



**SUI NORTHERN GAS PIPELINES LIMITED
ANNUAL SUSTAINABILITY REPORT
JULY 2019 - JUNE 2020**





CHAMKANI ROUNDABOUT SNGPL CSR

TABLE OF CONTENTS

1 2	<ul style="list-style-type: none">• <i>MD Statement</i>• <i>About Us</i>
3 4	<ul style="list-style-type: none">• <i>Corporate Governance</i>• <i>Our Mission</i>
5 6	<ul style="list-style-type: none">• <i>Our Vision</i>• <i>Our Values</i>
7 8	<ul style="list-style-type: none">• <i>Corporate strategies / objectives</i>• <i>Geographical locations</i>
9 9.1 9.2	<ul style="list-style-type: none">• <i>Human rights principles</i><ul style="list-style-type: none">• <i>Assessment Policy and Goals</i>• <i>Measurement of Outcome</i>
10 10.1 10.2	<ul style="list-style-type: none">• <i>Labour principles</i><ul style="list-style-type: none">• <i>Assessment Policy and Goals</i>• <i>Measurement of Outcome</i>
11 11.1 11.2	<ul style="list-style-type: none">• <i>Environment Principles</i><ul style="list-style-type: none">• <i>Assessment Policy and Goals</i>• <i>Measurement of Outcome</i>
12 12.1 12.2	<ul style="list-style-type: none">• <i>Anti – Corruption principles</i><ul style="list-style-type: none">• <i>Assessment Policy and Goals</i>• <i>Measurement of Outcome</i>
13 14 15	<ul style="list-style-type: none">• <i>Achievements / memberships</i>• <i>Summary</i>• <i>Independent Assurance Report</i>

Managing Director's Statement

Sui Northern Gas Pipelines Limited (SNGPL) is committed to be the leading integrated natural gas provider in the region, seeking to improve the quality of life of customers and achieving maximum benefit for stakeholders, by providing natural gas to its consumers. We know, as we grow, we will face challenges in growing, prospering and remaining sustainable. We are neither complacent nor naive, we face challenging times ahead and we will do everything we can, to help our organization through this turbulence, by providing efficient services.



The organization requires demonstrating a systemic approach to Health, Safety and Environmental issues, and make active efforts to eliminate constituents that are hazardous to Health, Safety and Environment. We are committed 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 seek to ensure that all business decisions are secure, protected and confined from a social, environmental and ethical perspective. To achieve that we have a systematic approach and well established system of Health, Safety and Environment compliant to international standards. We believe that sustained economic growth is only possible with social progress and wellbeing of local communities in particular and overall society in general. The same is reflected in our Corporate Social Responsibility (CSR) policy as the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families, as well as the local community and the society at large.

I would like to appreciate all Company's employees for their dedication, hard work, commitment and support. We believe that we have strived hard throughout the FY 2019-20 to achieve the desired results and we have made commitment with ourselves for the continual improvement for the years ahead.

A handwritten signature in blue ink, appearing to read 'Ali J. Hamdani'. The signature is fluid and cursive, written over a light blue rectangular background.

Ali J. Hamdani
Managing Director

PROUD TO BE A CERTIFIED ORGANIZATION FOR MORE THAN A DECADE

*SNGPL's Management Systems and Operations are 3rd party assured against global
Environment, Health & Safety Standards*



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



BUSINESS EXCELLENCE WITH HSE

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 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 consumers in North Central Pakistan through an extensive network in Punjab, Islamabad Capital Territory, Khyber Pakhtunkhwa and Azad Jammu & Kashmir and is certified against ISO 14001:2015 and OHSAS 18001:2007 Standards. SNGPL is a 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, many of HSE Engineers of SNGPL are Members of American Society of Safety Professionals (ASSP). ASSP is a global association and the premier leader for Health, Safety and Environment (HSE).

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 Pakhtunkhwa (KPK) comprising over 9106.45 KM of Transmission System (Main lines and Loop lines). The distribution activities covering 4,967 main towns along with adjoining villages in Punjab and Khyber Pakhtunkhwa are organized through 16 regional offices. Distribution system consists of 135,857 KM of pipeline. SNGPL has over 6.8 million consumers comprising Commercial, Domestic, General Industry, Fertilizer Power and Cement Sectors. Annual gas sales to the consumers were 623,724 MMCF during July 2019- June 2020.

Company Registration Number: CUIN-0043761

National Tax Number (NTN): 0801137-7

General Sales Tax Number (GST): 03-91-9999-967-19



BREAKING BARRIERS TO HSE CULTURE



CORPORATE GOVERNANCE

Good business is all about corporate governance. This is the main philosophy based on which Company's business has been successfully run 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 of Directors 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 with 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 respective meeting after getting due approval from Chairman of the Board and its sub-committees.



Our Mission

“

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



Our Vision



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



Our Values



Commitment

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



Courtesy

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



Competence

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



Responsibility

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



Integrity

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

CORPORATE STRATEGY / OBJECTIVES

SNGPL is committed to:

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





MAINLINE WELIDNG ACTIVITY



KANDOW HILL CROSSING

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

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 the 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 of SNGPL.

The following policies stated within our code of conduct show our compliance with the above mentioned principles.

1: 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.

2: Health, Safety & Environment Policy:

The Company has a comprehensive Health Safety & Environment Policy and referrals should be made to the policy for guidance. Every staff member should take reasonable care to ensure the health and safety of himself / herself and others, who may be affected by his / her acts or omissions at work. Staff members should not tamper 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 / gases into the environment.
- Provide employees, customers, suppliers, public authorities and communities with appropriate information for informed decision making.
- Strive continuously to improve environmental awareness and protection.

3: 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 noncompliance. This policy is intended to assist SNGPL staff in 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.

4: 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 behavior with respect to the Company and its operations.

5: 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. The staff must refer to a supervisor whenever in doubt.

6: Honesty and Integrity:

Company employees shall not, for their own personal gain, 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.

7: 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. 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's Departmental Head.

8: 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 prescribed 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.

9: 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.

10: 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.

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.

11: 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.

12: We are Socially Responsible Business:

SNGPL is dedicated towards its Corporate Social Responsibility (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 growth 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 under developed / under privileged / gas producing areas with priority to community residing in 15 Km radius of gas fields.
- Ensuring harmonious relations with our stakeholders, by working in partnership with the community, the Government and NGOs through the principles of Sustainable Development.

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

SNGPL has an approved CSR Policy. CSR Cells have been established at sites for the implementation of CSR Projects.

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

entity, 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 business with entities that do not violate the international human rights standards.

SNGPL carries out multiple activities for enhancing the quality of life of community in which it operates. SNGPL's Corporate Social Responsibility policy is based on global best practices envisaging management of the business processes by producing an overall positive impact on society and the environment. CSR policy complies with the guidelines provided by Securities and Exchange Commission of Pakistan (SECP) 2013, new tariff regime for regulated gas sector in Pakistan by OGRA, Principles of United Nations Global Compact (UNGC), relevant Sustainable Development Goals (SDG's) and Company's vision, mission and business code of conduct.

Measurement of Outcome

During the FY 2019-20, SNGPL has achieved considerable improvements in our business processes, systems and culture.

Management Committee Meetings

Management Committee Meetings, chaired by Managing Director are being conducted on regular basis. The Agenda includes not only the issues regarding 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 Redressal Policy. The purpose of which is to maintain and improve positive working relations between SNGPL Management and its employees.

The Grievance Redressal committee is headed by a member of Board or Senior Management (depending upon the seniority of the Executive whose case is to be discussed). Furthermore, our Management has an open door policy. 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 is protected, maintained and upheld at all levels.

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 14001:2015 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 one of the core values of SNGPL.



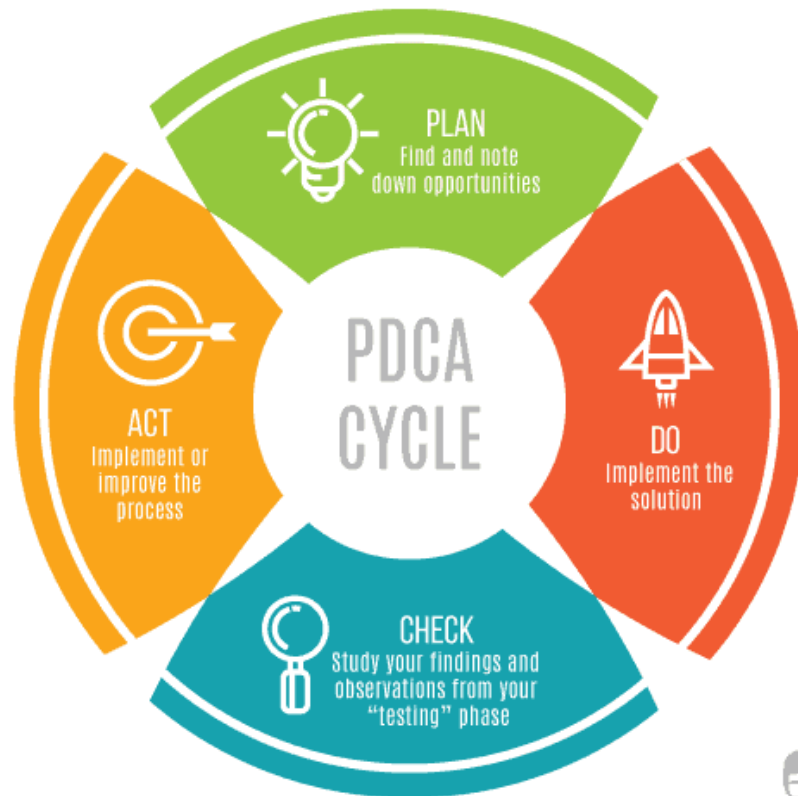
PULMONARY FUNCTION TESTING DURING MEDICAL CAMP



Strategy for Implementation of Integrated HSE Management System in SNGPL.

- HSE infrastructure at SNGPL is divided into 32 operational sites. In-charge of each site is designated as HSE Focal Point. Each HSE Focal Point is responsible for the Implementation of Company's HSE Management System through line management under its 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 of HSE Management System is carried out as per Standards through HSE Internal Audits and Surveillance Audits by Certifying Body to evaluate the effectiveness of Company's HSE Management System.
- HS&E 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 operation and maintenance manuals of Technical Departments are in line with the IMS Manual.
- Integrated Management System Manual is based on PDCA Cycle.

SNGPL's strategy for managing its HSE Management Systems





Issue No.06



Health, Safety & Environment Policy

Sui Northern Gas Pipelines Limited will ensure that

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

To implement HSE Policy, Sui Northern Gas Pipelines Limited will

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

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



AMJAD LATIF
MANAGING DIRECTOR

MARCH 14, 2016

Sui Northern Gas Pipelines Limited

پالیسی برائے صحت، حفاظت اور ماحولیات

سوئی ناردرن گیس پائپ لائنز لمیٹڈ اس امر کو یقینی بنائے گی کہ

- اس کے ملازمین، خریدار اور ٹھیکیداران کی صحت کو کام سے متعلقہ کوئی نقصان نہ پہنچے۔
- ادارہ میں ہونے والے تمام کام حفاظت کے اصولوں کے مطابق ہوں۔
- ماحولیاتی کارکردگی قانونی ضوابط کے مطابق ہو۔
- صحت، حفاظت اور ماحولیات کی کارکردگی میں متواتر بہتری ہو۔

صحت، حفاظت اور ماحولیات پالیسی پر عمل درآمد کے لئے سوئی ناردرن گیس پائپ لائنز لمیٹڈ مندرجہ ذیل اقدامات کو یقینی بنائے گی۔

- تمام متعلقہ قوانین اور ضوابط پر پوری طرح عملدرآمد۔
- صحت، حفاظت اور ماحولیات کے لئے مناسب تنظیم اور ضروری معیار اور طریقہ بنانے کا رکا تعین اور نفاذ۔
- اس امر کو یقینی بنانا کہ تمام ادارہ کے صحت، حفاظت اور ماحولیات کے معیار اور طریقہ بنانے کا رکا تعین اور نفاذ۔
- ایسے اہداف کا تعین اور کارکردگی کا جائزہ جس سے صحت، حفاظت اور ماحولیات میں مسلسل بہتری کو یقینی بنایا جاسکے۔
- ہر ملازم کو پابند کرنا کہ وہ خود، ساتھیوں اور ماحول کو آلودگی سے محفوظ رکھے۔
- تمام ملازمین، خریدار اور ٹھیکیداران کو کام سے متعلقہ صحت، حفاظت اور ماحولیات کے لئے مناسب معلومات اور تربیت فراہم کرنا۔
- کام کے لئے محفوظ ماحول کو یقینی بنانا تاکہ تمام کارکنان کام سے متعلقہ بیماریوں اور حادثات سے محفوظ رہ سکیں۔
- صحت، حفاظت اور ماحولیات کے متعلق آگاہی پیدا کرنا اور اس سلسلہ میں اچھی کارکردگی کی حوصلہ افزائی کرنا۔

اس پالیسی کے امور کسی بھی اکتھار سے ادارہ کی مجوزہ قانونی ذمہ داریوں میں اضافہ نہیں کرتے۔



امجد لطیف
منیجنگ ڈائریکٹر
۱۳ مارچ ۲۰۱۶ء

Smoking Policy

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

This Smoking policy shall apply to:

- All employees, clients, visitors and contractors of the SNGPL without any exception.
- All buildings, premises or enclosed spaces occupied, owned, leased or controlled by the SNGPL.
- All workplace, which include all Company buildings, Lobbies, Elevators, Cafeterias, Washrooms, Vehicles, or any other common areas frequented by employees.

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

- To educate smokers about the harmful effect of smoking and give guidance and support if employees decide to give up smoking.
- To change the working environment to minimize the harmful effects of passive smoking on the non-smoker.
- To provide healthy and efficient working environment to the employees and to avoid conflict in the workplace.
- To provide a designated smoking area with clear markings and ensure adequate ventilation for smokers.

All employees are responsible for ensuring the implementation of this policy. In case of any non compliance strict disciplinary actions may be taken.

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



Amjad Latif
MANAGING DIRECTOR

سموکنگ پالیسی

سوئی ناردرن گیس پائپ لائنز لمیٹڈ اپنے تمام ملازمین کو ایک محفوظ، صحت مند اور تعمیری ماحول مہیا کرنے کے لیے نہایت پر عزم ہے۔ سوئی ناردرن گیس پائپ لائنز لمیٹڈ اس امر کا بخوبی ادراک ہے کہ کام کی جگہ پر سگریٹ پینا نہ صرف سگریٹ پینے والے کی بلکہ اس جگہ پر موجود تمام افراد کی صحت کے لئے خطرے کا باعث ہے۔ سوئی ناردرن گیس پائپ لائنز لمیٹڈ کوشش کرے گی کہ کام کی جگہ پر موجود تمام ملازمین کو تمباکو نوشی کے مضر صحت اثرات سے بچایا جاسکے بالخصوص تمباکو نوشی نہ کرنے والے لوگوں کے لئے ماحول کو بہتر بنایا جاسکے۔

اس سموکنگ پالیسی کا اطلاق درج ذیل پر ہوتا ہے:

- بلا تخصیص تمام ملازمین، خریدار، ملاقاتی اور ٹھیکیدار
- کمپنی کی تمام عمارتیں، اپنی ملکیت کی یا کرائے پر
- کمپنی کے تمام دفاتر، چار دیواری اور بند جگہوں پر بشمول لابی، لفٹ، واش روم، کینٹین، کمپنی میں استعمال ہونیوالی تمام گاڑیوں، اور ایسی تمام جگہیں جہاں پر لوگوں کی اکثر آمد و رفت ہو۔

سوئی ناردرن گیس پائپ لائنز لمیٹڈ یقین رکھتی ہے کہ محفوظ اور صحت مند ماحول تمام ملازمین کا بنیادی حق ہے، اس امر کو مد نظر رکھتے ہوئے سوئی ناردرن گیس پائپ لائنز لمیٹڈ نے تمباکو نوشی پر قائل پانے کیلئے درج ذیل اہداف بنائے ہیں:

- تمباکو نوشی کرنے والے افراد کو تمباکو نوشی کے مضر صحت اثرات سے آگاہ کرنا اور انہیں تمباکو نوشی ترک کرنے کی ترغیب دینا۔
- تمباکو نوشی نہ کرنے والے افراد کے لئے ماحول کو بہتر بنانا تاکہ وہ تمباکو نوشی کے مضر اثرات سے محفوظ رہ سکیں۔
- ملازمین کو کام کرنے کے لئے محفوظ اور صحت مند ماحول مہیا کرنا تاکہ تمباکو نوشی کی بنا پر کوئی بھگڑا نہ پیدا ہو سکے۔
- تمباکو نوشی کیلئے مخصوص جگہ کا تعین کرنا اور وہاں تازہ ہوا کے گزر کو یقینی بنانا۔

تمام ملازمین اس پالیسی پر عمل درآمد کو یقینی بنائیں۔ خلاف ورزی کی صورت میں سخت تادیبی کارروائی کی جاسکتی ہے۔

اس پالیسی کے امور کسی بھی اعتبار سے ادارہ کی مجوزہ قانونی ذمہ داریوں میں اضافہ نہیں کرتے۔



امجد لطیف
مینیجنگ ڈائریکٹر

Trainings

SNGPL is continually developing its workforce and focusing on capacity building of its employees through 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 employees' skills and competencies which contribute towards overall organizational efficiency.

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 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 Trainings, Certification Training for Welders, and Helper Trade Test etc. SNGPL investment in Training and Development is perhaps the single most important way manifesting the Top Management's recognition that employees are our greatest asset. The mosaic of training modules includes not only Class room lectures but also Technical workshops, Hands on Trainings, Case studies, Assignments, Presentations, Interviews, Trade tests, Theoretical and Practical examinations. Practical Trainings on drilling machines and welding machines are also arranged.

Career Building at SNGPL

Following comprehensive training programs specific to Company needs have been designed and being delivered for Executives. These programs help in 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 are exposed to a wide range of courses, which are designed for the fulfillment of TNA. A comprehensive Executive Development Program (EDP) has been designed, 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.

Developing Future Leaders (DFL): An in house training program "Developing Future Leaders" has been developed considering the utmost importance of human resource development. This program is a unique blend of soft and technical skills to equip the Middle Management (Grade V-Grade VI) for the current and future challenges.

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.

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): PAT is devised to determine special abilities required to measure concentration and responsiveness of the employees of the Company. The test is used for the potential evaluation of executives for promotion to the next grade. . Third Party Consultants are hired in line with PPRA rules for tests and evaluation.





**TRAINING OF HSE EXECUTIVES AT
SUI NORTHERN GAS TRAINING INSTITUTE**

A. Training Hours per Employee FY 2019-20

No. of Employees	2,920
Training Hours	44,904
Average Hours of Training	15.37

B. Training Hours per Employee by Gender FY 2019-20

Gender	No. of Employees	Training Hours	Average Training Hours
Male	2,842	43,768	15.40
Female	78	1,136	14.56

C. Training Hours per Employee by Category FY 2019-20

Category	No. of Employees	Training Hours	Average Training Hours
Executives	1,879	29,424	15.65
Staff	1,041	15,480	14.87

SETTING THE STANDARD

GROWING THE SAFETY CULTURE

Awareness Sessions:

i) 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.

Training sessions on Safe Driving are being carried out across Company on regular basis, in order to improve awareness among the employees especially drivers regarding the hazards involved during driving.



ii) 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, from time to time, as a “Public Service Message”. Furthermore, Gas Safety and Conservation instructions are printed at the back side of 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 and Dengue Booklet are also displayed at Company’s website.

iii) Gas Conservation Awareness Walks

SNGPL, taking another step towards its Energy Conservation Initiative, carried out a series of Gas conservation awareness walks throughout the Company. The purpose of the walks was to improve public awareness about the necessity of gas conservation. Walks were organized in various cities including Rawalpindi, Lahore, Peshawar, Sheikhpura, Multan, Bahawalpur and Sialkot. The walk in Rawalpindi was jointly led by Chairperson BOD and Managing Director. The response of the general public was very encouraging and extensive media coverage was given. In most of the regions, students from various educational institutes also took part in the walk in order to support the initiative taken by SNGPL.



Corporate Social Responsibility

SNGPL's Corporate Social Responsibility policy is based on global best practices envisaging management of the business processes by producing an overall positive impact on society and the environment. CSR policy comply with the guidelines provided by Securities and Exchange Commission of Pakistan (SECP) 2013, new tariff regime for regulated gas sector in Pakistan by OGRA, Principles of United Nations Global Compact (UNGC), relevant Sustainable Development

Goals (SDG's) and Company's vision, mission and business code of conduct. The laid out objectives are to be achieved by adopting a methodology that drives conduct of the Company's business leading to commercial success in ways and manner that honor ethical values, people and communities, in our licensing area. SNGPL believes in

- business that should be both profitable and beneficial to the society.
- improving the quality of life of the communities under developed / under privileged / gas producing areas with priority to community residing in 15 Km radius of gas fields.
- ensuring harmonious relations with its stakeholders, by working in partnership with the community, the Government and NGOs through the principles of Sustainable Development.

We pledge to perform our corporate duty, based on principles of Standard of business conduct, Health Safety and Environment, Community and Disclosure, with dedication, diligence and integrity.

Objectives

We will strive to achieve the following objectives by allocating resources from the CSR budget.

1) Health

Contribute due share in fulfillment of basic human needs by focusing on health, specifically by

- Provision of potable water by utilizing 20% of CSR budget.
- Providing support in medical emergency services by utilizing 13% of CSR budget.

Any requirement from communities residing within 15 KM radius of gas fields will be considered on priority.

2) Environment

Protect Environment and take a proactive approach to address environmental issues like;

- Tree plantation by utilizing 15% of CSR budget.
- Awareness campaigns with students by utilizing 16% of CSR budget.
- Promotion of environment friendly alternate fuels on as and when required basis.

3) Education

Provide assistance for the Promotion of education preferably through;

- Sponsorship of Scholarships and Gold Medals through disbursement of 20% of CSR funds, with the priority to the engineering students from areas within 15 KM radius of gas fields.
- 16% of CSR funds for other initiatives on case to case basis.

Any unspent budget in this regard will be utilized for the underdeveloped areas or for less privileged communities in the area of domain of licensee.

The above allocation may vary due to initiatives and circumstances. Approval for re-appropriation of budget will be sought from Finance Committee.

Corporate Governance

SNGPL shall ensure that effective systems are in place and budgetary resources are provided to manage and monitor compliance with this policy and take remedial action whenever we fall short of our commitment. CSR Committee will review and approve strategic plans, assess progress and offer guidance about emerging CSR issues of importance.

Community and Stakeholders engagement will be ensured in order to identify the opportunity for improvement, for future and to evaluate the performance of each initiative.

Independent Assurance

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



GLIMPSES OF HSE & CSR COMMITMENTS 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 Gujranwala, Shahdara, Islamabad, Rahim Yar Khan, Faisalabad, Abbotabad (different areas of Punjab and Khyber Pakhtun Khwa), alongwith installation of Reverse Osmosis Plants at 35 Locations at Company Offices

4.

•Beautification / Renovation of Chowks at Fawara Chowk Rawalpindi & Multan (Punjab)

5.

•Bio Gas Plant at Village Mailu Virkan Sheikhpura, Lahore, Punjab

6.

•Awareness Session on Thalassemia along with Blood Donation Camps at Lahore, Sahiwal, Gujranwala, Gujrat, Multan.

7.

•Awareness Session on Breast Cancer at Faisalabad

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 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.

•Awareness Session with the students of Schools / Colleges / Universities regarding the Emergency Response Plan

12.

•Employee Engagement activity, Independence Day, Earth Day, Environment Day

13.

•SNGPL invests a lot on the Safety and Health of its Employees (depicted at various locations in this report)

14.

•Sponsorship for the Establishment of State of the Art Flue Gas Analysis Laboratory, University of Engineering and Technology, UET Lahore, Punjab

15.

•HSE Week conducted across the Company, to motivate the employees and to encourage them

16.

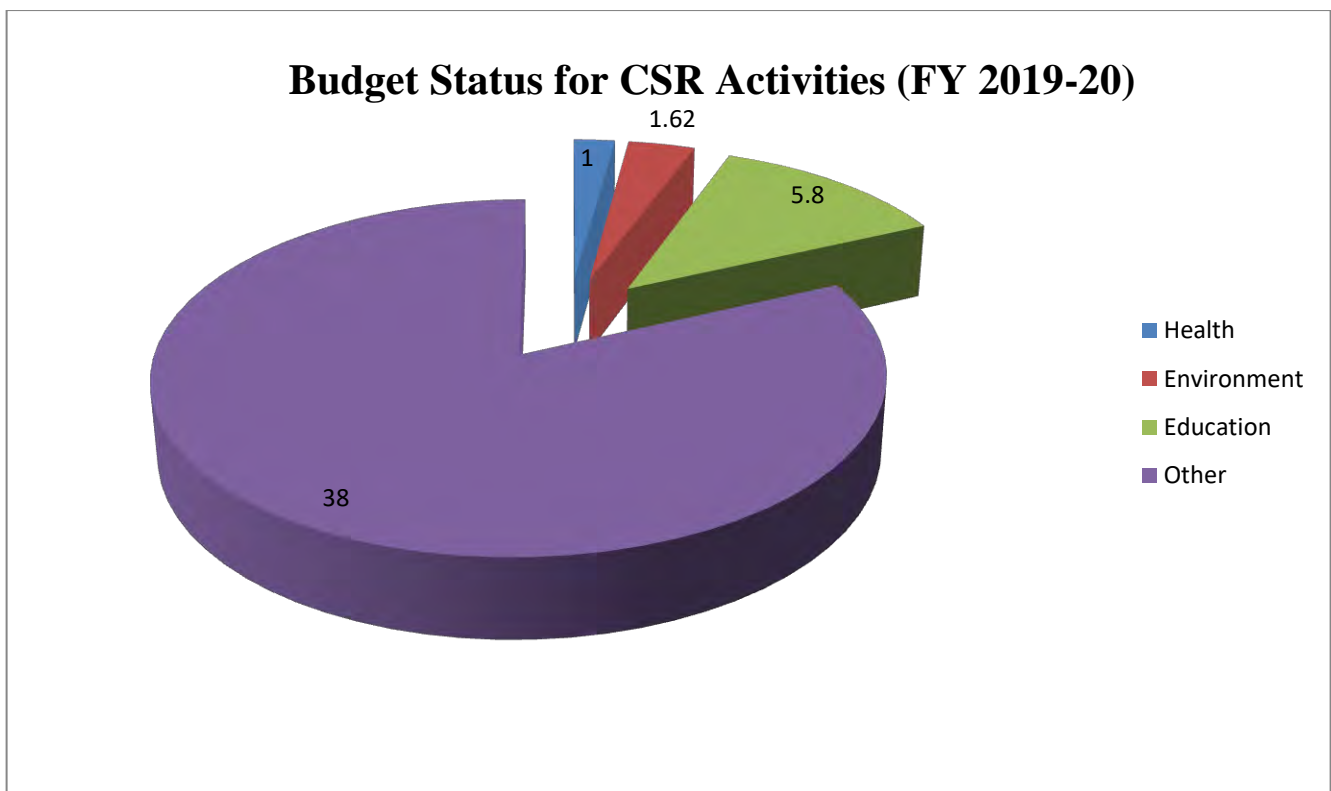
•Tree plantation at large scale in collaboration with different departments / organizations

EXPENSE FOR SUSTAINABLE ACTIVITIES AT SNGPL

(FY 2019-20)

✚ Total Budget for CSR Activities: Rs. 46.42 Million

✚ Total Budget for Sponsoring of Chair on Gas Engineering at Universities:
Rs.9.96 Million



Break up of Cost for CSR Activities (in Rs. million)

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

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

- 1) Health
- 2) Environment
- 3) Education

Every year a sizeable amount of money is spent to carry out schemes related to new projects based on these initiatives or for the ongoing projects. SNGPL's primary focus in selecting a project is to ensure that maximum benefits of the project are passed on to a larger community. Progress on each initiative and project executed in this regard are briefly described below:

a) 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 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. Thirty Five water filtration / RO plants of capacities ranging from 250 to 1000 liter/hr have been installed till now. One No. RO plant (2000 LPH) has been installed for the community at Nauthay Village Hafizabad this year.

Water quality tests are performed annually to check that the quality parameters remain within the permissible range.

b) 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 Bio gas plant at Village Milu Virkan Shekiphura and provided gasifiers to the villagers that use agro waste as fuel.

c) Education:

Company is sponsoring, following three (03 Nos.) Chairs in the universities of Punjab (02 Nos.) and Khyber Pakhtunkhwa (01 No.) to promote research work and quality education in the community particularly in the field of gas engineering:

- 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 journals. 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.

SNGPL also sponsored Establishment of State of the Art Flue Gas Analysis Laboratory at Chemical Department, UET Lahore.

d) Health:

SNGPL's contribution in health sector is also increasing as it supports blood donation campaign of various foundations. SNGPL has motivated its employees for this noble cause and has arranged camps at its offices with a considerable donor group among the employees.

The participation of people in large number in blood donation camps 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. 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.



e) 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 realize the importance of nature conservation and commit 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.

i) Eco Internship Program:

SNGPL has been sponsoring International Eco Internship Program since 2014. Around 11,000 students have been registered in the program in these years. The School Outreach Program and activities of

WWF-Pakistan have succeeded in stimulating student's imaginations, and promoting public outreach and environmental conscious among peers and parents alike.

International Eco Internship Program gives students an opportunity to become ambassadors of change. This program has been implemented in the leading school systems across Pakistan. It enables the students to understand better ways of energy utilization and the significance of its conservation and impart 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 have developed a partnership for making use of the Agro Waste as a cleaner fuel in a gasifier. The project of installing gasifiers includes its fabrication and training of community in using gasifiers. The project is expected to provide better quality of living for the community.



Zubaida, 4 AH Khanewal

GASIFIER DISTRIBUTION BY SNGPL AMONG COMMUNITIES



LABOUR PRICIPLES

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 labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

The Company complies with the labour principles in true letter and spirit.

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 has been prepared and is being updated from time to time after profound thought, discussion and collaboration with experts. We are compliant to the Labor Laws and ensure their implementation.

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 environment”.

1: 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 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 professionals / work force who are willing to contribute their best to accomplish the objective of the Company.

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.

SNGPL's hiring criteria are 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.

2: Equal Opportunity Employment

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

3: Workplace Harassment

SNGPL maintains 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. 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.

4: Health and 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 SNGPL. The Policy includes a commitment to continual improvement and prevention of pollution and prevention of

hazards and risks for occupational health and safety, as well as committed to meet or exceed relevant environmental, occupational health & safety legislation, regulations and other requirements.

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 SNGPL in line with the Factory's Act and International Labour laws.

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 respect to compensation, opportunities for advancement and career growth including promotions and transfer. SNGPL has developed a culture of zero tolerance against any such discrimination. We have open door policy for all employees and our Management always takes initiative to resolve their issues relating to workplace.

To monitor the compliance with ISO 14001 / OHSAS 18001 Standards, Surveillance audit is being carried out by third party auditors bi-annually. Successful completion of these audits demonstrate the effectiveness of HSE Management System. Management commitment towards HSE was highly appreciated by the 3rd Party Auditors.

Employee Recruitment

SNGPL's recruitment decisions are based upon a careful selection process for determining the individual who is 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.

Employee Satisfaction

SNGPL believes that the employees are its best asset and they must be taken care of. It is necessary to create a good working environment among the organization to ensure and enhance the business performance. 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 two years.

ii) Medical Policy:

SNGPL 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 to worry about financial risk in the event of sickness or injury. SNGPL provides medical coverage to all serving as well as retired Company employees.

iii) Travel Policy:

SNGPL aim's to provide employees travelling on the Company business with a reasonable level of comfort in their boarding and lodging arrangements.

iv) Vehicle / Transport Policy

SNGPL provides vehicles to certain members of the executive staff as a key component of their overall remuneration 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 that 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 Leave, Prolonged Illness (Medical Leave), Study Leave, Special Leave and Maternity Leave (for Married Females) are the various types of leaves that are part of our Leave Policy.

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.

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 two years, Collective Bargaining Agreement (CBA) is agreed mutually by the Staff and SNGPL Management and is then registered in National Insurance Company Limited (NICL).

BECAUSE

WE VALUE OUR EMPLOYEES



TRAINING BY NATIONAL HIGHWAY AUTHORITY AT LAHORE TRANSMISSION OFFICE

Safety of Employees

SNGPL is OHSAS 18001:2007 Certified organization and have a dedicated Health Safety & Environment (HSE) Department, headed by a 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 to its employees. SNGPL owns its 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 Equipment (PPE)

SNGPL has diversified workforce including office and field staff, who are exposed to various hazards during operational activities at their workplace. SNGPL has a strong commitment as per Company's HSE Policy for provision of adequate number of Personal Protective Equipment (PPE's) to its

employees. In this context, SNGPL allocates sufficient amount of budget annually for procurement of various types of PPE's like Coverall, Safety Shoes, Fluorescent Jackets, Helmets, Protective gloves, Ear muffs, Ear plugs, Safety Goggles, Protective Masks, Welding shields, Safety harness etc. We understand that usage of these PPE's by our staff not only protects them from any human injury but also gives them confidence for being safe at their workplace. This in turn rises their moral resulting in enhanced productivity.



ii) Work Stop Authority

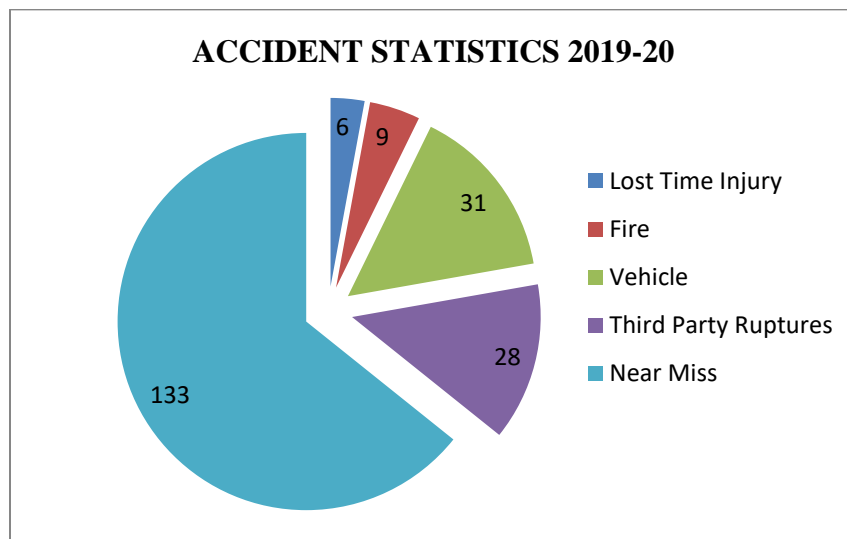
SNGPL is committed to ZERO TOLERANCE policy and in order to carry out daily activities like repairing, maintenance or construction work in operating areas. Guidelines for Work Permit have been implemented to prevent any injury, fire, property damage, material loss and environmental accident. Safety of our employee is our top responsibility and Management is committed towards its implementation.

iii) Incident Reporting and Investigation

SNGPL's 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 recurrence.

All incidents are required to be reported within 24 hours. 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 department, in order to promote awareness across the Company.

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.



SNGPL devised guideline for calculation of Safe Working Man Hours (SWMH) across the Company, which is in connection with the HSE IMS Manual procedure “Incident Reporting and Investigation”. SWMH calculation is an internationally recognized motivational initiative to check the occurrence of accidents and to recognize / reward those who have achieved certain milestone i.e. consecutive work hours without an Occupational injury /ill health resulting in days away from work OR without Lost Workday Injury (LWDI).

iv) Safety and Security through new Initiatives:

SNGPL is committed to enhance the safety and security of its employees and consumers as well. In this regard, CCTV Cameras are being installed at around additional 66 locations throughout the Company in addition to 72 locations already covered. SNGPL believe that awareness is basic tool to communicate their staff and valuable customers regarding Company norms and objectives. In this context, installation of 35 Digital Signage / LED’s is in progress across the Company.

v) 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 (OH). Many potentially hazardous situations occur in work place like high noise level, heat stress, low level of lighting etc.

Occupational Health monitoring 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 employees more aware of Occupational Health.

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 center. 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 outbreak.

B. Medical Camps

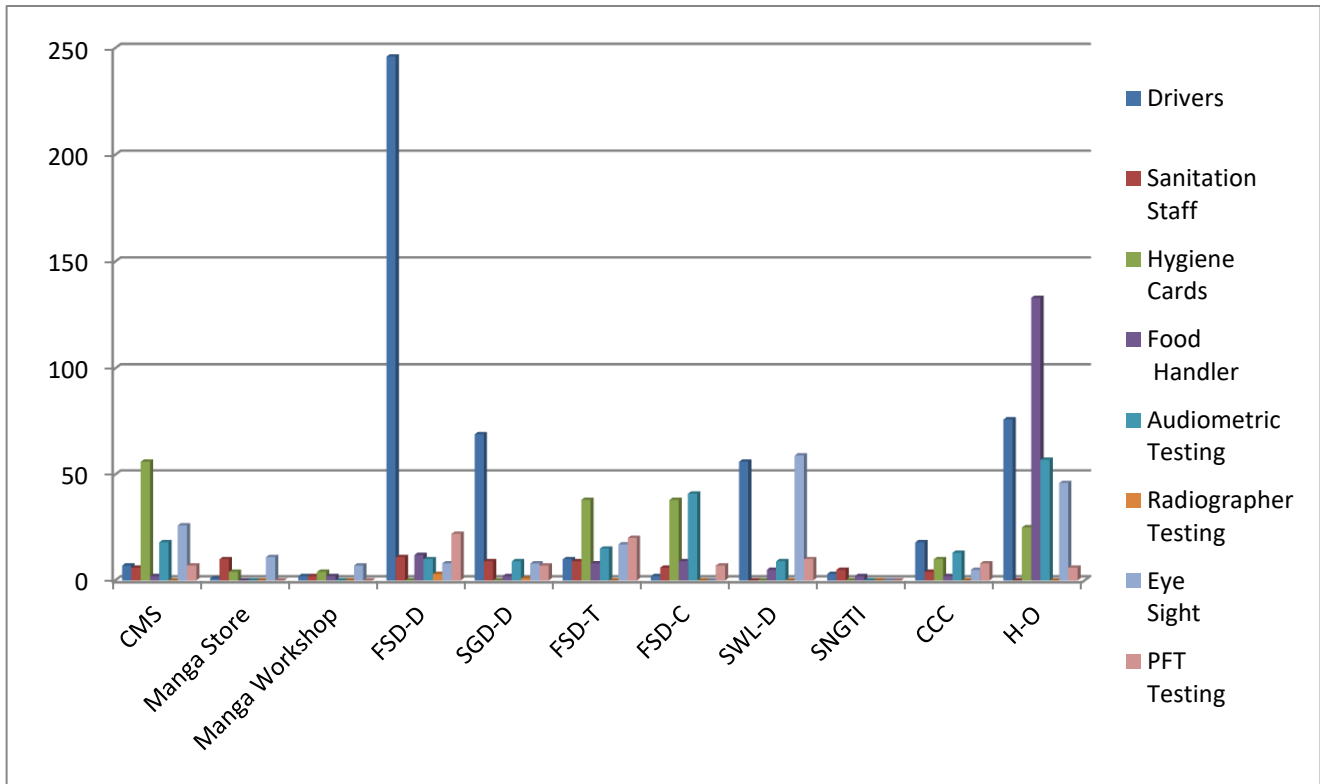
Medical camps are organized for all personnel regardless of their nature of job and type of engagement with the Company. These camps facilitate the employees to get their health status screened with a variety of tests under one roof within a reasonable time.

The environment in the medical camps gives them opportunity to think about their health and to 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 it also provides an excellent opportunity for providing information about general HSE initiative. In 2019-20, Medical Camps have been arranged at CMS, CBS Manga, Manga Workshop, Faisalabad, Sargodha, Sahiwal, SNGTI, CCC and Head Office.



After the Medical Camp, the reports are analyzed by the Occupational Health Consultant and due recommendations are given accordingly.



Medical Camp Testing Data

Healthy Work Force is Productive Work Force

vi) 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 for 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, Effects of Smoking on Health and Energy Conservation etc. The training evaluation is being carried out by monitoring 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 from 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.

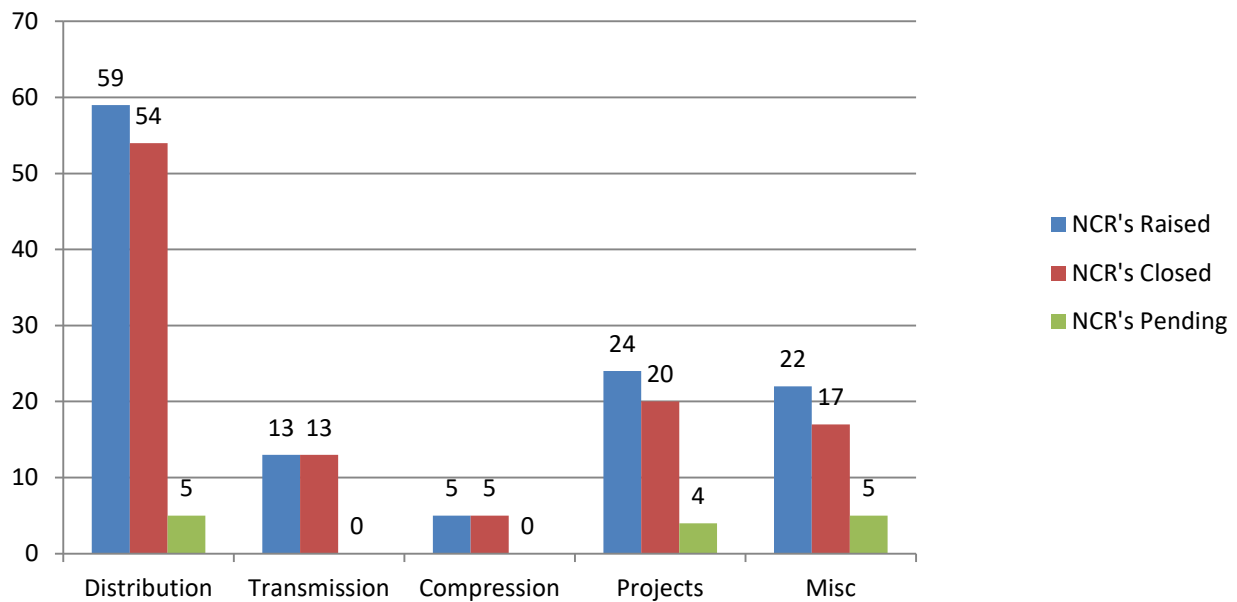
vii) COVID-19

- Worthy Managing Director issued instruction to all executives to remain vigilant with respect to implementation of COVID-19 SOPs issues by Government of Pakistan, Ministry of National Health Services Regulation and Coordination from time to time. All the guidance measures of social distancing, hands hygiene and mask-wearing , thermal checks at entrance gates, provision of face mask to visitors and installation of physical barriers at customer service centers are observed.
- To avoid any behavior shift among employees related to physical distancing. Continuous monitoring by HSE Department and ADMIN Department with respect to wearing of face mask and social distancing is being observed to control spread of COVID-19.
- COVID-19 SOP Compliance is also being checked during surprise HSE inspections by HSE Engineers and Executives from HSE Head Office.
- SNGPL made a contribution of Rs. 38 million to Prime Ministers Corona Relief Fund.

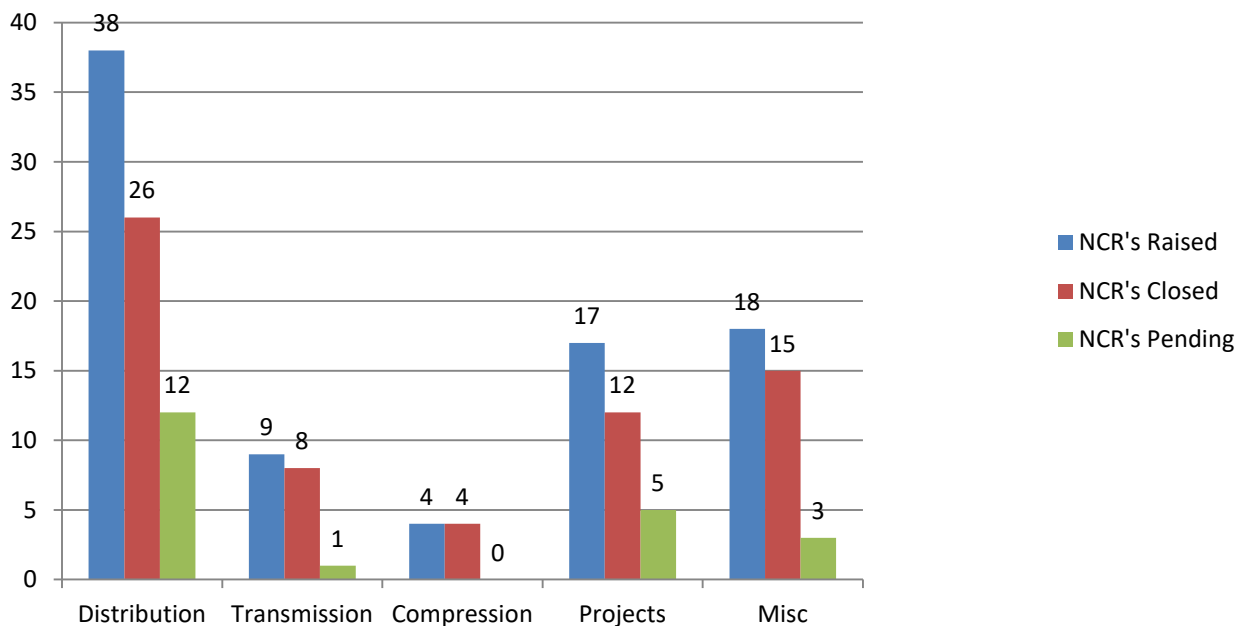
viii) HSE Internal Audits

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 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 2019-20 is as follows;

INTERNAL AUDIT 2nd Phase 2019



INTERNAL AUDIT 1st Phase 2020



ix) 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. Preventive

action (PA) is an action to eliminate the cause of potential non-conformity and its occurrence. In simple words, corrective action is a reactive approach and preventive action is a proactive approach.

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.



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.

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 equipment and changing life style.

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 SNGPL. The Policy includes a commitment to continual improvement and prevention of pollution and prevention of hazards and risks for occupational health and safety, as well as committed to meet or exceed relevant environmental, occupational health and safety legislation, regulations and other requirements.

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 endeavors to work on renewable energy resources, reduce emissions of greenhouse 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.

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 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 a new / changed process or activity at SNGPL.

Company has also developed 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 and safety at SNGPL. These guidelines include calibration and maintenance requirements and ensure that the relevant records will be retained.

4: Legal Requirements

The SNGPL has established and maintained a procedure for the purpose of identifying, accessing and communicating legal and other requirements that are applicable to 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) on time to time basis.

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 with 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 playing their part by contributing to the wellbeing of the environment and society.

SNGPL is putting its valuable share towards conservation of natural gas as well as for reducing greenhouse 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.

i) Energy Conservation Initiative

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. To begin with gradual replacement of conventional lights with energy savers and LEDs and splits or other Air conditioning units with inverter AC's are implemented across the Company. Similarly initiative of water conservation has also been taken against which conventional running water taps are being replaced with push button taps/ sensor taps.

SNGPL is conducting Energy efficiency audit of captive power and boilers industries as per Guidelines provided by the Ministry of Energy. We are educating the consumers for adopting energy efficient techniques and equipment for effective utilization of the available energy.

ii) Energy Conservation Devices

SNGPL is putting all efforts to cope with existing energy crisis. Energy Conservation Initiative is a practical step taken by the Company in this regard by providing energy efficient and gas independent devices to our consumers. These devices not only contribute towards energy conservation but also support in reducing greenhouse gas emissions. At present SNGPL is offering Solar water heaters, Geyser timer devices and conical baffles to its valued consumers who are free to explore the benefits and choose to get the device(s) as per their specific requirements. 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.

- i) SNGPL introduced Solar Water Heater which is used to heat up water through energy from sunlight. It is environmental friendly as there is no carbon emissions associated with water heating. To ensure gas conservation and optimum utilization of natural gas, SNGPL is offering solar water heaters to our valued consumers at no profit basis.
- ii) 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 gas consumption resulting in lesser gas bills.
- iii) Conical baffles improve energy efficiency of the conventional geyser significantly



ENERGY CONSERVATION POLICY

پالیسی برائے توانائی بچت

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.

سوئی ناردرن گیس توانائی 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 کھپت کو کم کرنے کی کوشش کر رہی ہے بلکہ کام میں بہتری، مموثر آلات کے استعمال اور طرز زندگی میں تبدیلی کے ذریعے توانائی کے مموثر 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:

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 espacially 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.

- ☆ 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 ضیاع کو روکنے کیلئے آگاہی دینا اور پانی کی فراہمی کے پرانے آلات کو نئے مموثر آلات سے تبدیل کرنا۔
- ☆ زیادہ توانائی استعمال کرنے والے آلات کو کم توانائی استعمال کرنے والے مموثر آلات سے تبدیل کرنا۔
- ☆ صنعتی صارفین کے تعاون کے ذریعے توانائی کی بچت کرنے کیلئے آڈٹ کرنا تاکہ ان کے زیر استعمال مشینوں کی کارکردگی توانائی کے استعمال پر مموثر ہوں۔
- ☆ 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۔

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

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 مہیا کئے گئے ہیں۔



Amjad Latif
MANAGING DIRECTOR

Sui Northern Gas Pipelines Limited



امجد لطیف
مینیجنگ ڈائریکٹر

iii) 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 a 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 Third party services. SNGPL has developed in-house resources for monitoring of emissions of all vehicles, generators, stacks and welding plants with state-of-the-art portable equipment 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).

iv) 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 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.

To reduce carbon footprint, SNGPL is working continuously on this initiative and has plan for plantation of trees at its premises where sufficient space is 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 on Social Media.

v) Environmental Risk Assessment

SNGPL has developed a procedure and an effective system for identification and controlling of significant environmental aspects and their impacts.

vi) Waste Water Monitoring

SNGPL has an established system for monitoring of waste water generated from the locations where water is use 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. SNGPL has effective monitoring system for controlling of waste water within National Environmental Quality Standards.

ANTI-CORRUPTION

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

Assessment, Policy and Goals

SNGPL code of conduct has a specific clause for “Fraud, Deception, Dishonesty, Bribery and Corruption which is stated as below.

1: Use of SNGPL Information Technology Resources

Use of SNGPL Information Technology resources is strictly limited to business requirements. Employees should be 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 misconduct. Employees will be accountable for all activities created under their password and subsequently, any unauthorized use of a password will be treated as a gross misconduct.

2: Personal Loans from Colleagues and 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. Therefore borrowing any amount 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.

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; any illegal action. The Company prohibits any retaliatory action against an employee for reporting in good faith, any suspected violations of proper conduct.

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 is in place and implemented 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 and may include volunteers, contractors and outside agencies or others.

We have developed a secure and confidential 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) and Audit department. Public Procurement Rules 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 discouraging corruption at all levels.



AWARDS / ACHIEVEMENTS

The accomplishment of SNGPL in the field of CSR and HSE has been recognized and the Company has been awarded keeping the following factors in view:

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

Memberships:

SNGPL is a member of National Safety Council USA since 2011.

SNGPL also has a corporate membership of WWF Pakistan.



12th NFEH CSR AWARD 2020

National Safety Council

2010-2011



International Safety Council

Sui Northern Gas Pipelines Ltd.

Is a Proud Member since August 13, 2010

Janet Froetscher
President & CEO
National Safety Council

Roger H. Marks
President
International Safety Council

Mission

The National Safety Council saves lives by preventing injuries and deaths at work, in homes and communities, and on the roads, through leadership, research, education and advocacy.

Vision

Making our world safer.



National Forum for
Environment & Health
www.nfeh.org.pk



CERTIFICATE OF EXCELLENCE



NFEH's Corporate Social Responsibility Awards 2020

Presented to

SUI NORTHERN GAS PIPELINES LIMITED

For remarkable efforts and initiatives taken under CSR.
This certificate is awarded on
January 22, 2020 - Islamabad Serena

M. Naeem Qureshi, President, NFEH

SUMMARY:

We comply with the 10 Principles of UNGC. Our Business Code of Conduct is a comprehensive document along with departmental operational manuals. Code of conduct is being received by every employee on annual basis, to take an undertaking that the same has 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, Labour, Environment and Anti-corruption.

Our future outcome is related to strengthening this developmental process and to publish our next Sustainability Report 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 do to attain our HSE Vision. We intend to do this by carrying out our business in a way that contributes to safe work place, Environmental Improvement, stronger communities and a better future for our all stakeholders. We believe in Continual Improvement and making efforts that lead towards this cause.



Independent Assurance Report to Sui Northern Gas Pipelines Limited on their 2019 - 2020 Sustainability Report

Scope and Objectives

URS Pakistan (URS) has been commissioned by Sui Northern Gas Pipelines Limited (SNGPL) to undertake a limited assurance on their 2019 -2020 Sustainability Report. Our scope of work included conducting assurance procedures over all text and data contained in SNGPL's Sustainability Report. The objective of our engagement was to extend assurance that the Report provides an appropriate presentation of SNGPL's sustainability performance.

SNGPL's Responsibility

SNGPL was responsible for the collection, preparation and presentation of the data. They are responsible for determining their sustainability objectives and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived. The Management of SNGPL has approved the information provided in the Sustainability Report

URS' Responsibility

URS's responsibility was to present an independent conclusion on the contents of the sustainability report subject to the *limited assurance engagement*. The scope of work included assurance of completeness and correctness of the

information submitted in the Sustainability Report of 2019-2020.

This statement is the responsibility of URS and represents our independent opinion. The intended users of this statement are the readers of the SNGPL's Sustainability Report and this statement is to be read in its entirety.

URS disclaims any liability or responsibility for any third-party decision based upon this assurance statement.

URS and the staff that have undertaken the review work on this assurance exercise have provided no consultancy related services to SNGPL in any respect.

Assurance Approach

The SNGPL's report content largely attempts to revolve against the 10 Principles of UN Global Compact. By incorporating these Principles into SNGPL's strategies, policies, procedures and establishing a culture of integrity, SNGPL are endeavoring to uphold their basic responsibilities to people and planet.

Our procedures on this engagement included:

- Gain an understanding of SNGPL's focus areas for sustainability as part of the business strategy and operations;

- Verify the robustness of the data management system, information flow and controls;

The work was planned & carried out to provide limited, rather than absolute assurance and we believe that the desk top review of the SNGPL's Sustainability Report completed by URS provides an appropriate basis for our conclusions.

Conclusions & Recommendations

Based on our review, nothing has come to our attention that causes us to believe that the contents disclosed in the SNGPL's Sustainability Report 2019 - 2020 does not give a fair picture of SNGPL's sustainable development performance. We also believe that the Report provides a fair, reasonable and balanced representation of information concerning their CSR initiatives primarily focused to HSE matters, Education & Energy conservative initiatives.

However the following recommendations have been identified:

- As this is the first sustainability report of SNGPL against the UNGC Principles, reviewed by URS, it is evident that the client is partially adhering to the Principles, we anticipate however in the ensuing years the report contents will gain the required compliance to all the 10 Principles.
- A need to involve stakeholders and actively engage with them is evident. Their inputs to be reviewed and a feedback mechanism are developed to share actions undertaken based on stakeholders needs and expectations.
- For future reports, it is recommended to document SNGPL's impact on specific phenomenon, which would improve the readers' understanding of SNGPL's performance in the broader context of sustainability.

- With respect to Corporate Social Investment (CSI) and/or Socio-Economic Development (SED) expenditures undertaken by SNGPL, URS recommends improvement and further depth in the quality of data regarding actual developmental impacts.

- Furthermore, we recommend that SNGPL develops a framework for measuring and valuing sustainability impacts associated with its business activities that will support reporting to key stakeholder groups.

Recommendations regarding areas for improvement of the sustainability disclosure and management system at SNGPL are being communicated to the firm in an internal report.

On behalf of United Registrar of Systems

Ali Khan



Ali Khan
Chief Executive
United Registrar of Systems Karachi,

June 17, 2021