installation of Reverse Osmosis Plants at 35 Locations at Company Offices
4. • Beautification / Renovation of Chowks at Khyber Pakhtun Khwa (Chamkani Interchange and Rashkai) & Punjab (Multan)
5. • Construction / Rehabilitation of Bridge and Approach Road at Abbasia Canal, Uch Sharif
6. • Awareness Session on Thalassemia along with Blood Donation Camps at Multan, Faisalabad, Gujranwala, Gujrat, Lahore.
7. • Awareness Session on Breast Cancer in collaboration with WWF Pakistan, at Head Office Lahore
8. • Provision of Gold Medals at NFC Multan and Ghulam Ishaq Khan Institute Topi, Sawabi.
9. • CSR Award won in the Recognition of CSR Activities in Category Environment and Energy Conservation, by M/s National Forum for Environment and Health (NFEH)
10. • Sponsorship of Chair On Gas Engineering at University of Engineering and Technology -Lahore, University of Engineering and Technology-Peshawar, University of the Punjab-Lahore.
11. • Bio Gas Plant at Village Mailu VirkanSheikhupura, Lahore, Punjab
12. • Installation of Solar Panels System at Regional Office Lahore.
13. • Provision of Blood Screening Kit to Sundas Foundation
14. • Support to Pakistan Red Crescent for the Upgradation of Ambulance for National Ambulance College Islamabad.
15. • Relief Activities (e.g for the Affectess of Earthquake Awaran and Murree, Azad Jammu Kashmir due to Heavy Rains and Thunder Storms)
16. • Awareness Session with the students of Schools / Colleges / Universities regarding the Emergency Response Plan
17. • Tree Plantation Activity at different Events (Employee Engagement activity, Independence Day, Earth Day etc)
18. • SNGPL invests a lot on the Safety and Health of its Employees (depicted at various locations in this report)
19. • Sports Cell is established in the Company. Annual Sports are carried out.

HUMAN RIGHTS PRINCIPLES

EXPENSE FOR SUSTAINABLE ACTIVITIES AT SNGPL (for FY 2016-17)

Break up of Cost for CSR Activities



SNGPL is highly conscientious corporate entity with a commitment to return to the society partially to its under privileged strata.

Out of the listed areas of CSR interest, SNGPL has a focus on the following initiatives:

- 1) Renovation of Chowks / Roundabouts.
- 2) Potable Water Supply.
- 3) Energy Conservation / Renewables.
- 4) Education.
- 5) Health.
- 6) SNGPL Partnership with WWF.
- 7) Relief Activities.

Every year a sizeable amount is spent to carry out schemes related to new projects based on these initiatives or for the ongoing projects. SNGPL primary focus in selecting a project is to ensure that maximum benefits of the project is passed on to a larger community. Progress on each initiative and

projects executed in this regard are briefly described below:

WE FEEL PROUD... SUSTAINABILITY IS IN OUR HANDS...



a) RENOVATION OF CHOWKS / HERITAGE / REHABILITATION:

Beautification / Renovation of important roundabouts in the cities, roads and high ways is taken care of through this initiative. The sites selected are renovated by installing a monument and making the area green by developing grassy



plots and planting trees. Following the projects were carried out in this regard:

- i) Chowk Multan-Khanewal road, Multan.
- ii) Rashkai, Nowshera Mardan road.
- iii) Chamkani Interchange, GT Road Peshawar.
- iv) Fawara chowk, Rawalpindi.
- v) Roundabout between liberty market and Gaddafi Stadium Lahore.

In addition to the above, SNGPL has rehabilitated and constructed the approach road and bridge over Abbasia Canal Uch Sharif for the community, keeping in view the rate of accidents and fatality cases due to the poor condition of the bridge and the access road.

b) FILTERED WATER SUPPLY:

Potable water quality is deteriorating across Pakistan due to several factors resulting in health issue to various communities. With a view to



provide clean potable water to communities, SNGPL has installed Reverse Osmosis (RO) plants/water filtration plants at its offices and made arrangements outside its office for supply of potable water through taps for the community surrounding SNGPL offices. Apart from its offices, SNGPL has also arranged potable water supply in areas where water supply is scarce or where requirement of potable water is a major issue to the community. 25 water filtration / RO plants of capacities ranging from 250 to 1000 lit/hr has been installed. Around 25 plants of similar capacities are in planning phase and is expected to be installed in the current fiscal year. Provision of potable drinking water has resulted in improved quality of life of the community using this facility and promotes soft image of the company.

In order to ensure that the water quality remains consistent, tests are performed to check that the quality parameters remain within the defined range.

c) PROMOTING ALTERNATE / RENEWABLE ENERGY:

Sui Northern Gas Pipelines Limited is committed towards sustainable development of communities in which it operates Corporate Social Responsibility (CSR) policy of the Company has objectives related to energy conservation and development of alternate energy sources.

In this regard, SNGPL has installed a 100 m³ Bio gas plant in a village (Mailu Virkan) near Shiekhupura. This biogas plant not only provide clean and environment friendly fuel to around 12 house holds (70-80 people) but also provide



useful fertilizer, as a by product. Additional benefits of better health conditions and spare time for women folk are mentionable as it can contribute to their earnings.

- Bio gas plant reduces the consumption of wood and LPG resulting in monetary saving for the community. Additionally, fertilizer from bio gas is 40% more rich in nutrients.
- It decreases the use of animal dung and wood for cooking which reduces the risk of disease.
- It reduces the bad smell from animal waste and improves the surroundings esthetically.
- Previously handling of cow dung was carried out by female members of the community which has been minimized resulting in extra time available to female members.

HUMAN RIGHTS PRINCIPLES

d) EDUCATION:

SNGPL is sponsoring three Chairs in the universities of Punjab and KPK. These Chairs on Gas Engineering promotes research work on issues related to SNGPL especially energy conservation. Gas Engineering Chairs are established at following Universities:

- 1) Department of Chemical Engineering, University of Engineering and Technology, Lahore.
- 2) Institute of Chemical Engineering and Technology, University of the Punjab, Lahore.
- 3) Department of Mechanical Engineering, University of Engineering & Technology, Peshawar.

The research work carried out is published in reputed journal. Laboratories are established at each university by the funds provided by SNGPL. This initiative helps student to carry out advanced level course work related to Gas engineering.

In addition to above, SNGPL also promotes students having higher education by award of Gold medals. Two students each of Ghulam Ishaq Khan institute, Topi and NFC Institute Multan are decorated with these gold medals each year as a token of appreciation.



e) HEALTH:

SNGPL contribution on health sector is also increasing as it supports blood donation campaign of Fatimid Foundation and Sundas Foundation. SNGPL has motivated its employees for this noble cause and has arranged around seven camps at its offices with a considerable donor group among the employees.

SNGPL also supports Pakistan Red Crescent Society and has contributed for an ambulance for its Islamabad office. The participation of people in large numbers and donation blood is a sign



that we do recognize our social responsibilities along with our professional ones. It is a healthy gesture, which not only portrays a positive image of the organization but further enlightens the steps being taken for the betterment of the society. Health benefits of donating blood include good health, reduced risk of cancer and risk to liver and pancreas. Donating blood may help in improving cardiovascular health and reducing obesity. It is important to note that people are the only source of blood and that is why it is important to donate blood and help those who need it

f) SNGPL PARTNERSHIP WITH WWF:

SNGPL is a corporate member of WWF (World Wide Fund for Nature - Pakistan) which is an international organization engaged in ECO friendly activities. It is essential that the youth of Pakistan realizes the importance of nature conservation and commits to conserve the precious natural resources of Pakistan. Through this partnership SNGPL has helped WWF-Pakistan to raise environmental awareness and disseminate the education of energy conservation

SNGPL supports two programs of WWF for conservation of energy.



HUMAN RIGHTS PRINCIPLES

i) ECO Internship Program:

Youth with age group of 12-22 are focused through this program. WWF engage these children through their educational institutions for promoting awareness regarding environmental issues and motivating them to become active players for conservation of environment. This program is supported by SNGPL since 2013 and around 10,000 students have benefited from this program.

IEIP gives students an opportunity to become ambassadors of change. This programme will be implemented in the leading school systems across Pakistan. SNGPL has sponsored 3,500 students of Private / Government Schools, Colleges and Universities at a total cost of Rs.1,600,000/-. The Program is based on the interactive sessions, enabling the students to understand better ways of energy utilization and the significance of its conservation and impact such knowledge to their families in the larger interest of our country.



ii) Gasifier with Agro Waste as a Fuel:

Pakistan being an agricultural country has a large amount of agro waste after each crop. This waste is used in many ways as a fuel for cooking, as a raw material for paper production or wasted by burning for making room for new crops. SNGPL and WWF has developed a partnership for making use of the Agro Waste as a cleaner fuel in a gasifier. The project of installing 500 gasifiers includes its fabrication and training of community in using gasifiers. The project is expected to provide better source of living for the community and improve the quality of life.

g) RELIEF ACTIVITIES:

SNGPL always contributes for the national cause in case of natural calamity. It has contributed for the earth quake victims of Punjab, KPK and Baluchistan. Flood affectees of KPK and Punjab were supported by SNGPL through generous donations. Tents / shelter were provided for the affectees of flash floods in Murree.



HUMAN RIGHTS PRINCIPLES



Sports Complex, Lahore. The opening ceremony of the event took place amid much fanfare. Deputy Managing Director (services) Amer Tufail inaugurated the three day event. Different games e.g Badminton, Table Tennis, Shot Put, Athletics, Long Jump, High Jump, Tug of War, Volley Ball and Cricket were played in the Sports Gala.

SNGPL annual Sports Gala is fast becoming one of the regular features of the company which provide employees with the opportunity to showcase their sporting talent on a grand scale.

h) SPORTS

Sports and games have been part of human society for thousands of years. Playing games increase one's brain activity, never letting attention wander and also making one understand things in more detail.

SNGPL had its Annual Sports Gala in March 2017, in Lahore. 308 players from 18 regions of the Company participated in 18 different Game. This event is true reflection of the company's longstanding association with sports and sportsmen which contributes greatly in promotion of healthy activities in the society. It is pertinent to note that females employees equally participated in the Annual Sports. The annual event was held for three days in WAPDA



10

LABOR PRINCIPLES

- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** the elimination of all forms of forced and compulsory labor;
- Principle 5:** the effective abolition of child labor; and
- Principle 6:** the elimination of discrimination in respect of employment and occupation.



10.1

ASSESSMENT, POLICY AND GOALS:

We believe that Human resource is the most valuable asset of any organization. SNGPL proactively continues to play an integral role to increase human resource efficiency and accountability, improve service to the public, and streamline administration.

Keeping pace with the changing market and incorporating the philosophies of transparency, equitability and consistency, SNGPL has an approved HR Manual which have been prepared and is being updated from time to time after profound thought, discussion and collaboration with experts. The HR Policies are the part of HR Manual and are being implemented in true letter and spirit. We are compliant to the Labor Laws and we ensure the implementation.

Clause 1: Confidentiality

Staff members should not keep or make copies of correspondence, documents, papers and records, list of suppliers or consumers without the consent of the Company. Company's information and records should be kept on Company premises only and unpublished information may be disclosed to external organizations / individuals only on "need to know" basis. In case of doubt in this regard, the Management's advice should be sought.

Clause 2: Employment Policy

The Company is committed to provide an open and honest work environment that enables every employee to reach the highest possible level of professional and personal fulfillment. The Employment policy is a part of HR Manual. Primary aim is to build SNGPL from within, promoting and rewarding people on the basis of performance alone. As an equal opportunity employer, SNGPL follows a transparent and merit based recruitment policy and its selection procedure and employment policies are geared to attract and retain capable and qualified employees of the country who are willing to contribute their best to accomplish the objective of the Company.

Our aim is to build SNGPL from within, promoting and rewarding people on the basis of performance



HR VISION STATEMENT

"To attract, retain and nurture quality human".

HR MISSION STATEMENT

"The Human Resource Department is committed to motivate and optimize human potential through capacity building and creation of a conducive statement".

alone. SNGPL's ability to continually identify, recruit, develop, and motivate its most precious resource in an increasingly competitive marketplace will be its greatest strength going forward.

Our Hiring criteria is strictly being followed and we strongly discourage Child Labor. We do not recruit / hire any employee below the age of 18 years. We have transparent recruitment policy and we uphold it at all levels.

Clause 3: Equal Opportunity Employment

We are committed to ensure that all staff is treated fairly and with dignity and that no discrimination or harassment occurs in the workplace. SNGPL is an equal opportunity employer, which means all their policies and procedures are aimed at ensuring that

LABOR PRINCIPLES

all decisions made in relation to appointments, promotions, transfers, training opportunities and performance assessments are made entirely on the basis of merit alone.

Clause 4: Workplace Harassment

SNGPL staff will maintain an environment that is free from harassment and in which all employees are equally respected. Workplace harassment is defined as any action that creates an intimidating, hostile or offensive work environment. Such actions include, but are not limited to, sexual harassment, disparaging comments based on gender, religion, race or ethnicity.

Clause 5: Health, Safety Policy

Managing Director endorses the SNGPL Environmental, Occupational Health and Safety Policy. The policy is appropriate to the nature, scale and environmental impacts of all activities at the SNGPL. The Policy includes a commitment to continual improvement and prevention of pollution and prevention of hazards & risks for occupational health & safety, as well as committed to meet or exceed relevant environmental, occupational health & safety legislation, regulations and other requirements.

Clause 5: Legal Requirements

SNGPL has established and maintained a procedure for the purpose of identifying, accessing and communicating legal and other requirements that are applicable to the SNGPL in relation with Occupational Health and safety. Additional information is also available through legal publications. Local regulations are identified, accessed and communicated by the Management Representative (MR).

10.2 MEASUREMENT OF OUTCOME

We at SNGPL hire and recruit employees without discrimination of race, color, religion, sex, age, language, physical condition etc. and treat them equally with others respect to compensation and opportunities for advancement and career growth, including promotions & transfer. We have culture of zero tolerance against any such discrimination.

We have open door policy for all employees and our Management always take initiative to resolve their issues relating to workplace.

In order to monitor the compliance of ISO 14001 / OHSAS 18001 Standards, Surveillance audit is being by M/s United Registrar of Systems (URS) bi-annually. Successful conduction of these audits demonstrate the effectiveness of HSE Management System. Management commitment towards HSE was highly appreciated by the Auditors.



Employee Recruitment

SNGPL's recruitment decisions are based upon a careful selection process in order to determine the individual best qualified for a position to be filled in. As an equal opportunity employer, SNGPL follows a transparent and merit-based recruitment policy. SNGPL believes that its employees are the people who give the Company their skill, energy and time, making them its most precious asset.

Grievance Handling & Harassment Policy

In order to improve positive working relations between SNGPL Managements and its employees, we have a Grievance Handling Procedure / Policy . It includes Whistle Blowing policy and grievance redressal.

A full fledge committee headed by Senior Management is in place, to address any case related to the Harassment. We discourage any type of harassment at the workplace.



We provide a comfortable environment to our employees, so that they feel safe, secure and protected.

Employee Satisfaction

SNGPL believes that the employees are our asset and they must be taken care in all respect. It is necessary to ensure and enhance the business performance and for creating good working environment among the organization. We have high level of employee satisfaction and low sickness rate of our worker.

SNGPL believes in attracting and retaining talent through a combination of monetary and non-monetary rewards and incentives. Our few policies are enlisted as below.

i) Compensation Policy

In order to formulate and establish a competitive compensation structure, SNGPL evaluates its remuneration package viz competitors and aligns compensation to the market after 2 years.

ii) Medical Policy:

SNGPL regards its employees as its most valuable resource and accordingly assigns

a lot of importance to the well being of its employees and their families. The Company recognizes that medical benefits give employees the peace of mind to focus on their job function without having worry about financial risks in the event of sickness or injury. SNGPL provides Medical coverage to all serving as well as retired Company employees.

iii) Travel Policy:

We aim to provide employees travelling on the Company business with a reasonable level of comfort in their boarding and lodging arrangements at the lowest possible cost to the organization.

iv) Vehicle / Transport Policy

SNGPL provides vehicles to certain members of the executives staff as a key component of their overall compensation package.

v) Leave Policy

SNGPL appreciates the importance of rest and recreation for the well being of employees and that contingencies arising and unforeseen eventualities require employees to be away from work. All employees are eligible to avail leaves as per Company Policy.

Sick Leave, Minimum Annual Leave, Annual Leave accumulation and encashment, Hajj Leave, Ex Pakistan Leaves, Prolonged Illness (Medical Leave), Study Leave, Special Leave, Maternity Leave (for Married Females) are the various types of leaves that are part of our Leave Policy.



LABOR PRINCIPLES

We give special leave to the concerned in case of death of his / her spouse, so that one can adjust after sustaining the tragic loss.

Benefits	Management	Staff
Life Insurance	YES	Till 05 years after Retirement - 65 years
Health Care	YES	YES
Disability / Invalidity coverage	YES	YES
Parental leave	YES	YES
Retirement Provision	YES	YES

In addition to the above, Residential policy and Mobile Policy is also for our employees (depending upon the nature of job and posting). It is pertinent to mention that after every 02 years, Collective Bargaining Agreement (CBA) is agreed mutually by the Staff and SNGPL Management and is then registered in National Insurance Company Limited (NICL). It becomes a legal binding for the Management and also for the CBA to follow it as per the Agreement. We offer different attractive allowance to our staff and hence we honor them.

We are of the view that employee satisfaction and reduced sickness leads to increase job performance.

Investment In Employees Retirement Funds

Activity	Funds
SN Senior Staff Pension Fund	2,226,374/-
SN Junior Staff Pension Fund	10,530,528/-
SN Executive Staff Gratuity Fund	120,000/-
SN Non-Executive Staff Gratuity Fund	4,150,460/-
SN Trustees Provident Fund	10,298,882/-
SNGPL Superannuation Free Gas Executives Fund	304,500/-
SNGPL Superannuation Free Gas Subordinates Fund	4,473,370/-
SNGPL Superannuation Compensated Absence Executives Fund	452,000/-
SNGPL Superannuation Compensated Absence Subordinates Fund	1,024,000/-
SNGPL Superannuation Medical Executives Fund	3,904,109/-
SNGPL Superannuation Medical Subordinates Fund	8,143,239/-
SN Employees Accidental Death Endowment Fund	8,000/-
Total	45,635,462/-

BECAUSE
WE VALUE OUR EMPLOYEE



● Safety of Employees

We are OHAS 18001:2007 Certified organization and have a full fledge Health Safety Environment (HSE) Department, headed by General Manager who directly reports to the Managing Director. We have Operations and Maintenance Manual of HSE, duly approved by the Management.

SNGPL through its core values and HSE policy thrives to provide a safe work environment for its employees. We own our employee and provide necessary protection to all concerned during various operations of the Company. Hazard Identification and Risk Assessment procedure is being implemented across the Company.

i) Personal Protective Equipments (PPE's)

The purpose of personal protective equipment (PPE) is to protect individuals, exposed to health and safety hazards, from the risk of ill health and injury by creating a barrier against workplace hazards. Wearing of PPEs by field staff not only protects employees from injuries but also raises employees' confidence producing good quality work.

PPEs should only be prescribed to provide additional protection, when a hazard continues to exist even after the following control measures have been applied in the given priority.

- Elimination or minimization of hazard.
- Control of hazard through engineering design.
- Procedural control to eliminate exposure

SNGPL procures good quantity of PPEs every year for its employees to make them safe during various field activities. In fiscal year 2016-17, Company procured 40,000 Nos. of PPEs. These PPEs include:

- Dust Mask
- Ear Muff
- Ear Plug With Cord
- Face Mask Full
- Face Mask Full Filter (Particulate)
- Face Mask Half
- Face Mask Half Filter (Gaseous)
- Face Shield with Hard Hat
- Fluorescent Jacket
- Gloves Cotton
- Gloves Heat Resistant
- Gloves Leather Welding
- Gloves Rubber Chemical
- Gloves Rubber Electrical
- Safety Cones
- Safety Goggles Black/Welding
- Safety Goggles White
- Safety Harness Belt (Full Body)
- Safety Helmets
- Welding Mask
- Welding Shield
- Safety Shoes
- Gum Shoes
- Coveralls

Company also provided uniforms to its executive staff. Wearing of PPEs not only provides protection to employees but also raises the Company image.



LABOR PRINCIPLES



HIGHLIGHTS

In order to maintain Certification requirements and to make sure that planned HSE activities demonstrate the effectiveness of the HSE Management System, Surveillance Audits (third party audit) are being conducted bi-annually by M/s United Registrar of Systems (URS) (Certifying Body). Surveillance Audits were conducted in December, 2016 and April, 2017.

It is pertinent to mention that the sites have been prepared on ISO 14001:2004 & OHSAS 18001:2007 Standards by in house resources & without the engagement of Consultant. Overall Management commitment towards HSE and efforts of HSE department was appreciated by the Auditor.

ii) Occupational Health and Safety Risk Assessment

Integrated Management System Manual have a detailed guidelines / mechanism for the identification of operational and potential OH&S hazards, its significance, evaluation and risk assessment.

Hazard are identified in the following categories, but not limited to the following:

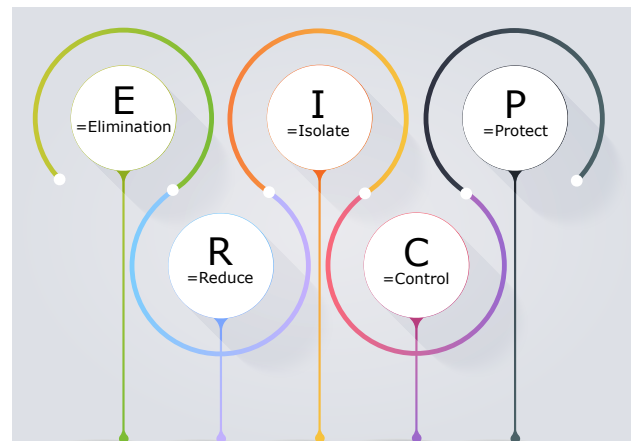
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|-----------------------|-----------------------|
| 1) Ergonomic Hazards | 8) Toxic Hazards |
| 2) Mechanical Hazards | 9) Explosion Hazards |
| 3) Electrical Hazards | 10) Chemical Hazards |
| 4) Pressure Hazards | 11) Fire Hazards |
| 5) Pneumatic Hazards | 12) Noise Hazards |
| 6) Falling Hazards | 13) Vibration Hazards |
| 7) Biological Hazards | 14) Radiation Hazards |

List of hazards identified are maintained and reviewed at the site at least annually. New hazards identified during review are being added and any hazard eliminated are deleted from the above list.

While doing the OHS Risk Assessment, following factors are considered (but not limiting itself to):

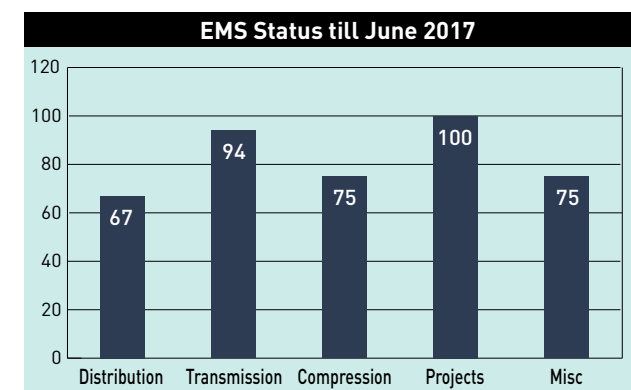
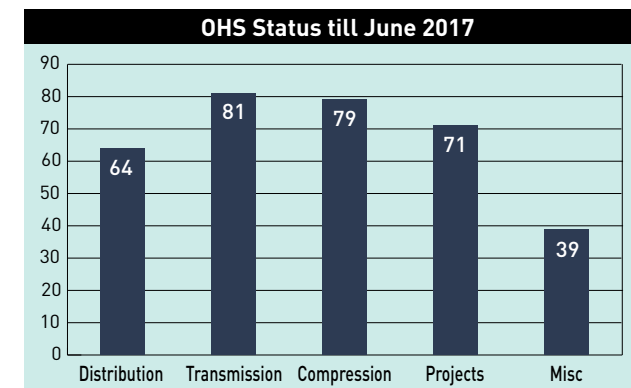
- Legislative and regulatory requirements.
- Identification of the OH&S risks faced by SNGPL.
- An examination of all existing OH&S management practices, processes and procedures.
- An evaluation of feedback from the investigation of previous incidents, accidents and emergencies.

Risk Assessment is carried out by following hierarchy of controls.



Accordingly necessary controls are applied according to the Risk rating.

SNGPL set Occupational Health and Safety (OHS) and Environmental objectives in order to comply with Company's HSE policy and considering various aspects i.e. legal and other requirements, significant OHS and environmental hazards, technological developments and concerns of interested parties. Objectives and targets are developed for each Company site and reviewed by the top Management bi-annually. SNGPL has achieved most of HSE objectives within the deadline through regular perusal and teamwork. Status of objectives till 30.06.2017 is as follows



iii) Fire Safety

In order to ensure safety of employees / assets from fire related emergencies, SNGPL is continuously enhancing fire detection and fighting capabilities. Following Fire Equipments were installed at various SNGPL sites;

- Fire Extinguishers (Portable / Trolleys)
- Fire Hydrant Systems
- Fire Trucks
- Smoke Detection and Fire Alarm System

Fire Extinguisher is an active fire protection device used to extinguish or control small fires, often in emergency situations. It is not intended for use on an out-of-control fire, such as one which has reached the ceiling. Currently over

3500 Nos. fire extinguishers (portable / trolleys) are installed at SNGPL sites. SNGPL employees are being trained regularly in fire fighting locally at sites and also at SNGPL's training institute (SNGTI) at Lahore.

Fire Hydrant System ensures an adequate, un-interrupted water supply, under sufficient pressure, at all strategic points of a building in such a way that fire can be extinguished immediately, with minimum loss of time and with maximum efficiency. Major components of the fire hydrant system are Fire Pumps Station, Piping, Hydrant Connection, Fire hoses / cabinets / Nozzles and Water Tank. Fire hydrant systems are currently installed at various locations of SNGPL. In order to improve fire fighting capabilities; fire hydrant systems with automatic pumping arrangements as per NFPA code / IAP Rules have been recently installed / commissioned at Regional offices Lahore, Faisalabad, Islamabad and Compressor Stations AC-6 (Multan), AC-4 (Uch Sharif) and AC-IX (Bhong). Installation of new fire hydrant systems and up-gradation of various existing fire hydrant systems of SNGPL is also in progress for dealing with fire related emergencies more efficiently.



Fire Truck is a vehicle designed primarily for firefighting operations. Primary purposes of a fire truck include transporting firefighters to an incident scene, providing Water / Powder / CO2 etc with which to fight a fire and carrying other equipment including ladders, fire suits and first aid kits needed by firefighters. SNGPL has Fire trucks at Faisalabad, Multan, Wah and

LABOR PRINCIPLES

Lahore Transmission Terminals for dealing with fire emergencies. Fire trucks for Compressor stations located at remote sites i.e. Uch Sharif, Bhong, Haranpur and Gali Jagir has been recently procured for enhancing fire safety.



Smoke Detection and Fire Alarm System is very important for early detection of fire. If fire is detected at initial stage then massive asset / human loss may be avoided. We are installing latest technology smoke systems at various locations and also upgrading existing systems.

iv) **Work Stop Authority**

SNGPL is committed to ZERO TOLERANCE policy and in order to carry out daily activities like repairing , maintenance or construction work in operating areas. Guidelines for Work Permit has been implemented to prevent any injury, fire, property damage, material loss and environmental accident.

Safety of our employee is our top responsibility and Management is committed towards its implementation.

v) **Incident Reporting and Investigation**

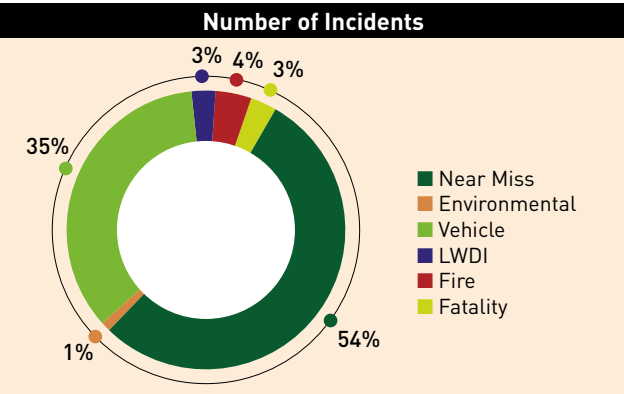
SNGPL IMS Manual provides a comprehensive guideline for reporting and investigation of dangerous occurrences, incidents, fire, environmental incidents and vehicle incidents. It enables identification of the causes and planning of correctives actions to prevent re-occurrence.

All incidents are required to be reported within 24 hours. Any incident requiring reporting to the relevant Government agencies shall be reported

to the concerned, using their devised system as per Departmental manual. HSE Department initiates the Detailed Investigation (depending upon the severity of the incident). The incident is investigated in depth, in order to go to the root cause. Learning Events of the incident along with “Recommendations” are circulated by HSE Head Office, in order to promote awareness across the Company.

During the fiscal year 2016-17, most of the accidents were related to vehicle. Procedures developed by HSE department on Safe operation of vehicles & equipment are available at sites for implementation, to reduce such kind of accidents.

Online Incident Reporting System has also been established for ensuring smooth and timely reporting of all the incidents. This system has been instrumental in making it easier for employees to report incidents and has greatly reduced time for reporting.



vi) **Emergency Response Plan**

We have guidelines to identify potential for and respond to accidents and emergency institutions, and for preventing and mitigating the environmental impacts, and occupational health & safety risks that may be associated with them. Site based Emergency response procedures are available and are being updated regularly. Mock Drills are conducted at least Bi Annually at all sites, across Company.

Preparedness focuses on preparing equipment and procedures for use when a disaster or emergency occurs.



FEATURES OF EMERGENCY RESPONSE PLAN

- Construction of Shelters
- Provision of Assembly Points
- Training of Staff
- Provision of Emergency Exits
- Fire Fighters
- First Aiders
- Installation of Warning Devices
- Provision of Personal Protective Equipments
- Fire Fighting Arrangements
- Sound System
- Emergency Contact Numbers
- Fire Prevention System (Smoke Detectors)
- Mock Drills



vii) **Road Safety**

Trackers / Data Loggers have been installed in Company’s vehicles to reduce vehicles related accidents. Driver Safety Report is generated each month and actions are taken against the violators. Training on Road Safety is being arranged for the Drivers, at regular frequency.

In addition to this, Vehicle fitness is ensured by issuing Vehicle Fitness Certificates, on Monthly basis. The purpose is to ensure that accidents can be avoided, due to vehicle malfunction.

Sr. No	Site	Data Loggers (Nos.)
1	Head Office	26
2	Islamabad Region	28
3	Lahore Region	18
4	Faisalabad Region	11
5	Gujranwala Region	04
6	Gujrat Region	03
7	Sargodha Region	03
8	Sahiwal Region	04
9	Multan Region	08
10	Bahawalpur Region	04
11	Peshawar Region	05
12	Abbottabad Region	03
13	Multan Compression	04
14	Manga Camp	01
15	Faisalabad Camp	02
16	Transmission department Sites	91
Total		215

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viii) Occupational Health Surveillance

A. Occupational Health Monitoring

SNGPL's top management is devoted to promote HSE culture across the Company. Hazard identification and evaluation / root cause analysis of the risks associated with it, is an integral part of HSE Integrated Management System (IMS). The same process is also being applied in the field of Occupational Health. Many potentially hazardous situations occur in work place like high noise level, heat stress, low level of lighting etc.

Occupational Health monitoring and is being carried out regularly at various sites across the Company, especially in those areas where workers are directly involved in an activity / operation which may be affecting their health. The main purpose of conducting the OH Monitoring is to make more aware of Occupational Health. A consolidated report is to be apprised to the Management for necessary review and advice.

Occupational Health Monitoring is being carried out for the following category of employees:

- Drivers
- Janitorial Staff
- Canteen Staff and Staff Attendants
- Computer Operators
- Employees exposed to Noise
- Employees exposed to Dust, Fumes and Vapors
- Employees exposed to radiation

To improve dope yards workers respiratory health, cold tape application is being substituted with dope kettle operation at dope yards and corrosion control centre. Occupational health safety awareness sessions are imparted related to workplace hazards, preventive measures, first aid and fire safety to all newly hired workers at the time of induction. All newly hired vehicle drivers have to get their pre-employment health status done as part of their contract with the Organization.

Occupational Health risk assessment is a very important tool to monitor and advise any health risk which provides input for developing suitable controls before any out break.



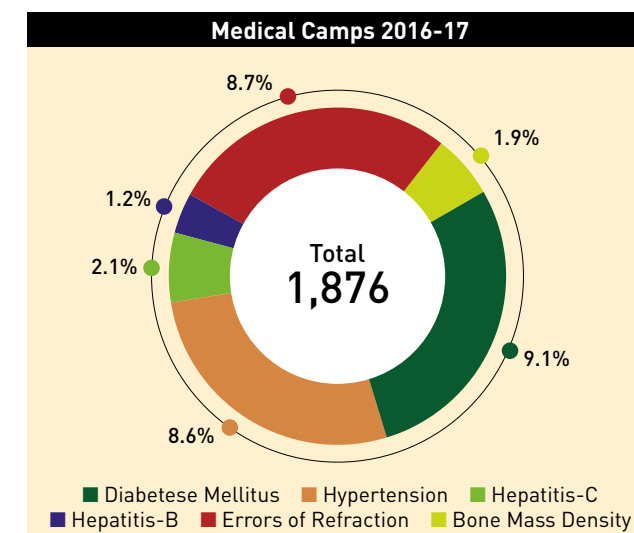
B. Medical Camps

Medical camps are organized for all personnel regardless of their nature of job and type of engagement with the Company. These camps facilitate the employees to get their health status screened with a variety of tests under one roof within a reasonable time.

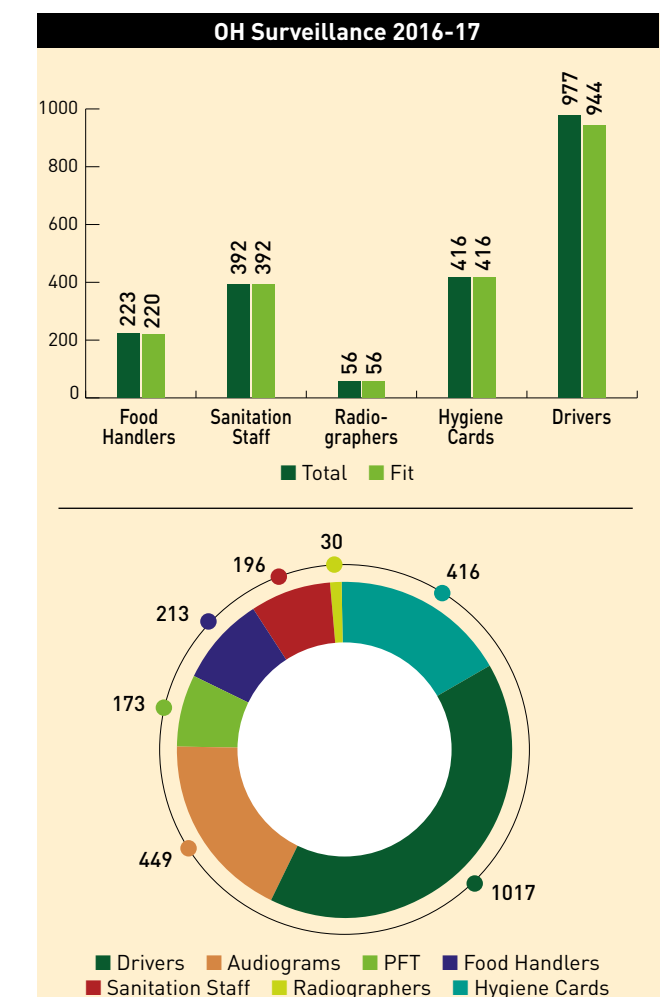
Busy work environment, job stress and frequent traveling hinders our staff to give needed attention to their health. The environment in the medical camps gives them some time to interact with their colleagues and provide some break in their busy routine to think about their health and be aware of the health related hazards from the literature available at awareness material stall which contain useful information regarding precautions to be taken during daily routine.

HSE initiative of Medical Camps is a very effective event to promote Health Care awareness, on spot health screening of employees and also provides an excellent opportunity for providing information about general HSE initiative. In 2016-17 Medical Camps have been arranged at Multan (D), Kacha Khu Camp, Bahawalpur (D), Head Office, Habibabad Camp, Manga Workshop, Manga Stores and Abbott bad(D).

After the Medical Camp, the reports are analysed by the Occupational Health Consultant HSE Head Office and recommendations are given, which may be as following.



- Counseling was done and treatment advised for all those who have low levels of bone mass density, Hepatitis B & C, Diabetes Mellitus and Hypertension.
- Printed brochures related to communicable, occupational and non communicable diseases are also distributed to all those who come to attend medical camps.
- All those with impaired lung function testing were counseled to use PPE and avoid smoking to prevent further deterioration in their lungs health status.
- As per health status of specific category occupational health advice is provided.
- OHS & Environmental hazard and risk assessment is revised, mitigation measures are taken.
- Strict monitoring of safety measures utilization is a continual process.
- Awareness sessions are imparted related to Job category hazards and protection.



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HEALTHY WORK FORCE IS PRODUCTIVE WORK FORCE

ix) Wellness Club for the Employees

A new initiative has been undertaken by HSE Department regarding development of Wellness Club at SNGPL Head Office. It allows employees to exercise which in turn will help improve their health.

Wellness Club has been established in Head Office building basement B-2. This initiative of Management would help in improving health and fitness of executives which will ultimately result in improved productivity.

The wellness club was inaugurated on Friday, 17th February 2017 by the worthy Managing Director SNGPL, Mr. Amjad Latif. All higher Management of SNGPL also participated in the inauguration ceremony. While addressing the occasion, worthy Managing Director appreciated the efforts of Health Safety and Environment (HSE) department for completing the task within the stipulated time and encouraged the employees to fully participate for getting maximum benefit from this wellness club to help maintain their health & fitness. Upon successful execution of the wellness club, he further advised to establish wellness clubs at other SNGPL offices as well.

x) HSE Trainings

Training and awareness is an integral part of Company's HSE Management System and specific certification training plays important role for Continual Professional Development. Training sessions are being delivered to all concerned for better identification of hazards and assessment of associated risks to which Company employees are exposed at their work places especially during execution of various field activities.

Following Training modules are being conducted on regular basis.

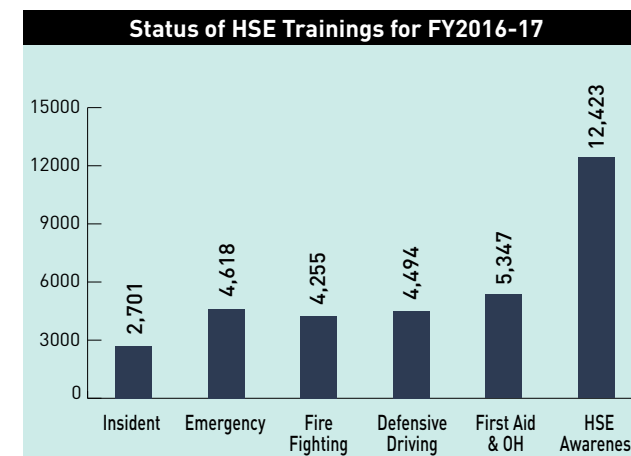
- 1) Operations and Maintenance Manual of HSE
- 2) Achieving Zero Goal through Accident Prevention
- 3) Fire Fighting
- 4) First Aid
- 5) Defensive Driving / Road Safety



In addition to the above, different training sessions are being carried out by HSE Engineers to all employees old and new (permanent, contractual, executives, staff) regarding the HSE Awareness, Emergency Drills, Ergonomics, OHS and Environment Risk Assessment, Conservation of Environment, How to Handle Chemicals, Affects of Smoking on Health and Energy Conservation etc. The training evaluation is being carried out by evaluating at Performance observed (on the job), Oral / Written tests, Demonstration, Questions / interviews.

In addition to the above, SNGPL also coordinates with Government agencies e.g Rescue 1122, National High Way and Motorway Police for conducting the Awareness sessions on Emergency Response Plan and Defensive Driving.

Furthermore, HSE Departments keeps on communicating the safety message time to time across Company through HSE Message of the Day, HSE Bulletin, Safety Posters, Learning Events, HSE Booklets on First Aid / Safety Talks / Dengue, Safety Theme of the Month and HSE Videos.



xii) World Day for Occupational Health and Safety – 28th April

Sui Northern Gas Pipelines Limited has conducted World Day for Occupational Health and Safety at Work 2017 at its Corporate Head office and across the Company, in collaboration with American Society of Safety Engineers (ASSE) and Department of Chemical Engineering, University of Engineering and Technology, Lahore.

The International Labor Organization (ILO) started observing the World Day for Safety and Health at Work on April 28, 2003. Globally "World Day for Safety and Health at Work and Workers" is recognized as a "Memorial Day" – A day to think about how our actions can prevent future work-related deaths, injuries and illnesses, and a day to remember those who have died from a work-related injury or illness. Workplace injury and disease destroys quality of life, social and family activities, affects job prospects, performance and career advancement.

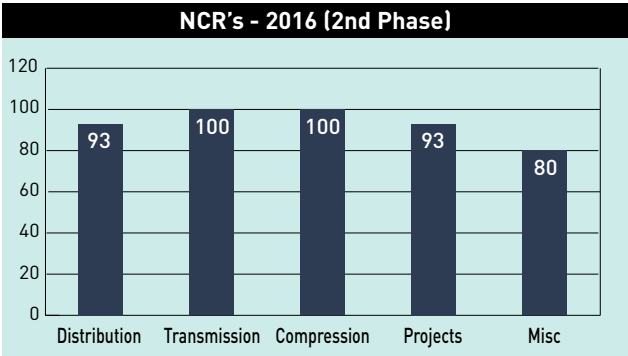
It is pertinent to mention that SNGPL is proud to conduct World Day for Safety and Health at Work 2017 across the Company and hence it depicts the Management commitment for the implementation of Occupational health and safety of the employees.

xiii) HSE Internal Audits

SNGPL has established a system for Internal Auditing in order to check the compliance of HSE Management System at all Company sites and identification of gaps for further improvement. Internal auditing is also a requirement of ISO 14001 and OHSAS 18001 standards to which Company is certified. Each site of SNGPL is being audited biannually by qualified Lead

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Auditors. Record of internal audit reports is being maintained and status shared with the top Management for further instructions. Internal auditing activity has played a very important role for overall improvement in HSE compliance of the Company. Compliance status of internal audit conducted in November and December, 2016 is as follows;



xiii) Corrective and Preventive Action Request

Corrective and preventive actions are key elements in Occupational Health and Safety Management System (OHSAS 18001) and Environmental Management System (ISO 14001). Corrective action (CA) is an action to eliminate the cause of detected non-conformity and its re-occurrence. For example buying a new tyre after getting a puncture. Preventive action (PA) is an action to eliminate the cause of potential non-conformity and its occurrence. For example filling the petrol tank of your car before its empty i.e. by watching the petrol gauge problem is avoided. Simply corrective action is a reactive approach and preventive action is a proactive approach.

xiv) SNGPL is certified to ISO-14001 and OHSAS-18001 standards which pay special emphasis on identification / elimination of hazards and for controlling / eliminating the hazards corrective and preventive actions are taken. SNGPL has devised a procedure "Control on non-conformance, Corrective and Preventive actions" according to which any person can report a hazard. The CPA form is logged in HSE department and as per standard requirement its record is maintained. Pending CPA forms are regularly being monitored with great concern till they are adequately closed out.

HUMAN RESOURCE STRENGTH AT SNGPL

Region / Gender wise summary of Staff as on 30-Jun-2017

Sr. No.	Regions	Career Term		On Contract Basis	
		Female	Male	Female	Male
1	Abbottabad (D)	1	276	-	7
2	Bahawalpur (D)	3	234	1	8
3	Faisalabad (D)	9	620	-	24
4	Faisalabad (T)	11	266	-	1
5	Gujranwala (D)	4	262	-	11
6	Gujrat (D)	-	132	-	6
7	Head Office	47	719	2	10
8	Islamabad (D)	7	562	4	32
9	Lahore East (D)	13	632	-	27
10	Lahore West (D)	10	323	1	11
11	Mardan (D)	-	211	-	1
12	Multan (D)	6	529	-	16
13	Multan (T)	4	483	-	-
14	Peshawar (D)	2	634	-	18
15	Project Hq	-	285	-	90
16	Rawalpindi (D)	2	405	-	24
17	Sahiwal (D)	-	192	-	4
18	Sargodha (D)	2	202	-	8
19	Sheikhupura (D)	4	249	-	9
20	Sialkot (D)	-	101	-	2
21	Wah (T)	1	233	1	-
Total		126	7,550	9	309

Age Band / Gender wise summary of Staff as on 30-Jun-2017

Sr No.	Age Band	Career Term		On Contract Basis	
		Female	Male	Female	Male
1	Below - 30	43	1168	6	207
2	30 - 50	70	4598	3	97
3	Above - 50	13	1784	-	5
Total		126	7550	9	309

Employees by gender minority group and % age give age group

Gender	Minority Group		Age group		
	Muslim	Non-Muslim	<30	30-50	>50
Male	7440	110	1168	4598	1784
Female	121	5	43	70	13

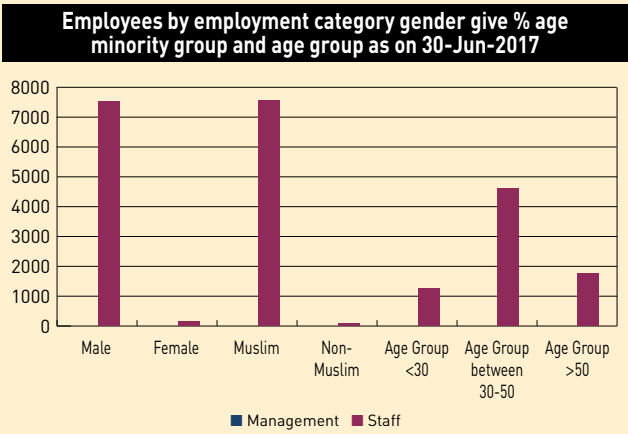
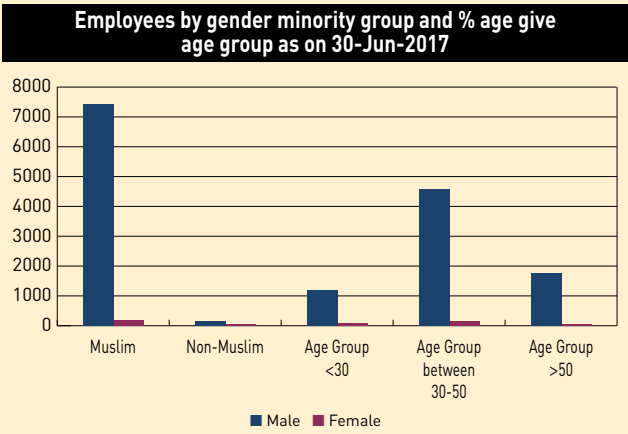
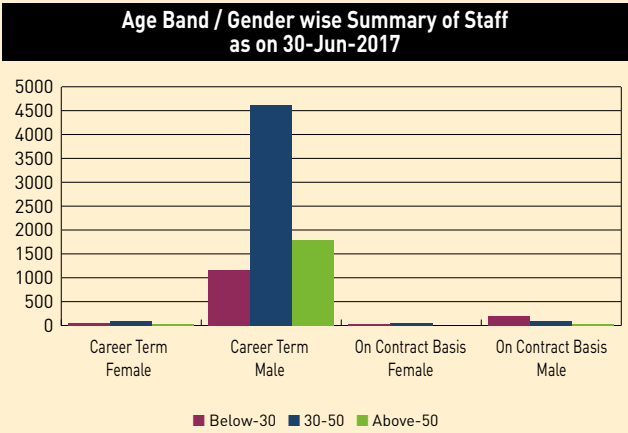
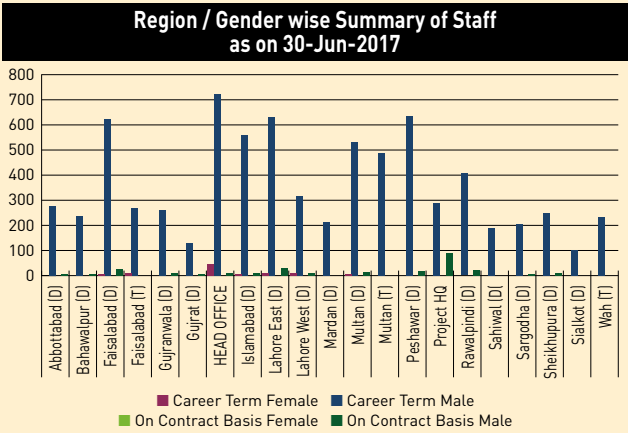


We believe it is the Human Resource who make the organization unique and define its reputation for excellence

Employees by employment category gender give % age minority group and age group

Employee Category	Gender		Minority Group		Age group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Management	-	-	-	-	-	-	-
Staff	7550	126	7561	115	1211	4668	1797

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Region / Gender wise summary of Executives as on 30-June-2017

Sr. No.	Regions	Career Term		On Contract Basis	
		Female	Male	Female	Male
1	Abbottabad (D)	-	37	-	-
2	Bahawalpur (D)	4	49	-	1
3	Faisalabad (D)	4	56	2	10
4	Faisalabad (T)	1	82	1	12
5	Gujranwala (D)	1	40	-	5
6	Gujrat (D)	1	28	-	2
7	Head Office	37	359	20	40
8	Islamabad (D)	1	73	2	15
9	Lahore East (D)	4	75	3	17
10	Lahore West (D)	-	37	-	1
11	Mardan (D)	-	25	-	1
12	Multan (D)	1	68	1	16
13	Multan (T)	2	69	1	5
14	Peshawar (D)	2	75	-	12
15	Project Hq	1	137	1	58
16	Rawalpindi (D)	1	57	2	11
17	Sahiwal (D)	-	37	-	3
18	Sargodha (D)	-	34	-	4
19	Sheikhupura (D)	-	52	-	3
20	Sialkot (D)	1	18	-	2
21	Wah (T)	2	36	-	-
Total		63	1444	33	218

Age Band / Gender wise summary of Executives as on 30-June-17

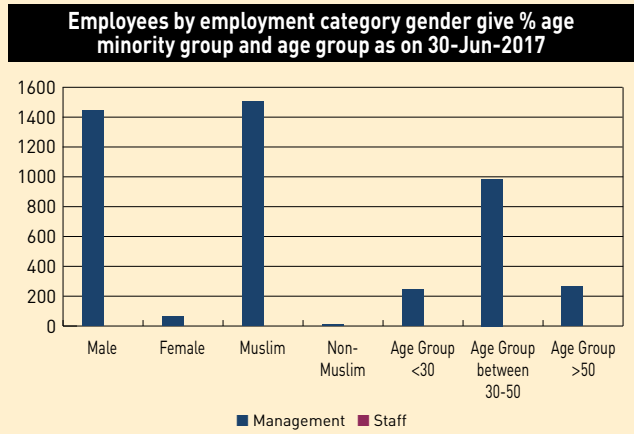
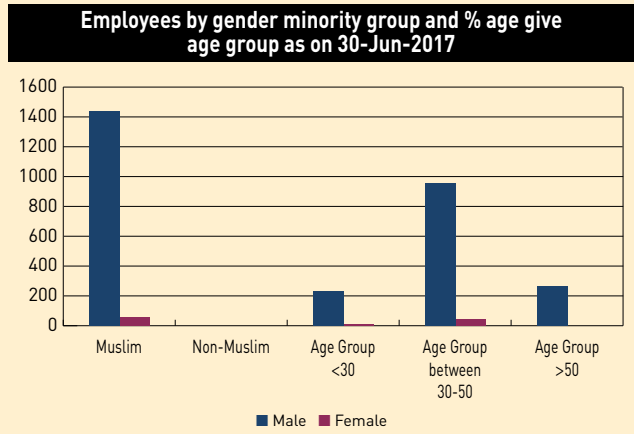
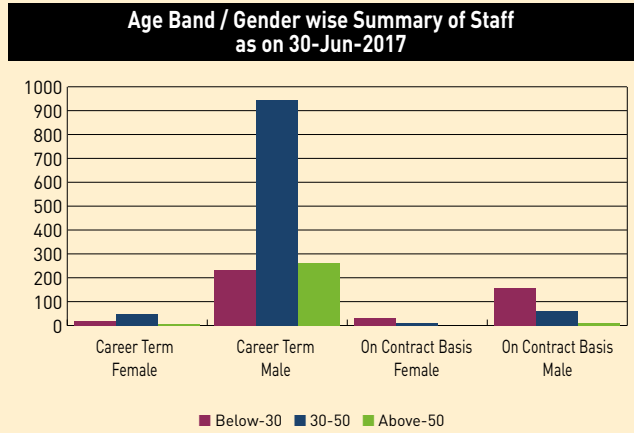
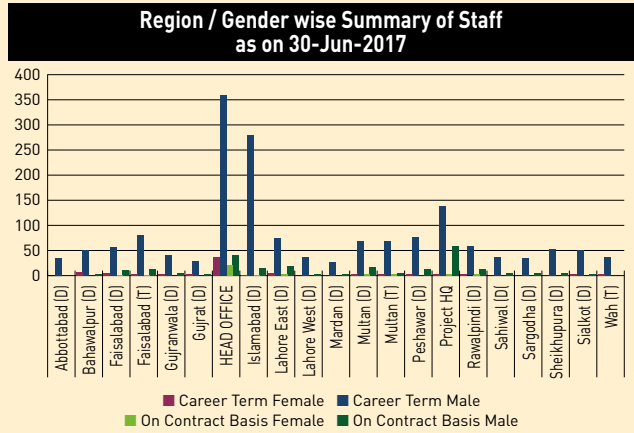
Sr No.	Age Band	Career Term		On Contract Basis	
		Female	Male	Female	Male
1	Below - 30	14	229	27	156
2	30 - 50	47	945	6	54
3	Above - 50	2	270	-	8
Total		63	1444	33	218

Employees by gender minority group and % age give age group

Gender	Minority Group		Age group		
	Muslim	Non-Muslim	<30	30-50	>50
Male	1436	8	229	945	270
Female	63	0	14	47	2

Employees by employment category gender give % age minority group and age group

Employee Category	Gender		Minority Group		Age group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Management	1444	63	1499	8	243	992	272
Staff	-	-	-	-	-	-	-



● **Employment of Special Persons**
The Company in accordance with its Corporate Social Responsibility has always given due consideration to engage special persons. Resultantly, present establishments of Company comprises a number of special employees. The Board of Directors of SNGPL as well as the Management is also determined to ensure recruitment against the reserved seats for Special person in the forthcoming recruitment exercises. During the Fiscal Year 2016-17, 10 numbers of Special persons were recruited / hired, as mentioned in next pages.

● **Employment of Females / Minorities**
As evident from data provided, SNGPL have a significant number female employees and encourage minorities also. The data shows that no applicant / employee is discriminated on the grounds of their race, nationality, ethnic / social origin, religious or political beliefs, age, gender, marital status or disability. All human resource decisions are made by utilizing objective standards that are based on an individual's qualifications and experience as they relate to a particular vacancy. The employment is done on purely on Merit basis.

● **Awareness Session on Breast Cancer by M/s Pink Ribbon**
Awareness session on “Breast Cancer” was arranged at SNGPL Head Office, in collaboration with M/s Pink Ribbon.

SNGPL Management and significant number of female and male employees participated in the session. Mr. Omer Aftab, CEO Pink Ribbon stressed at the importance of breast cancer awareness and the steps taken by Pink Ribbon with respect to the treatment. Ms. Sonia Kaiser Asst. Manager Pink Ribbon shared the salient features of the campaign and highlighted its importance. All women are at risk of breast cancer which increases with growing age. It is the second leading cause of death in females but its important to mention that it is curable if detected at an earlier stage. Breast cancer is a complex disease and there are many factors

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that play a role in its development, such as diet, inactivity, and exposure to certain chemicals in the environment.

Literature regarding the awareness on Breast Cancer was distributed among the participants. Female participants purchased Souvenirs as a token of ownership.

● Celebration of Women Day

International Women's Day (March 08) is a global day celebrating the social, economic, cultural and political achievements of women. The date also marks the call to action for accelerating gender parity. It is celebrated in many countries around the world. Its a day when women are accepted for their achievements without regards to divisions, whether national, ethnic, linguistic, cultural, economic or political.

Pakistani women have fully exhibited their talents in different walks of the life of life whenever given the opportunity. SNGPL also encourages women by providing them equal opportunities in all aspects. To celebrate the struggle and success of women, a special program was organized in

We at SNGPL celebrate "Women Day" every year to acknowledge the individuality and gender equality of Women. On 08th March 2017, Female employees thanked SNGPL management for the conducive environment which always encourages women, ensure gender equality and create an atmosphere where the women feel safe and motivated. SNGPL Management appreciates and encourage the women empowerment. We believe that there is no tool for development more than the empowerment of women.



There is no force equal to a woman determined to a rise

HIGHLIGHTS FOR 2016-17

10
Handicaps
recruited

40
Employees
availed
Hajj Facility

47
Individuals
engaged as
Apprentices

71
Scholarships
(including
admission fee
& tuition fee)
awarded to the
children of our
employees

310
Students
engaged as
Interns

11

ENVIRONMENT

- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** Undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.



11.1

ASSESSMENT, POLICY AND GOALS

We are proud to maintain ISO 14001 Certification for our organization. SNGPL makes extensive efforts to reduce energy consumption in its own operations as well as convince its consumers on efficient utilization of energy through improvements in processes, use of energy efficient equipments and changing life style.

Clause 1: Environment Policy

The Managing Director endorses the SNGPL Environmental, Occupational Health and Safety Policy. The policy is appropriate to the nature, scale and environmental impacts of all activities at the SNGPL. The Policy includes a commitment to continual improvement and prevention of pollution and prevention of hazards & risks for occupational health & safety, as well as committed to meet or exceed relevant environmental, occupational health & safety legislation, regulations and other requirements.

Clause 2: Energy Conservation Policy

SNGPL has formulated Energy Conservation Policy to follow a systematic approach to reduce energy consumption in our own operations as well as to persuade consumers for efficient utilization of energy. Under the domain of Energy Conservation Policy Company endeavours to work on renewable energy resources, Reduce emissions of green house

gases, Promote awareness among the consumers regarding usage of energy efficient appliances/ devices, Coordinate with industrial consumers through Energy Efficiency Audits to assist them in making their processes energy efficient.

Clause 3: Environmental Aspects Identification and Risk Assessment

SNGPL has established and maintained a procedure for identifying environmental aspect and impact. The HSE Site Committee (HSC) identifies the environmental aspects, which the SNGPL Controls and over which it may be expected to have an influence, and determines which of those aspects are considered significant. Environmental aspects are reviewed as per frequency defined or when there is new / changed process or activity at the SNGPL.

Company has also a procedure to monitor and measure the key characteristics of its operations and activities that can have a significant impact on the environment and significant risk for occupational health & safety at SNGPL. These guidelines include calibration and maintenance requirements and ensures that records will be retained.

Clause 4: Legal Requirements

The SNGPL has established and maintained a procedure for the purpose of identifying, accessing and communicating legal and other requirements

ENVIRONMENT

ENERGY CONSERVATION POLICY

Sui Northern Gas Pipelines Limited is committed to conserve energy by optimum utilization of energy. The Company strives to preserve resources for the future and reduce environmental pollution. SNGPL makes extensive efforts to reduce energy consumption in its own operations as well as convince its consumers on efficient utilization of energy through improvements in processes, use of energy efficient equipments and changing life style.

The Company endeavours to work on the following objectives in order to fulfill its commitment towards energy conservation:

- ☆ Encourage use of renewable energy resources.
- ☆ Promote awareness among the consumers regarding usage of energy efficient appliances/devices.
- ☆ Reduce emissions of green house gases especially carbon dioxide.
- ☆ Minimize use of water through awareness campaigns and continual replacement of old water supply appliances with efficient water supply equipments/appliances.
- ☆ Replace inefficient equipments.
- ☆ Coordinate with industrial consumers through Energy Efficiency Audits to assist them in making their processes energy efficient.
- ☆ Promote awareness among the Company's personnel to make positive contribution towards energy conservation through realization of energy savings.
- ☆ Record energy savings and savings to the Company in monetary terms.
- ☆ Incorporate energy efficiency as a key variable while making decision on purchasing new equipment.

SNGPL ensures that the required information is available to all the stake holders and adequate resources are provided for achieving the Energy Conservation objectives and targets

Amjad Latif
MANAGING DIRECTOR

پالیسی برائے توانائی بچت

سوئی ناردرن گیس پائپ لائنز لمیٹڈ کو محفوظ کرنے اور اس کے بہتر استعمال کے لیے پُر عزم ہے۔ کمپنی ماحولیاتی آلودگی کو کم کرنے کے ساتھ ساتھ مستقبل کیلئے وسائل کو محفوظ کرنے کی کوشش کر رہی ہے۔ سوئی ناردرن گیس نہ صرف اپنے آپریشنز میں توانائی کی بچت کو کم کرنے کی کوشش کر رہی ہے بلکہ کام میں بہتری، معیاری آلات کے استعمال اور طرز زندگی میں تبدیلی کے ذریعے توانائی کے معیاری استعمال پر اپنے صارفین کو بھی قائل کر رہی ہے۔

کمپنی توانائی کی بچت کے عزم کو پورا کرنے کیلئے مندرجہ ذیل مقاصد پر کام کرے گی:

- ☆ قابل تجدید توانائی کے وسائل کے استعمال کی حوصلہ افزائی۔
- ☆ توانائی کی بچت کے آلات کے استعمال کے حوالے سے صارفین کو آگاہی دینا۔
- ☆ گرین ہاؤس گیس خاص طور پر کاربن ڈائی آکسائیڈ کے اخراج کو کم کرنا۔
- ☆ پانی کے میٹریا گھروں کے کیلئے آگاہی دینا اور پانی کی فراہمی کے پرانے آلات کو نئے معیاری آلات سے تبدیل کرنا۔
- ☆ زیادہ توانائی استعمال کرنے والے آلات کو کم توانائی استعمال کرنے والے معیاری آلات سے تبدیل کرنا۔
- ☆ صنعتی صارفین کے تعاون کے ذریعے توانائی کی بچت کرنے کیلئے آڈٹ کرنا تاکہ ان کے ذریعہ استعمال مشینوں کی کارکردگی توانائی کے استعمال پر معیاری ہو۔
- ☆ توانائی کے تحفظ کیلئے کمپنی ملازمین میں توانائی کی بچت کے بارے میں آگاہی کو فروغ دینا۔
- ☆ توانائی کی بچت اور اس کے نتیجے میں ہونے والی مالیاتی بچت کا اندراج کرنا۔
- ☆ نئے آلات کی خریداری کا فیصلہ کرتے وقت توانائی بچت کو بنیادی اہمیت کا حامل بنانا۔

توانائی کے تحفظ کے مقاصد اور اہداف کو حاصل کرنے کیلئے سوئی ناردرن اس بات کو یقینی بناتی ہے کہ ضرورت کی معلومات تمام متعلقین کو فراہم کر دی گئی ہیں اور مناسب وسائل میسر آئے ہوں گے۔

امجد لطیف
منیجنگ ڈائریکٹر

that are applicable to the SNGPL in relation with Environment. Additional information is also available through legal publications. Local regulations are identified, accessed and communicated by the Management Representative (MR).

SNGPL is putting its valuable share towards conservation of natural gas as well as for reducing green house gas emissions by introducing different energy conservation devices including Solar water heaters, Geyser timer devices and conical baffles. Company has installed a number of these devices at the premises of its consumers saving emissions as well as conserving valuable resource i.e. natural gas and the practice is going on.

SNGPL is also providing guidelines to its industrial consumers on professional basis convincing them regarding energy conservation by conducting energy efficiency audits and advising them to adopt energy conservation initiatives for making their equipment energy efficient.

SNGPL has developed its Energy Conservation Policy which is implemented across the Company.

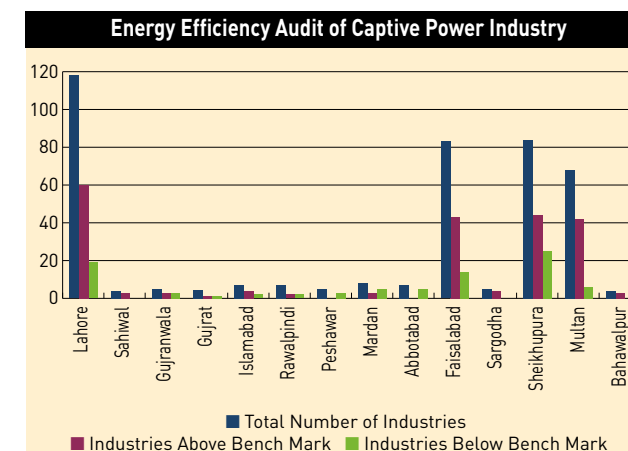
11.2 MEASUREMENT OF OUTCOME

We are committed to minimize impact on the environment through pollution prevention, reduction in consumption of natural resource, control emissions, and reduction and recycling of waste. The company manages its product and processes that are not harmful to its surroundings and community by complying to all applicable legal and regulatory requirements. All Environmental Testing conducted by SNGPL under the guideline of NEQS (National Environmental Quality Standard) provide safe environment not only to all employees but also to the stakeholders. It is indeed heartening see companies like playing their part by contributing to the well being of the environment and society.



● Energy Efficiency Audit of Captive and Boiler Industries

Sui Northern Gas Pipelines Limited is committed to conserve energy by optimum utilization of energy and making extensive efforts to reduce energy consumption in its own operations as well as convince its consumers through Energy efficiency audits of Captive and boiler industries for efficient utilization of energy through improvements in processes, use of energy efficient equipments and changing life style. Energy efficiency audit of captive power and boiler industries are conducted as per guidelines provided by the Ministry. We are educating the consumers for adopting energy efficient techniques and equipment for



effective utilization of the available energy. Total 406 captive power industries and 820 boiler industries are audited in the fiscal year 2016-17.

- **Energy Conservation Devices**
SNGPL is putting its valuable share towards conservation of natural gas as well as for reducing green house gas emissions by introducing different energy conservation devices including Solar water heaters, Geyser timer devices and conical baffles. These devices are available at SNGPL offices and its cost is recovered from consumer bills through installments. SNGPL, in this way facilitate consumers by providing them such devices on installments which reduces their gas bills. SNGPL do not take any profit on these initiatives.



- SNGPL introduced **Solar Water Heater** as an alternative to conventional gas water heater. It is environmental friendly as it reduces / eliminates carbon emissions associated with water heating. To ensure gas conservation and optimum utilization of natural gas, SNGPL has installed solar water heaters to our valuable consumers at no profit basis.

- Geyser timer device** is a timer device for controlling gas consumption through a set program depending upon requirement of heated water at a particular hour of the day. It can save 20% to 30% of gas consumption resulting in lesser gas bills.

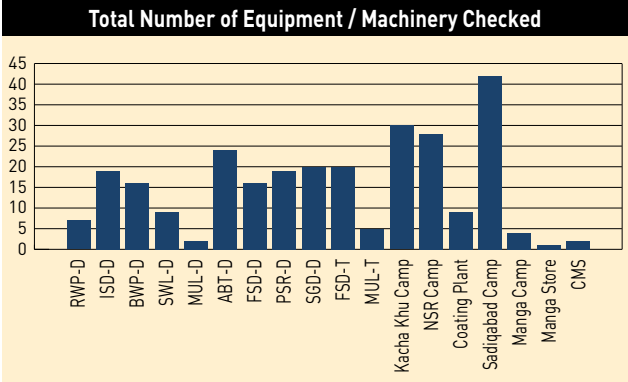
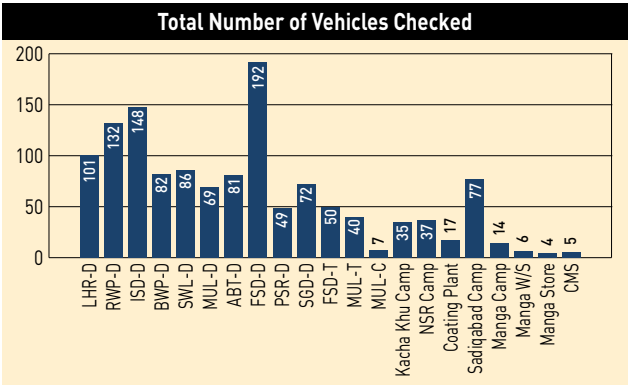


ENVIRONMENT

iii) **Conical baffles** improve energy efficiency of the conventional geyser significantly.



● **Control of Emissions**
SNGPL is committed to preserve the environment by making compliance to all applicable laws and codes. A procedure for environmental monitoring is part of Integrated Management System Manual. In addition, emission tests of stacks, generators, vehicles and welding plants are carried out as per frequency using either in house resources or 3rd party services. SNGPL has developed In-house



Build a future in which human can live in harmony with nature

resources for monitoring of emissions of all vehicles, generators, stacks and welding plants with state-of-the-art portable equipments like LANCOM, TESTO, IMR. A vehicle installed with Crypton emission analyzer equipment has been specially designed for emission monitoring in addition to portable devices. The environmental impacts of these emissions are covered in environmental risk assessment (wherein the current controls and preventive measures are suggested).

● **Tree Plantation**
Trees improve our air quality by filtering harmful dust and pollutants. Trees absorb carbon dioxide and potentially harmful gasses, such as sulfur dioxide, carbon monoxide, from the air and release oxygen. Many species of wildlife depend on trees for habitat.



Trees improve our air quality by filtering harmful dust and pollutants. Trees absorb carbon dioxide and potentially harmful gasses, such as sulfur dioxide, carbon monoxide, from the air and release oxygen. Many species of wildlife depend on trees for habitat.

SNGPL has plantation of trees at many of its premises across the Company in Punjab and KPK and through this initiative, Company is playing its role towards prevention of pollution and global warming.

During the fiscal year 2016-17, SNGPL did plantation at its various locations including regional office Sialkot and project camps Sheikhpura, Kacha khu & Manga by planting 580 Nos. of plants of different species including grassy plots, flower plants and fruit trees. Plantation of 800 Nos. of plants is in progress.

To reduce carbon footprint, SNGPL is working continuously on this initiative and has plan for plantation of trees at its premises where sufficient space might be made available. In an effort to enhance the urban forest cover and raise awareness regarding the importance of trees, SNGPL and WWF Pakistan has joined hands for the noble cause of Environment. Each Eco-Intern of our International ECO Internship Program is encouraged to plant an indigenous tree species and share their pictures Social Media with the hashtag #One Tree One Certificate.

As a result of this campaign, in less than a year's time more than 2000 trees have been planted in different communities within Lahore.

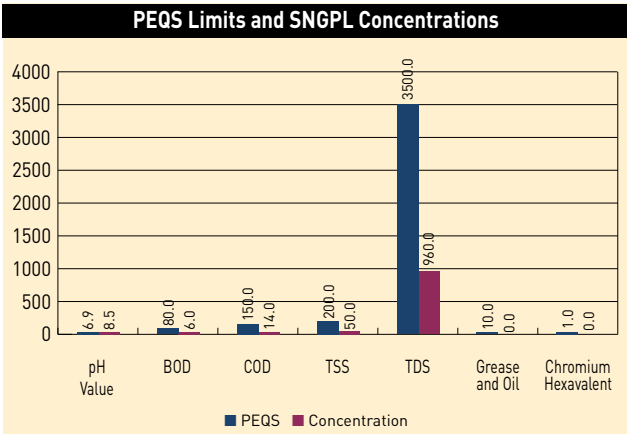
In addition to this, SNGPL has also planted around 100 number of Trees during Employee Engagement Activity at Changa Manga.

● **Earth Hour Celebration**
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.



SNGPL celebrated the "Earth Hour" across the Company on 18th March 2017, by switching off unnecessary lights from 0800pm to 0900pm.

● **Waste Water Monitoring**
SNGPL has an established system for monitoring of waste water generated from the locations where water is used in some process and where Company offices are provided with HVAC systems. The waste water is drained after being examined from third party labs. SNGPL is committed towards prevention of any polluted waters and efficiently manages its processes to avoid such land or water contamination.



12

ANTI-CORRUPTION



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

12.1 ASSESSMENT, POLICY AND GOALS

SNGPL code of conducts has a specific clause for "Fraud, Deception, Dishonesty, Bribery and Corruption. Stated below.

Clause 1: Use of SNGPL Information Technology Resources

Use of SNGPL Information Technology resources is strictly limited to business requirements. Employees should aware that e-mails are not confidential and may be accessed for monitoring purposes. Any breach of IT security protocol that involves private business use or unsuitable material will be considered as a misconduct. Employees will be accountable for all activities created under their password and subsequently, any unauthorized use of a password will be treated as gross misconduct.

Clause 2: Personal Loans from Colleagues & Customers

SNGPL offers a handsome compensation package with fringe benefits to facilitate staff with maintaining a respectable standard of living and for the acquisition of various assets and as such allows them to borrow sufficient monies from their lenders. Therefore borrowing money from fellow colleagues, customers or placing oneself under pecuniary obligation to a moneylender or broker or subordinate Company staff or any other person or group having dealings with the Company is strictly forbidden.

Clause 3: Reporting Legal Violations

If an employee becomes aware of any improper, unethical or illegal conduct on the part of a colleague, he / she has a moral obligation to report it immediately to their Department Head or

Line Manager. Situations that may cause concern include but are not limited to the following: any action that is detrimental to the reputation or profitability of SNGPL, any action that undermines employee or customer rights, any action of abetting consumers in pilferage of gas; any action that may qualify as misconduct as defined and explained in this policy; and any illegal action. The Company prohibits any retaliatory action against an employee for reporting in good faith, any suspected violations of proper conduct.

12.2 MEASUREMENT OF OUTCOME

SNGPL upholds its value of never indulging in any fraudulent or dishonest act with its employees or any third party. SNGPL's Human Resource (HR) Manual is a detailed and comprehensive document which addresses the actions to be taken against the concerned who gets involved in any activities like fraud, deception, dishonest, bribery and corruption. Disciplinary Enquiry and Whistle Blowing policy are in place and are implemented (if required) in true letter and spirit. Whistle Blowing policy is defined as the reporting by workers or ex-workers

of wrong doings such as fraud, malpractices, mismanagement, breach of health and safety law, or any other illegal or unethical act either on the part of Management, Senior Executives or by fellow employees / workers may include volunteers, contractors and outside agencies or others.

We have a mechanism to provide a confidential and secure mechanism to enable Company employees and other stakeholders to report concerns about behavior that might be unsafe, unlawful, unethical, corrupt, irregular or otherwise contrary to Company Values.

Furthermore, we have a well established Anti Corruption check and balance system in place through our Compliance Department (pre audit), Audit department. Public Procurement Rules (PPRA) are being implemented for the Procurement across the Company. Our system procedures are stringent and are being followed to ensure the transparency at all levels of business steps. We print the message "Say No to Corruption" at the back side of Gas Bills. Hence discourage the corruption at all levels.



13

ACHIEVEMENTS/AWARDS/MEMBERSHIPS



13.1 AWARDS / ACHIEVEMENTS

The accomplishment of SNGPL in the field of CSR and HSE have been recognized and the Company was awarded with the following distinctions;

- 1- Fire Safety Award
- 2- CSR Award (Category Environment and Energy Conservation)
- 3- Emission Control Award

Companies are being evaluated for their overall CSR & HSE best practices not for one offs or short term projects. Particularly good governance, addressing all key stakeholders, sincerity and ongoing commitment in incorporating ethical values into their business; employee health & safety program; involvement in community related activities and protection of the environment.



13.2 MEMBERSHIPS

SNGPL is a member of National Safety Council USA since 2011. SNGPL also has a Corporate member of WWF Pakistan.



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FEED BACK FORM

FOR COP (FOR PERIOD FY 2016-17) OF SNGPL

We'd love to hear from you! Tell us what you think about SNGPL's COP (Annual Sustainability covering HSE & CSR) 2016-17 Report. This will help us further improve how we put together future annual reports.

- Name: _____
- Company: _____
- Email Address: _____
- Contact No: _____

How would you rate the annual report in terms of the following attributes:

- | | | | |
|---------------------------------------|----------------------------------|-------------------------------|---------------------------------|
| • Presentation of content | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Better |
| • Value for information | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Better |
| • Style of language | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Better |
| • Level of details provided | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Better |
| • Your overall rating for this report | <input type="checkbox"/> Average | <input type="checkbox"/> Good | <input type="checkbox"/> Better |

How do you think we can improve our report? (pls give comments in email)

Send the above form to email at farrukh.majeed@sngpl.com.pk

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SUMMARY

We comply with the 10 Principles of UNGC. Our Business Code of Conduct is a comprehensive documents along with the departmental operational manuals. Code of conduct is being received to every employee on annual basis, to take an undertaking that the same have been read and understood by each and every employee. Further, it is ensured that the system is in place and is being well implemented.

We assure to continue our journey towards the acceptance, implementation, development and compliance to the Principles of UNGC relating to Human Rights, Environment and Anti corruption.

Through our various activities, sessions and implemented processes, we continue our journey towards the acceptance, implementation and development of UNGC Principles relating to Human Rights, Labor, Environment and Anti-Corruption within our operations. Our future outcome is related to strengthening this developmental process and to publish our next Communication on Progress (COP) with a broader spectrum of initiatives with a more focused foothold within the area of Corporate Social Responsibility.

We understand that we have achieved a great deal but have a lot more to go to achieve our HSE Vision. We intend to do this by carrying our business in a way that contributes to safe work place, Environmental Improvement, Stronger communities and a better future for all our stakeholders. We believe in Continual Improvement and efforts have to be directed towards this cause.





ISO 14001
REGISTERED FIRM



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

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