



SHAKARGANJ MILLS LIMITED, JHANG



Shakarganj Mills Limited

Communication on Progress

Submitted by

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HUMAN RIGHTS

- Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2 - Make sure that they are not complicit in human rights abuses

Assessment, policy and goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

Shakarganj Mills Limited is determined to improve its working environment continuously by implementing & sustaining social accountability requirements of Buyers, SA 8000 and applicable National / International labor laws.

The company desires to support and facilitate its employees to enable them in driving maximum job satisfaction.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

The following documentation is being implemented through specifically appointed management representatives. The internal & external audits are held on defined frequencies. If there is any non-compliance in the audits, the concerned persons conduct the root cause analysis and take the preventive or corrective action accordingly.

- Manuals
- Procedures (Child Labor, Forced Labor, Health and Safety, Freedom of Association, Discrimination, Disciplinary Practices & Working Hours)
- Work Instructions
- Other Documents (Forms, Reports Drawings, Charts, Lists etc.)

Measurement of outcomes

Description of how the company monitors and evaluates performance.

We focus the internal and external audits to verify the compliance of documented procedures and activities. If there is any non-compliance for the deviation from the standards or procedures the preventive and corrective actions are taken accordingly. The same are discussed in management review meetings for proper follow-up to avoid the re occurrence of any non-compliance.



LABOUR

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

Assessment, policy and goals

Description of the relevance of labor rights for the company (i.e. labor rights-related risks and opportunities). Description of written policies, public commitments and company goals on labor rights.

Shakarganj provides:

- A channel for workers to communicate with the management on the social issues.
- To develop methods to avoid engaging in or supporting the use of forced labor within the company.
- At the same time confirming that personnel are not required to lodge the posits or original identity papers upon commencing employment with the company.
- The company doesn't force the labor to work against their will, ability or in a manner outside the provisions of labor contract. Not to engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, worker's council membership, political affiliation or age.

Implementation

Description of concrete actions taken by the company to implement labor policies, address labor risks and respond to labor violations.

The procedure for child labor

- 3.1.1 If a child less than 17 years and more than 15 years is found to be working within the mills, the same is immediately put through the remediation plan and is monitored subsequently by MR and labor & Welfare officer.
- 3.1.2 The child will be admitted at Nearest Government School.
- 3.1.3 The company will ensure that the child can afford to go to school; all relevant expense details (school fee, uniform, books & stationary etc) are logged in the employee's file.



- 3.1.4 If any child labor case is identified within Shakarganj, this will be added to the agenda of next working council meeting.

The procedure for child education

3.2 Monitoring and effectiveness of child education.

In case company allows child or young worker to work in the mills the following rule will apply. The company respects the principles of International Labour Organization (C138 minimum age recommendation)

The Company respects the principles of labor law of Pakistan mentioned in sections:

- a) Prohibition of employment of young worker
- b) Non-adult workers to carry certificate of fitness
- c) Effect of certificate granted to adolescent
- d) Verification of working hours
- e) Notice of periods for working time of child
- f) Register of child worker
- g) Hours of work to corresponds
- h) Power to require medical examination

3.2.1 MR interviews children on contents of the courses being taught at school to check the quality of education, concentration and attendance of the child in the class as per the child education monitoring checklist. The interviews are conducted on the monthly basis.

3.2.2 In case of child being the vital source of income for his family, the company shall fix a stipend equivalent to his/her last salary / hire a family member or allow the worker to do light work.

Related Documents

- Child education monitoring checklist
- Child / Forced labor Log
- Employee file

The procedure for Forced Labour

3.1.1 The company does not practice / support bonded, forced, neither prison labor nor the personnel are required to lodged deposits or original identify papers / original educational documents etc. upon commencing employment with the company.



- 3.1.2 In case the forced labor is identified; it is reported to the MR SA8000 or worker's council members. MR maintains forced labor log.
- 3.1.3 Terms and conditions are mentioned in
- 3.1.4 , which is also available at the mills entry.
- 3.1.5 At the time of recruitment these terms and conditions are communicated / discussed with the candidates.
- 3.1.6 If any forced labor case is identified within Shakarganj. This will be discussed with worker's representative & SA 8000 MR.

Related Documents

- Employment Policy
- Child / Forced Labor Log
- Loan and Advance Form

The Procedure for freedom of association

3.1 Nomination of Worker's Representative.

- 3.1.1 Shakarganj ensures that worker's representative is not subject to discrimination by monitoring that nomination is not based on religion, region, race, cast, gender, disability and political affiliation.

3.2 Selection of workers representative through election.

3.3 Communication with workers

- 3.3.1 Suggestion boxes are installed at areas where the workers don't fear or hesitate to access the suggestion boxes.
- 3.3.2 These Suggestion boxes are opened by SA 8000 MR.
- 3.3.3 Workers may not need to mention their names.
- 3.3.4 MR holds the keys of suggestion boxes.
- 3.3.5 Workers can access their representative freely.
- 3.3.6 Worker's representative is encouraged to record the suggestions received by the fellow workers
- 3.3.7 MR fills workers suggestion log after receiving suggestions from the suggestion boxes and if approached personally.
- 3.3.8 In case of any urgency, UN-scheduled meetings can be held between worker's representative and the top management.

3.4 Meeting Frequency & Agenda



- 3.4.1 Frequency: After Six months
- 3.4.2 Participants. Worker's representative, SA 8000 MR, Health & Safety MR, Administration Officer & GM.
- 3.4.3 Agenda
 - Workers suggestions.
 - Buyer's audit.
 - Health & Safety.
- 3.4.4 Minutes of meeting recorded, mutually agreed & endorsed by all the participants.

Related Documents

- Minutes of meeting.
- Worker's suggestions log sheet.

The Procedure for Discrimination

- 0.1 Hiring Procedure
 - 0.1.1 Job announcements don't specify race, caste, national origin, religion, disability, gender, sexual orientation, worker's council membership, political affiliation, age or other personnel character.
 - 0.1.2 A criterion for each job opening is defined in job specification form.
 - 0.1.3 Hiring process is not influenced by race, caste, national origin, religion, disability, gender, sexual orientation, worker's council membership, political affiliation or age.
 - 0.1.4 Compensation is according to the prevailing labor law of Pakistan, is mentioned in the worker's registration format & employee file.
 - 0.1.5 Workers are given increment on the basis of annual performance appraisal system
 - 0.1.6 Special increments / promotions are given on the basis of the performance by the heads and CEO.
- 0.2 Training
 - 3.2.1 Training of new and existing employees takes place and is recorded on the training record
- 0.3 Termination
 - 3.2.1 Where the services of an employee are terminated for any reason other than misconduct, discrimination, and one-month notice is given either by employer or the employee. Details are mentioned in Employment Policy.



3.4 General

- 3.4.1 Complaints / Suggestions boxes are available for identification of any kind of discrimination; these boxes are opened by SA 8000 MR.
- 3.4.2 These complaints/Suggestions are discussed with worker's representative & the top management for which minutes are written by the MR.
- 3.4.3 These complaints will be presented in MR meetings and corrective & preventive actions will be taken.
- 3.4.4 Employees are free to observe all nation and religious holidays announced by the company.
- 3.4.5 Employees are free from indecent, verbal, physical and sexual harassment and other discriminatory practices.
- 3.4.6 The company treats all the employees with respect and dignity; no employee is subjected to any physical, sexual, psychological or verbal harassment or abuse.

Related Documents

- Employment Policy
- Minutes of MR meeting
- SA 8000 Training Log
- Job specification form

Measurement of outcomes

Description of how the company monitors and evaluates performance.

We focus the internal and external audits to verify the compliance of documented procedures and activities. If there is any non-compliance for the deviation from the standards or procedures the preventive and corrective actions are taken accordingly. The same are discussed in management review meetings for proper follow-up to avoid the re occurrence of any non-compliance.

ENVIRONMENT

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



Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

We at Shakarganj conserve the nature's unique biological diversity through reduction in pollution and wasteful consumption of natural resources and energy. We believe in continuous improvement in environmental endeavors while complying with the relevant legislation.

The purpose of the environmental policy is to show commitment by the top management for the improvement in the organization's environmental performances.

The main goals are:

- To keep environment friendly by minimizing the Carbon Mono Oxide and oxides of Nitrogen and Sulpher
- To minimize the wastage of water
- To minimize the undue usage of electricity
- To minimize the consumption and wastage of paper
- To provide information and appropriate training to staff regarding the relevant aspects of environment best practices
- To keep liaison on continuous basis with local community, suppliers and contractors to influence them in terms of friendly environment.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

Environmental Risks and Response:

Source / Activity	Environmental Aspect	Risks	Response
Solid Waste			
General Office Work	1- Paper waste, discarded newspaper, magazines, old records books and notepads	Resource consumption / depletion, air, water and soil pollution	Both sides of paper are used, low grade paper is used for hand writing, paper is collected and sent to the recyclers
	2- Toners, floppy discs, CDs,	-	Toners are sent to recyclers and replaced with CDs and



	discarded computer parts, VHS taps, air freshener empty containers, plastic binders		floppy discs
	3- Discarded files and used folders	-	Reused
	4- Empty Cartons and Cardboard	-	Reused
	5- Waste polythene bags	-	Sold to Recyclers
	6- Kitchen biodegradable solid waste	-	Disposed in Composting
	7- Empty mineral water bottles	-	Sold to Recyclers
	8- Energy consumption	Wasteful consumption of natural resources	Electricity bills are being monitored on monthly basis to bring a reduction in energy consumption.
Wastewater / Water Loss			
General Office Building	1- Leakages in the water pipelines results into water wastage	Resource consumption / depletion	Leakages are controlled through preventive and corrective actions
Washrooms and Kitchen	2- Sanitary wastewater	DO depletion in the surface water, streams, toxicity to aquatic life, soil pollution, nuisance	Testing of wastewater samples on defined frequency
Liquid Waste			
Official vehicles	Used lube Oil	Air, water and soil pollution	Disposed off for secondary usage
Air Emission			
Generator	Air emission	Health impacts, global warming, acid rain, nuisance	N/A
Air fresheners	VOC emission	Health impacts	The minimum usage of air fresheners
Office Cars	Vehicular emissions	Health impacts, global warming, acid rain, nuisance,	Annually monitored through certified inspection laboratories



		particulate matters such as carbon and lead	
Smoking	Indoor Air emission	Indoor air pollution, health impacts	Smoking is prohibited
Noise			
Office Cars	Vehicular noise	Hearing loss, physiological and psychological impacts, nuisance	Noise emissions monitoring
Fire			
General Office Building	Fire Hazard	Loss of life and Property	Fire exits marked, fire extinguishers installed

Shakarganj believes in 3R (Reduce, Reuse & Recycle) Strategy. We have the following plants to mitigate the impact of the pollution.

- 1: Bio Gas Generation Plant
- 2: Effluent Treatment Plant
- 3: Bio Composting

1: Bio Gas Generation Plant

This plant is Pakistan's first renewable energy using sugar cane waste biomass material from production of Ethanol. This plant is capable to produce 8 MW, a new reliable on site source of power to help the Mill and to bridge the gap of supply and demand of energy at national grid. Composition of Bio Gas is 60-62% methane, 35-38% is CO₂ and 2-3.5% H₂S. In order to use Bio Gas in gas engines produce to electricity it is prerequisite to reduce H₂S level which is highly toxics. Biological aerobic process is used for H₂S removal. Bio Gas obtained from H₂S removal system is passed through chiller. Gas is dried and cooled through chilling process. The dry gas is compressed to gas engines for power generation. The plant is eligible for carbon credit because it enhances energy efficiencies at the Mill and displaces the national grid's energy generated from fossil fuel.

2: Effluent Treatment Plant

Effluent Treatment Plant consists of ponds and digester. These ponds receive spent wash (a distillery waste), which is sprayed in the air so that its temperature is reduced to require level. Digesters allow bio-degradation of spent wash into biogas in the presence of introduced micro-organisms.

Spent wash is an organic stream with BOD and COD level. This stream is pumped to Effluent Treatment Plant for two purposes. One purpose is to reduce



its pollution level and other is to convert into biogas. First its temperature at 80 °C is reduced by spraying it into air and then fed into digesters for its treatment.

3: Bio Composting

Keeping in view the fundamental principle of “Nature to Nature” Shakarganj has developed a composting plant, where the process to treat effluents making an environment friendly stable product, which could increase the productivity of Soils and Plants. To achieve this goal filter cake and stillage from alcohol plant are mixed and composted to get manure known as biocompost. Which is rich in all micro- and macro- nutrients.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

We focus the internal and external audits to verify the compliance of documented procedures and activities. If there is any non-compliance for the deviation from the standards or procedures the preventive and corrective actions are taken accordingly. The same are discussed in management review meetings for proper follow-up to avoid the re occurrence of any non-compliance

ANTI-CORRUPTION

- Principle 10 - Businesses should work against all forms of corruption, including extortion and bribery.

Assessment, policy and goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

Shakarganj believes in zero-tolerance of corruption. It does not tolerate corrupt behaviour, and confirmation that the organization has established binding organizational guidelines requiring all directors, managers and employees worldwide to behave ethically and in conformity with the law and the guidelines.

The policy covers bribery; embezzlement, trading in influence, abuse of function, illicit enrichment, money laundering and obstruction of justice.



Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

We run our business with integrity and professionalism and believe in a fair deal for our investors, customers, suppliers and employees.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

We focus the internal and external audits to verify the compliance of documented procedures and activities. If there is any non-compliance for the deviation from the standards or procedures the preventive and corrective actions are taken accordingly. The same are discussed in management review meetings for proper follow-up to avoid the re occurrence of any non-compliance. At the same time public dealings are basically the best source for the feedback.