



ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

1. Introduction

At Al-Abbas Sugar Mills, we recognize that sustainable success is built not only on financial performance but also on our responsibility to the environment, our commitment to social equity, and adherence to strong corporate governance. As a key player in Pakistan's sugar sector, we are committed to integrating Environmental, Social, and Governance (ESG) principles into our business strategy, operations, and decision-making processes.

Through this policy, Al Abbas Sugar Mills affirms its commitments to responsible growth, continuous improvement, and transparent reporting, ensuring that our actions today contribute to a sustainable tomorrow.

2. Purpose

The purpose of this Environmental, Social, and Governance (ESG) Policy is to establish a clear and consistent framework for incorporating sustainability and ethical responsibility into all aspects of Al-Abbas Sugar Mills' operations and strategic decision-making, risk management, and reporting.

The Securities and Exchange Commission of Pakistan (SECP) has issued ESG Disclosure Guidelines for listed companies in Pakistan aim to enhance transparency, improve corporate governance, and promote sustainable business practices. These guidelines aim to promote responsible business practices and transparency in light of International Financial Reporting Standards (IFRS) S1 and S2 Standards which potentially affect the company's reputation and stakeholder relationships, specifically for export-based manufacturing companies, ultimately leading to a more responsible and transparent corporate company in Pakistan.

Additionally, On December 2025, SECP issued an order mandating application of IFRS S1 and IFRS S2 and communicated their applicability to listed companies through a phased approach, under section 238 of the Companies Act, 2017.

3. Scope

This statement applies to all employees from executive to operational personnel that are expected to understand and uphold ESG principles. Directors are responsible for overseeing the integration of ESG principles into corporate governance and strategic direction. We also expect our business partners, suppliers, and contractors to align with the ESG values of Al Abbas Sugar Mills and adhere to relevant standards in their dealings with us.

4. Policy

By implementing this policy effective from 01 October 2027 (After closure of FYE 30 September 2027), Al Abbas Sugar Mills seeks to proactively manage ESG risks and opportunities, align with stakeholder expectations, and contribute to the long-term sustainability and resilience of our business and the broader economy.

Our ESG commitments are structured around the following three core pillars:

4.1 Environmental Responsibility

We are dedicated to minimizing our environmental footprint and promoting sustainable resource use across our operations. Our commitments include:

- a) Complying with all applicable environmental laws and regulations.
- b) Improving energy efficiency through renewable energy to reduce greenhouse gas emissions.
- c) Assessing and mitigating the risks and opportunities associated with climate change.
- d) Managing water responsibly, including treatment, conservation, and efficient usage.
- e) Minimizing waste generation and encouraging recycling and reuse.
- f) Protecting biodiversity and natural habitats affected by our operations.

4.2 Social Responsibility

We aim to foster a safe, inclusive, and respectful environment for all stakeholders. Our social commitments include:

- a) Ensuring the health, safety, and well-being of all employees and contractors.
- b) Promoting diversity, equity, and inclusion in the workplace.
- c) Providing fair wages, benefits, and opportunities for training and development.
- d) Engaging with local communities to support education, health, and economic development.
- e) Avoiding child labor, forced labor, and any discriminatory practices.

4.3 Governance and Ethics

We are committed to maintaining high standards of corporate governance, accountability, and ethical conduct. Our governance commitments include:

- a) Adhering to all applicable laws, regulations, and industry standards.
- b) Upholding transparency and integrity in financial reporting and on our ESG performance.
- c) Implementing robust internal controls and integrating ESG risks into our risk management framework.
- d) Ensuring effective oversight of ESG matters by our Board of Directors.

5. Implementation and Monitoring

To ensure the effective execution of this ESG Policy, Al Abbas Sugar Mills will adopt the following approach:

- a) Assign responsibility for ESG oversight to senior management and the Board of Directors.
- b) Set measurable ESG goals and track progress through key performance indicators (KPIs).
- c) Employees at all levels will receive regular guidance and communication to raise awareness of ESG policies, practices, and expectations.
- d) ESG practices will be integrated into the company's risk management and internal audit frameworks to ensure compliance and continuous improvement.
- e) Report ESG performance transparently to stakeholders through annual sustainability disclosures as required by IFRS S1 and IFRS S2 issued by International Sustainability Standards Board (ISSB)

6. Review and Update

This ESG Policy is a living document and will be reviewed at least annually or more frequently as needed to ensure its continued relevance and alignment with:

- a) Evolving regulatory requirements
- b) Emerging ESG risks and opportunities
- c) Industry best practices and stakeholder expectations
- d) Performance results and internal assessments

Reviews will be conducted by the Sustainability Committee or Audit Committee with updates recommended to the Board of Directors for approval. Any significant changes to the policy will be communicated to all employees and relevant stakeholders in a timely and transparent manner.