

MEHRAN SUGAR MILLS LIMITED



STATEMENT OF ETHICS AND CODE OF CONDUCT

CORPORATE MISSION

Preamble

We the management of enterprise, have set forth our belief as to the purpose for which the Company is established and the principles under which it should operate. We pledge our efforts to the accomplishment of the purpose with in the agreed principle.

Basic Purpose

The basic purpose of Enterprise is to perpetuate as a public limited Company engaged in manufacturing and marketing white refined cane sugar, food products, sugar by products and other products wherein management or sponsor have expertise . In addition we preserve. To assume a leadership position in related industry regarding: quality of the product, cost effectiveness, turnover and technology.

What we do

Our main business area is the production of refined cane sugar and sugar by products. We recognize the value of technological improvement keep in step with the latest innovation and development in our field. We believe in modern management practice and use latest techniques. We constantly train our people and keep them highly motivated as they are our most important assets. We strongly believe in integrity in business and integrity of Mehran depends on integrity of each one of its employees. We consider our Farmers who are our raw material suppliers as the most important part of our business. Mehran Sugar Mills Limited is committed to providing sugar of highest quality that meets the needs of its customers in a cost-effective manner.

By continuously striving, we aim to generate earnings sufficient to ensure a secure future for the company and to protect and increase shareholder investment.

QUALITY POLICY

Mehran Sugar Mills Limited is committed to providing sugar of highest quality that meets the needs of its customers in a cost effective manner. It will meet its objectives by committed leadership, team work and continuous improvement of its product and processes.

INTRODUCTION

Strong business ethics should form the basis for all of our relationships with employees, customers, competitors, suppliers and colleagues. Actions that fall short of, or even appear to fall short of, these standards can only undermine our business integrity, standards of excellence, and ultimately our success as a company.

This statement applies to all our employees as well as our agents, consultants and other representatives. It confirms our strong dedication to the highest standards of business conduct in the environment we do business.

We expect every employee to uphold our ethical business practices. Each manager is responsible for the behavior of those under his or her control or direction. Failure to comply with the standards in this statement will result in disciplinary action which may include termination of employment. We may also report the matter to the public authorities for appropriate action.

Here we clearly state our business principles and show their impact on everyone involved with the company; from the board, the businesses and employees, to consumers, suppliers and business partners.

These principles highlight our responsibility to:

- promote ethical business practices
- respect the environment and communities in which we operate
- assure equal employment opportunities
- value diversity in the workplace
- provide healthy and safe working environments
- respect human rights and trade ethically

No statement of business principles can deal with all situations. It is therefore everyone's responsibility to apply the principles set out in this document and thereby exercise good business judgment.

Because preserving these values and business ethics is a responsibility that falls to the entire company and to comply with the listing regulations, we urge our employees to read, review and sign this Statement.

WORK ENVIRONMENT

MSML respects and highly values its diverse employee population. Accordingly, the company has an unwavering ethical commitment toward promoting a workplace that is respectful of personal differences and free of discrimination and harassment. This principle applies in our hiring and interviewing process as well as all aspects of our work environment.

By providing a respectful, creative, and positive atmosphere where employees can be successful and achieve, the company is capable of attracting, motivating, and retaining the best people available.

If an employee knows or has genuine suspicions of any legal violation in work-related issues or breaches of these principles, they should report it to their manager or human resources department so that we can take action.

We will make all proper efforts to protect the confidentiality of those who raise concerns. We will not criticize anyone for speaking up, or for failure to speak up on earlier occasions.

It is the company's intention to provide an atmosphere free of harassment that creates tension and/or an intimidating, offensive, or hostile work environment.

Equal opportunities, diversity and personal development:

We value diversity. Employees from varied backgrounds enrich our company's culture and support our commercial success. We recognize the value that all employees create for the business and will provide opportunities for personal and career development.

Our policy on equal opportunities and diversity states that we recruit and promote employees on the basis of their suitability for the job without discriminating on grounds of race, color, ethnic or national origin, gender, sexual orientation, age, religion, marital status, or disability unrelated to the task. We will not tolerate sexual, physical or mental harassment of employees.

Communications and involvement

We have a long tradition of encouraging direct, two-way involvement of and communication with employees. This is in order to obtain the fullest participation of everyone's energy and views and we believe is best promoted within the local workplace through locally-based information and consultation procedures. We respect the right to join a legally recognized trade union.

Pay, benefits and working conditions

We respect the dignity and human rights of our people. We remunerate fairly according to skills and performance and with reference to competitive industry and local conditions. We expect our people to work only reasonable hours.

CONDUCT AND BEHAVIOR STANDARDS

All employees are expected to contribute to the success of the company by performing their jobs as required and conducting themselves in a professional manner consistent with The Company's business philosophy, values and standards of business conduct. Employee honesty and integrity are essential to ethical business practices.

Employees are required to prepare all reports, including expense reports, time cards, and sales reports accurately and truthfully. Additionally, it is essential to avoid making misrepresentations or dishonest statements to anyone inside or outside the company.

CONFIDENTIALITY

Confidential business information must not be shared with others outside the company or used for the personal gain of oneself or others. Employees, their family and close acquaintances should not buy or sell company shares if they have material information that has not been made public and could affect our share price.

We expect employees to keep all information confidential. This might include plans to buy or sell business, product formulation, manufacturing processes, advertising, marketing plans, concepts, research and development, suppliers, customers, financial information, personnel and employment matters, and other information which is not generally known to the public. We will make sure that they are aware of their obligations and also expect them to take steps to prevent unintentional disclosure. These obligations apply to all Employees, including those who leave the company.

INFORMATION SECURITY

Information is vital to a company's continuing success. All employees of MSML share a responsibility to our customers, shareholders, and each other to protect information assets from unauthorized access, use, modification, destruction, theft, or disclosure.

LAWS AND DEALING WITH THE GOVERNMENT

We support dialogue between business and government authorities at local and national levels to promote and implement relevant legislation, regulations and agreements, protecting the rights of all stakeholders while safeguarding a healthy and competitive business environment.

Violation of governing laws subjects MSML to significant risk that could lead to fines, penalties and damaged reputation. Although laws vary, the following general guidelines should be followed when dealing with any governmental agency:

- NEVER discuss or offer employment or business opportunities to contracting officers or governmental officials who may influence an official act or decision affecting the company or its business.

- NEVER offer or give gifts or favors to anyone in connection with any government contracting activity.
- NEVER offer or give bribes or other questionable or irregular payments (whether In the form of cash, goods or other property) if you know, or have reason to believe, that such payments will be used to influence officials or their representatives to facilitate official acts or decisions involving the company.

HEALTH AND SAFETY

We recognize the importance of health and safety within our business. We seek to provide a healthy, safe and clean working environment in line with local laws, regulations and industrial practice. We measure, appraise and report performance, as part of our commitment to the health and safety of our employees, contractors and everyone who works on or visits our sites.

We should take such steps as are reasonably practicable, to ensure that they meet our health and safety objectives. These are:-

- To provide and maintain safe and healthy working places and systems of work in order to protect all employees and others, including visitors and the public, in so far as they come into contact with foreseeable work hazards.
- To provide and maintain a safe and healthy working environment for all employees, taking into account individuals' needs and abilities.
- To develop safety awareness amongst all employees to enable them to take reasonable care for their own health and safety and of other people who may be affected by their acts or omissions.

CONSUMERS

We are committed to providing consumers with high-quality, wholesome products which are marketed truthfully, labeled clearly, and, as a minimum, meet food safety regulations.

SUPPLIERS

The company is confident that its suppliers desire to operate in an environment that is free from influence due to unethical business practices. Therefore, suppliers are requested to conduct business in a manner that would not, in any way, compromise the ethical principles required of MSML's Procurement and Materials personnel.

MSML's Procurement and Materials personnel are to abide by the following guiding ethical principles:

Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.

- Refrain from accepting money, gifts of other than nominal value, excessive hospitality, loans, or other special treatment from present or potential suppliers that might influence, or appear to influence purchasing decisions.
- Refrain from reciprocal agreements that restrain competition.
- Not to agree to restraints on resale or pricing on resale except as specifically approved by the government agencies.

Suppliers who attempt to compromise these ethical principles will be subject to cessation of business with the company.

COMPETITION

We are committed to free and open competition and will compete vigorously, but honestly.

EMPLOYEES

The employees are required to endorse **Business Ethics and Standards of Conduct**.

This is the code to which the company is committed. Maintaining the highest standards of conduct and ethical behavior is morally right and legally required, and requires the personal commitment of every employee.

It is the policy of MSML to follow the highest business ethics and standards of conduct. It is the obligation of every employee to be a responsible employee; that is, to be honest, trustworthy, conscientious, and dedicated to the highest standards of ethical business practices.

Employees have a legal, moral and ethical responsibility to report to the Company, or the appropriate authorities, .. known or suspected violations of law, regulations, or corporate policy, including the Company" Standards of Conduct.

Employees shall not make, recommend, or cause to be taken any action known or believed to be in violation of any law, regulation or corporate policy.

Employees shall not make, recommend, or cause to be made any expenditure of funds known or believed to be in violation of any law, regulation or corporate policy.

Employees shall not make, recommend, or cause to be made any expenditure of funds known or believed to be in violation of any law, regulation or corporate policy.

Employees shall not use their position in employment to force, induce, coerce, harass, intimidate, or in any manner influence any person, including subordinates, to provide any favor, gift or benefit, whether financial or otherwise, to themselves or others.

Employees representing the Company to third parties shall not allow themselves to be

placed in a position in which an actual or apparent conflict of interest exists. Such conflict of interest may arise, or appear to arise, by reason of the employees' acceptance of gratuities, favors or other valuable benefits which could improperly influence or reasonably be interpreted as improperly influencing sound business decisions.

Employees will exercise great care in situations in which a preexisting personal relationship exists between an employee and an industry representative or Government employee or official of an agency with whom the Company has an existing or potential business relationship. In such a situation, the employee shall immediately report the relationship to management and, pending further direction by the Company, the employee shall take no further action associated with the business in which the personal relationship exists. Where there is any doubt as to the propriety of the relationship, the employee shall report the relationship to management so as to avoid even the appearance of impropriety.

Employees shall not engage in outside business activities, either directly or indirectly, with a customer, vendor, supplier or agent of the Company, or engage in business activities which are inconsistent with, or contrary to, the business activities of the Company.

Employees shall not use or disclose the Company's trade secrets, proprietary or confidential information, or any other confidential information gained in the performance of Company duties as a means of making private profit, gain or benefit..

COMMUNITY ACTIVITIES

We recognize our responsibilities as a member of the communities in which we operate and commit resources to support community and social investment through national or locally targeted programs in partnership with others. We will also encourage and support employee efforts to be involved in and provide leadership in the educational and social fabric of the communities in which they live.

THE ENVIRONMENT

We recognize our environmental responsibilities and our contribution to sustainable development. Our environment policy and its management processes deal not only with the environmental issues connected to our manufacturing processes and facilities, but also with

protecting the ecosystems from which we derive our raw materials, management of our supply chain, and distributing, selling and consumption of our products.

COMMUNICATION WITH THE FINANCIAL COMMUNITY AND MEDIA

We communicate openly, directly and accurately with the public. We will not give special treatment to any individual or institution. Material information about our performance and prospects is communicated to the financial community at the same time . Matters relating to the company must not be discussed with representatives of the media unless specifically authorized as part of an employee's role. Our authorized personnel must co-ordinate any announcements, statements, or responses to questions from the media, which relate to price or commercially sensitive information.

ENSURING COMPLIANCE

Our statement of business principles sets out the general principles that govern our business conduct.

Our human resources will be responsible for making sure that:

Our business principles are provided to all managers, and other staff as appropriate, in the business.

Induction processes make sure new employees and newly-acquired businesses are Made aware of, and keep to, these principles.

Any local codes or similar statements are in line with these principles.

At reasonable intervals, managers confirm that they and those under their direction Comply with the business principles.

In the event of any breaches, appropriate action is taken.

ENDORSEMENT

As a token of accepting the responsibility, every employee (as required by the Listing Regulations) shall endorse their signature in the annexed sheet.

SUMMARY

The Company's reputation and its actions as a legal entity depend on the conduct of its employees. Each employee must commit to act according to the highest ethical standards and to know and abide by applicable laws. We each must assure that our personal conduct is above reproach and complies with the highest standards of conduct and business ethics.

Difficult as it may be at times, we also each have an obligation to assure that the conduct of those who work around us complies with these Standards. The Company's Code of Business Ethics and Standards of Conduct will be enforced at all levels fairly and without prejudice.