



## **Human Resource Management & Succession Planning Policy (HRM & SP Policy)**

### **Human Resource Management Policy**

The HRM & SP Policy has been drafted with the aim of keeping senior management at Al Abbas Sugar Mills cognizant of the fact that the company's success rests on its human capital. To achieve this aim Human Resources Management policies should encourage collaboration on strategy between Human Resources and the organization's senior leadership. An organization's value is based on its human capital, the quality of which is driven by HR management functions, policies and procedures. Therefore, Al Abbas senior management believe that HR management policies are essential for sustaining a viable business.

#### **1. Strategic Development**

The HR leadership must ensure that they collaborate with the senior management of the company towards attaining the company's goals i.e. they should work towards shared goals and avoid conflicts of interest. The HR function at Al Abbas should strive to become a strategic partner of the company rather than an administrative-focussed extension of the business. The foremost aim of the HR function at Al Abbas is to build a high-performance workforce that supports the organization's goals to become profitable and successful.

#### **2. Compliance**

The HR function as well the entire senior management of the company should ensure and remain vigilant towards achieving and maintaining compliance of the company's HR activities with the relevant Federal and Provincial employment and labour laws. Remaining compliant to the employment and labour laws of Pakistan is at the foundation of good HR management and results in putting the company and its reputation in a favourable position especially in dealing with external stakeholders. Similarly, the HR function of Al Abbas should communicate the importance of dealing with legally compliant parties to staff in other departments and function of Al Abbas. Needless to say the HR function of the company must ensure that their HR policies provide equal opportunity to applicants and employees.

#### **3. Workplace Policies**

At Al Abbas the HR function in co-ordination with the HR & Remuneration Committee will establish and review workplace policies and Standard Operating Procedures to provide the



organization with much-needed structure. It is best practice to address topics like working hours, pay scale and benefits information, official holidays, leave entitlements, office code of conduct, safety measures and performance expectations in an employee handbook. Al Abbas follows a policy of being an equal opportunity employer and has completely zero-tolerance for corruption and unethical behaviour, discrimination or harassment at the workplace. The company's HR function considers it their obligation to consistently to provide a safe working environment where employees feel like valued contributors.

#### **4. Compensation**

The company's HR function and the HR & Remuneration Committee should be very clear about the compensation strategy of the company i.e. Market Leader, Competitive w/ Market or Below Market compensation strategies. The company's HR function and its senior management must be fully aware of the pros and cons of whatever compensation strategy they decide to follow. It is very important that the HR function and HR & Remuneration Committee collaborate with each other in order to align organization strategy with Al Abbas' compensation strategy. The HR function at Al Abbas should have as its primary goal the task of attracting the best qualified workers so that organizational goals are achieved, reputation and productivity is enhanced and employee turnover is minimized.

#### **5. Recruitment and Selection**

Improving the value of Al Abbas' human capital rests on the organization's recruitment and selection procedures. The fundamental philosophy of our company's recruitment policies is equal opportunity. The HR function must ensure that opportunities available at Al Abbas are effectively advertised and ideally a digital pool of candidates CVs/Resumes for various positions is available with them. Potential candidates must pass through an appropriate screening process (with full back-ground checks) before being short-listed for the final stage in hiring. With the exception of the last interview all interviews should be made by a panel of interviewers with at least one interviewer (ideally the HoD or a senior member of that department) from the Department/Function for which the candidate is being hired. At all times the panel must have a senior member of HR in it preferably the HoD of HR himself/herself.

The selected candidate should be made to pass through an On-boarding Phase that makes him familiar to the policies, practices, culture and environment of the company and its various offices. The on-boarding process should also introduce the successful candidate to the key employees of the company and establish all communication links with them as well as with other employees at any location. An officer of the HR function should be designated as the On-boarding Officer whose duty it is to on-board the selected employees.



## **Succession Planning Policy**

### **1. Purpose**

Succession planning is a process designed to ensure that the company identifies and develops a talent pool of employees through mentoring, training and job rotation to replace key business leaders within the company as those key business leaders leave their positions

### **2. Objectives**

- To ensure the company is prepared with a plan to support operation and service continuity when the Chief Executive Officer (“CEO”), senior management including directors or any other key managerial personnel leave their positions;
- To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities;
- To develop career paths for employees which will facilitate the company’s ability to recruit and retain top-performing or high talent employees;
- To deliver a message to the company’s employees that they are valuable; and
- To develop reliable assessment procedures and ensure that these procedures are applied systematically across the company.

### **3. Roles and responsibilities**

- Both the Board and the CEO have pivotal roles to play in succession planning;
- The Board is responsible for succession planning for the CEO or any other director position. The Board should hire the new CEO or any other director when the existing CEO or any other director leaves or the end of his term of employment of CEO or any other director in accordance with relevant laws and regulations;
- The Board should have prepared themselves with an interim solution when CEO or any other director leaves; and
- The CEO is responsible for ensuring a succession plan is in place for other key positions in the company with the assistance from the senior management team and implicated employees.



## **4. Succession planning policy**

### *a. Development and Succession Planning Process*

A primary responsibility of the Board is planning for CEO, other directors or key management personnel's appointment, retention, succession and overseeing the development of executive talent.

- The Board, with the assistance of the HR&R Committee and corporate succession plans for the CEO or any other director to provide for continuity in senior management. For this purpose, the Board reviews the criteria used to assess potential CEO or any other director candidates are formulated based on the company's business strategies, and include strategic vision, leadership, operational execution and legal requirements.
- The Board maintains an emergency succession contingency plan. The plan identifies the individuals who would act in an emergency and their responsibilities.
- The Board may review development and succession planning more frequently as it deems necessary.

The CEO is responsible for planning, identifying, selecting and retaining internal or external candidates on the key managerial position. The CEO may take any action as deem necessary to fulfil his/her responsibilities.

### *b. Key Success Factors*

- The Board, the CEO and senior management support for the succession planning process. This will give all employees an understanding and emphasis on the importance of succession planning to the company;
- Adequate time should be provided to the selected employees for development and mentoring;
- The Board should review the code requirement of completion of Directors' Training Program (DTP) with respect to existing or new members of the Board: and
- Review and update the succession plan regularly to ensure the company has reassessed the hiring needs and determine whether the development progress of the selected candidates.