



THE
ENVIRONMENTAL
REPORT 2013



M AbdulQadirJilani

Deputy General Manager
QMR/EMR



Security Papers
LIMITED

ISO 9001:2008

ISO 14001:2004

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INTRODUCTION

Environmental Report 2013 of Security Papers Limited has been prepared in such a way so that it could reflect the entire spectrum of economic, environmental and social activities of the Organization in a true sense targeting **Integrated Reporting** in future for sustainable growth.

During Sustainability Development Conference (Rio+20), held in June 2012, Brazil Secretary-General, Sha Zukang, was saying:

- “From the very beginning we have said that Rio+20 is about implementation and concrete actions”
- “Rio+20 have been a great success. It had a huge participation, but participation without success means nothing, but we succeeded in concluding negotiations and agreeing to establish not only sustainable development goals but also a high-level forum to monitor the implementation of all commitments”

Global Environmental Prospective

“**Think Globally, Act Locally**” philosophy is an important part of SPL vision

Focusing following, 7 most critical global issues, which are outcome of Environmental Conference (Rio+20), held in June 2012, (Brazil) under the umbrella of **United Nations**. SPL has been looking to contribute even a tiny roll in National Strategic challenges for sustainable development and planning of the country.

1. DISASTER



Disasters caused by earthquakes, floods, droughts, hurricanes, tsunamis and more can have devastating impacts on people, environments and economies. Smart choices help us recover from disasters, while poor choices make us more vulnerable. As responsible organization,

SPL has been supporting actively for flood and earthquakes victims, and passed successfully stage one Audit to achieving OHSAS 18001:2007 Occupational Health and Safety Management System certification by SGS an independent International certification body, to cope with any natural disaster emergencies

2. OCEANS



We keenly realize that the world's oceans - their temperature, chemistry, currents and life - drive global systems that make the Earth habitable for humankind. Our rainwater, drinking water, weather, climate, coastlines, much of our food, and even the oxygen in the air we breathe, are all ultimately provided and regulated by the sea. Throughout history, oceans and seas have been vital conduits for trade and transportation. Careful management of this essential global resource is a key feature of a sustainable future.

SPL is looking forward to participate in National efforts for development of land and sea.

3. WATER



Clean, accessible water for all is an essential part of the world we want to live in. But due to

bad economics or poor infrastructure, every year millions of people, most of them children, die from diseases world over, associated with inadequate water supply, sanitation and hygiene. SPL have been ensured clean water supply and launching various projects to reuse and conserve water to prevent ill health at all levels.

4. FOOD



It is time to rethink how we grow, share and consume our food. SPL has been planning to support, agriculture, forestry and fisheries which can provide nutritious food for all and generate decent incomes, while supporting people-centered rural development and protecting the environment, offering key solution for development and is central for hunger and poverty eradication at local level.

5. CITIES



Cities are hubs for ideas, commerce, culture, science, productivity, social development and

much more. SPL has been looking to contribute through its Social Corporate Responsibilities includes congestion, lack of funds to provide basic services, a shortage of adequate housing and declining infrastructure, so that society grow, while improving resource use and reducing pollution and poverty.

6. ENERGY



Energy is central to nearly every major challenge and opportunity the world faces today. Sustainable energy is needed for strengthening economies, protecting ecosystems and achieving equity. SPL is generating a sustainable energy for all initiative to ensure access to modern energy services, improve efficiency and increase use of renewable sources

7. JOBS



Labor markets are vital not only for the production and generation of wealth, but equally for its distribution. Economic action and social policies to create gainful employment are critical

for social cohesion and stability. SPL is looking for "Green jobs" to be positioned and administration that will contribute to preserving or restoring the quality of the local social environment in future.

Sustainability Performance Management Framework



THE RISK MANAGEMENT



COMPANY PROFILE

Security Papers Limited (SPL) is manufacturing banknote paper and other security papers such as Prize Bonds, Defense Saving Certificates, Non-judicial Stamp Papers, certificate papers for Educational Boards and Degree Paper for Universities.

SPL was established in 1965 as a private limited company and became a public limited company in 1967, as the first joint venture of Iran, Turkey and Pakistan under RCD (now ECO). The commercial production of the old machine PM-1 was started in 1969. Pakistan Security Printing Corporation (Pvt.) Ltd is the main customer of SPL. The Company has about 405 employees.

SPL has undergone a complete transformation since the year 2000, unprecedented in the public sector, through the institutionalization of strategic management, with a 5-years plan and annual business planning, aiming at strategic

goals relating to customer based expansion and satisfaction, quality manufacturing, counterfeit deterrence, security and resource mindset. Many changes have taken place in all areas of operations.

The operational efficiency of all the departments has substantially increased with the implementation of an integral computerized information system. The in-house laboratory is now modernized with latest and more efficient equipment. SPL is promptly addressing all major risk issues. Line authority and responsibility are now well defined, enabling transparency of transactions and internal audit function.

The new state of the art German machine PM-2 manufacturers custom-made paper of world class specifications with latest counterfeit deterrence such as 3-dimensional tonal-variation watermarks.

M/s JCR-VIS Credit Rating Company Limited has upgraded Governance Rating (CGR) of Security Papers Limited (SPL) from ‘CGR-8++’ to ‘CGR-9’ which denotes ‘very High level of Corporate Governance’ for the year 2012-2013. The rating is measured on scale ranging from CGR-1 (Lowest) to CGR-10 Highest. The Company has the destination of receiving Top Company Award of Karachi Stock Exchange for the year 2000 to 2007, 2009 to 2011. JCR-VIS has reaffirmed medium to long-term entity rating of AAA (Triple A) and short –term of A-1 (A one plus). The Annual Report -2003 and 2006 and 2006 to 2012 of the Company won the Best Corporate Report Award. The Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Institute of Cost & Management Accountants of Pakistan (ICMAP) has instituted the Award. The company holds 24th to 29th Award (six times running) of the Management Associated of Pakistan (MAP) for the Forestry & Paper Sector. The Corporate Excellence Awards are conferred by the MAP with an objective to recognize the listed companies which excel in corporate and management practices.

The Company has won the Fire and Safety Award 2011, 2012 and 2013 for the third consecutive year. The Award is jointly organized by Fire Protection Association of Pakistan (FPAP) and National Forum for Environment & Health (NFEH).

EXECUTIVE SUMMARY & SCOPE OF THE REPORT

This report encompasses the activities of Security Papers Limited regarding economic, social, environmental and operational performance of the Organization during the year 2013. This Environmental Report has been prepared keeping in view the guidelines of Association of Chartered Certified Accountants-World Wildlife Fund (ACCA-WWF). This report provides an overview of Company Profile, business ethics and practices, continual improvement, major areas of operations, significant environmental aspects/ impacts, environmental monitoring and

measurement, objectives achievement trend, environmental management programs and corporate social responsibility. Policies and core values are incorporated in the report to show the commitment of the Company regarding CSR, environment and safety activities. Under sustainable development program, the Company sets targets and objectives such as conservation of resources by following proactive strategy, energy conservation, effluent & emissions control, solid waste management and prepare their achievements plans in order to keeping improving in the areas of economics, social and environmental performance.

Emergency preparedness & response procedures and plan have been established and drills are conducted periodically in order to check the effectiveness of these plans. Assembly zones are identified and marked in the mills. Responsibilities and authorities in emergency situation are clearly identified in the procedures. Incident reporting & analysis mechanism is also defined.

CHIEF EXECUTIVE OFFICER'S MESSAGE

It is a great pleasure for me that the Environmental Report 2013 is being issued by Security Papers Limited according to the guidelines of Association of Chartered Certified Accountants-World Wildlife Fund (ACCA-WWF).

The mission of Security Papers Limited is “Strive continuously to achieve higher level of Excellence. In this regard, we believe in the protection and conservation of environment while ensuring that all operational activities remain environment-friendly. We are committed to ensure safer and environment-friendly atmosphere not only to our employees but also to the social community by ensuring compliance to National Environmental Quality Standards (NEQS).

We endeavor to constantly upgrade our business and process by bringing in latest innovations of relevant and appropriate technological advancements in its business strategies and processes. To achieve these goals, the Company is directing full efforts towards modernizing its various production processes through up-gradation of the plant without disturbing the environmental negative impacts on the social community. The aim of these efforts is to improve quality products as per customer requirements.

In order to keep the improvement in the area of operational, efficiencies and environmental performance, Security Papers Limited is continuously issuing the Sustainability Reports from the last four years. In this regard, under sustainable development program, the Company has set objectives such as conservation of resources by following proactive strategy, energy conservation, effluent & stack emissions control and solid waste management.

The Company is committed to ensure safer and environmental friendly operations, product and services. We mitigate the environmental negative impacts through effective implementation of ISO 14001:2004 to comply applicable laws and regulations. Certification of the Company in accordance with the ISO 14001:2004 EMS and ISO 9001:2008 QMS demonstrate management's commitment towards excellence throughout all the processes including environment, quality & OHSAS 18001:2007, Occupational Health, safety, Management System.

MRS. NAIYER MUZAFAR HUSAIN
Chief Executive Officer

BOARD OF DIRECTORS



Mr. Mustapha A. Chinoy
Chairman



**Sheikh Mohammad
Aijaz Akhtar**



Mrs. Ayla Akin



Mr. Jamal Nasim



Mr. Mazhar-ul- Hassan Shah



**Mr. Muhammad Reza
Roshani Moghaddam**



Mr. Rizwan Ahmed



Mr. Kazi Abdul Muktadir



Mrs. Naiyer Muzafar Husain
Chief Executive Officer

ACHIEVEMENT AWARD DETAILS TILL YEAR 2013

Corporate Excellence Award

The company holds 24th to 29th Award (six times running) of the Management Associated of Pakistan (MAP) for the Forestry & Paper Sector. The Corporate Excellence Awards are conferred by the MAP with an objective to recognize the listed companies which excel in corporate and management practices.

The Corporate Excellence Awards are conferred by the MAP, a premier body of professional managers and entrepreneurs, with an objective to recognize the listed companies which excel in corporate and management practices.



Best Corporate Report Award

The Annual Report - 2003 and 2006 to 2012 of the Company won the Best Corporate Report Award. The Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost & Management Accountants of Pakistan (ICMAP) has instituted this award.

Integrated Quality & Environmental Management System

During the year 2013, M/s. SGS Pakistan has carried out third party surveillance audit regarding Integrated Quality and Environmental Management System (IMS) and reconfirmed the effectiveness of the system and declared that the system is working properly as per the rules and regulations of ISO standards.

Corporate Governance Rating

Corporate governance rating is based on evaluation of key governance elements of the rated enterprise, which includes Ownership Structure, Regulatory Compliance, Composition and Operations of the Board of Directors and Executive Management, Financial Transparency, Self-Regulation, and Stakeholder Relations. The rating is measured on a scale ranging from CGR-1 (lowest) to CGR-10 (highest).

Because of the increasing need to highlight differences in governance practices of companies within the same rating band, JCR-VIS has expanded the corporate governance rating scales. Accordingly, ratings from 1 to 9 have been appended with the symbol ‘+’ and ‘++’.

During the year, JCR-VIS Credit Rating Security Papers Limited has upgraded the Corporate Governance Rating from CGR-8++ to CGR-9 denoting ‘Very high level of corporate governance’.

Top Companies Award 2010

Company has distention to receiving Top Company Award from Karachi Stock Exchange (KSE) for the year 2000 to 2007 and 2009 to 20011.

The award is conferred by KSE on the basis of criteria, which includes Distribute to Shareholder, Return on Equity, Turnover of Shares, Number of Shareholders, Corporate Social Responsibilities (CSR) and Good Corporate Governance/Compliance with Code of Corporate Governance.

Fire Safety Award 2011

The Company has won the Fire and Safety Award 2011, 2012 and 2013 for the third consecutive year. The Award is jointly organized by Fire Protection Association of Pakistan (FPAP) and National Forum for Environment & Health (NFEH).

Best Sustainability Report 2010

The joint committee of the Institute of Chartered Accountants of Pakistan and Institute of Cost & Management Accountants of Pakistan (ICAP - ICMAP) have awarded Best Sustainability Report Certificate) of year 2010 to the Company.



VISION STATEMENT

“To be a nationally and internationally recognized and accepted security paper producing organization, providing highest quality paper to our customers, both in Pakistan and abroad.”

MISSION STATEMENT

“We are the only national organization producing strategically important security paper products for the nation. We have developed a unique set of strength and competencies. We wish to build on these assets and will strive continuously to achieve higher levels of excellence.

Our mission is to exceed the expectations of our customers in producing, with security and efficiency, highest quality paper products, employing international best practices and applying an integrated approach to product research and development, manufacturing technology, operations management, Counterfeit deterrence, materials procurement, human resource management, financial management and information systems.”

CORE VALUES

- Striving for continuous improvement and innovation with commitment and responsibility;
- Treating stakeholders with respect, courtesy and competence;
- Practicing highest personal and professional integrity;
- Maintaining teamwork, trust and support, with open and candid communication;
- Ensuring cost consciousness in all decisions and operations.

STRATEGIC GOALS

Provide Customer Satisfaction by serving with quality products, security paper needs of national and international customers.

Ensure Quality Manufacturing by production of state-of-the-art security paper products with highest quality at lowest cost.

Deter Counterfeiting by producing security paper products that have built-in deterrence against counterfeiting so as to contribute to public confidence and facilitation of commercial transactions.

Ensure Security and Accountability by creating an environment of Security and accountability for employees, production facilities and products.

Expand Customer Base by exploring new national and international markets and undertaking product research and development in security paper.

Ensure Efficient Resource Management by managing human, financial, technical and infra-structural resources so as to support the above strategic goals and to ensure highest possible value addition to stakeholders.

Code of Ethics and Business Practices

The Company has a comprehensive Code of Ethics and Business Practices. All Directors and Employees are required to certify its compliance annually. Also, the Company has a policy on detection and prevention of corruption. Authorities and responsibilities are defined and appropriately delegated for transparent operation.

1. Maintaining integrity and scrupulous dealings
2. Reporting violations
3. Maintaining correct books and records of the Company
4. Strictly observing the laws of the country
5. Strictly avoiding questionable and improper payments or use of the company's assets
6. Strictly avoiding conflicts of interest
7. Strictly avoiding political contributions
8. Expediting payment of amounts due customers, agents or distributors
9. Strictly avoiding giving and receiving of gifts
10. Treating mean to be as important as ends

QUALITY POLICY

“To be the best - value producer of quality paper that fully meets customer's requirements with continuous improvement in process, human assets and environment with goodness for stake holders.”

ENVIRONMENTAL POLICY

Being paper producer, we understand that our process activities can have impacts on environment; we therefore, commit ourselves to participate in protection of interested parties and plan for sustainable development through Complete Environmental Management System. We will:

- (i) Define methodology for efficient utilization of resources.
- (ii) Comply with regulatory requirements.
- (iii) Continuously review system for normal and emergency situations.
- (iv) Produce our environmental report available to public and government sector.
- (v) Continuously train our staff at all levels for better understanding of the system and value of environment.”

OCCUPATIONAL HEALTH & SAFETY POLICY

- To work in an environment which is accident free and there is no work related ill health.
- Maintain plant, equipment and machinery, storage and use of chemicals, following international safety standards.
- Eliminate all potential hazards which may cause any diversity.
- Define and monitor key performance indicators related to health and safety for continual improvements.
- Our plant to conform to Factory Act and other legal requirements for occupational health and safety.

COMPANY WIDE QUALITY OBJECTIVES

- Reduce customers complaints up to 50%
- Reduces over all Spoil loses up to 03% by enhancing process capabilities and efficient use of resources
- Effectively implementation of QMS (ISO 9001:2008), EMS (ISO 14001:2004)
- To achieve OHSAS18001:2007 (Occupational Health and Safety Management System) Certification
- Reduce minor incidents up to 50% by effective Hazards and Risk Management and implementation
- Provide Internal & External Occupational Health and Safety Management and Environmental awareness trainings to develop Technical and soft skills for betterment of over all operational performance

HUMAN RESOURCE POLICY

“To attain the highest standards of professionalism throughout the organization by recognizing and revealing individual capabilities, productivity, commitment and contribution.”

CORPORATE SOCIAL RESPONSIBILITY

Philanthropy Policy

The company under takes Social Action Programs under its policy of corporate Social Responsibility (CSR) which includes the provision of basic health facilities, promotion/education of under privileged children & students, spending for under privilege classes and welfare schemes, population groups and areas have been identified for CSR/Corporate Philanthropy activities. Priorities were given to certified non-government organization (NPOs/NGOs).

Donations were made to the following.

Name of NGO / NPO	Description for Donations	Amount (In Rs.)
Friends of Burns Centre (FOBC)	Donation to Friends of Burn Centre for treatment of desperate, poor people those cannot afford hospital fees	3,000,000/-
Aman Institute for Vocational Training-AMANTECH	Donation to for Advance life Support Ambulance, Healthcare, Education and Nutrition	1,000,000/-
Poor Patient Aid Society-Civil Hospital	For treatment of poor people	500,000/-
Others	For Corporate Social Responsibility Activities	122,000/-

Disbursement of Donations / Charities during Year 2013



CORPORATE GOVERNANCE

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Name of Director	Category of Director		
	Independent (01)	Non-Executive (08)	Executive (01)
Mr. Mustapha A. Chinoy		✓	
Mr. Sheikh Mohammad Ajaz Akhtar	✓	✓	
Mrs. Ayla Akin – (Turkey)		✓	
Mr. Jamal Nasim		✓	
Mr. Mazhar-ul-Hassan Shah		✓	
Mr. Mohammad Reza Roshani Moghaddam – (Iran)		✓	
Mr. Rizwan Ahmed		✓	
Mr. Kazi Abdul Muktadir		✓	
Mrs. Naiyer Muzafer Husain			✓

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Three casual vacancies have occurred during the period under review. These vacancies were immediately filled up. One casual vacancy occurred on the date of this report.
5. The Company has prepared a ‘Statement of Ethics and Business Practices’ and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policy and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/Shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranges orientation course for its directors as and when needed to apprise them of their duties and responsibilities. The incoming directors are also provided with appropriate briefing and orientation material to enable them firsthand knowledge on the working of the Company. Three directors of the Company have completed Directors' Training Program during the period under review. In addition one director meets the criteria of exemption under clause (xi) of CCG and is accordingly exempted from directors' training program.

10. The Board had approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the Chairman of the Committee is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises five members, of whom four are non-executive directors and the Chairman of the Committee is a non-executive director.

18. The Board has set-up an effective internal audit function.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

Description about the Board of Directors

Chairman

Mr. Mustapha A. Chinoy **Elected**
Minority

Directors

Sheikh Muhammad Ajiaz Akhtar
Minority & Independent Elected

Mrs. Ayla Akin – Turkey
Minority Nominee – SHAS

Mr. Jamal Nasim
Minority Elected – NIT

Mr. Mazhar-ul-Hassan Shah Nominee – PSPC

Mr. Mohammad Reza Roshani Moghaddam – Iran
Minority Nominee – IDRO

Mr. Rizwan Ahmed Nominee – PSPC

Mr. Kazi Abdul Muktadir
Minority Nominee – PSPC

Chief Executive Officer

Mrs. Najver Muzafar Husain Executive

PSPC - Pakistan Security Printing Corporation (Pvt.) Limited

NIT - National Investment Trust Limited

NIT - National Investment Trust Limited
IDRO - Industrial Development and Renovation Organization of Iran

IRDO - Industrial Development and Renovation Organization of Iran
SHAS - Sumer Holding A.S. Genel Mudurlugu, Turkey (formerly SEKA)

SLIC - State Life Insurance Corporation of Pakistan

STRUCTURE OF COMPANY WIDE COMMITTEES

Board Audit Committee

Sheikh Mohammad Ajaz Akhtar Independent Director	Chairman
Mr. Mustapha A. Chinoy Non-Executive Director	Member
Mr. Jamal Nasim Non-executive Director	Member
Mr.Kazi Abdul Muktadir Non-Executive Director	Member
Mr. Talha Bin Hamid General Manager (Internal Audit)	Secretary

Board Human Resource &Remuneration Committee

Mr. Mustapha A. Chinoy Non-Executive Director	Chairman
Mrs. Naiyer Muzafar Husain Chief Executive Officer	Member
Sheikh Mohammad Ajaz Akhtar Non-executive Director	Member
Mr. Jamal Nasim Non-Executive Director	Member
Mr. Rizwan Ahmed Non-Executive Director	Member
Mr. Nadeem Azhar General Manager (HR&A)	Secretary

Board Investment Committee

Mrs. Naiyer Muzafar Husain Chief Executive Officer	Chairperson
Mr. Mustapha A. Chinoy Non-Executive Director	Member

Mr. Mazhar-ul-Hassan Shah
Non-executive Director

Member

Mr. Rizwan-ul-Haq Khan
Chief Financial Officer

Secretary

Management & Strategic Plan Committee

Chairperson:

Mrs. Naiyer Muzafar Husain

Chief Executive Officer

Members:

Mr. Rizwan Ul Haq Khan

Chief Financial Officer

Mr. Muhammad Abdul Aleem

Company Secretary

Maj. (R) Muhammad Ali Niazi

General Manager (Security)

Mr. Faiz-ul-Islam

General Manager (Supply Chain)

Mr. Talha Bin Hamid

General Manager (Internal Audit)

Mr. Nadeem Azhar

General Manager (HR&A)

Mr. Khalil Ahmed

General Manager (Engineering & Projects)

Mr. Muhammad Imran Awan

D.G.M. (Production)

Mr. Saadat Ali

D.G.M. (QA/R&D)

Mr. Muhammad Abdul Qadir Jilani

D.G.M. (Supply Chain)/QMR/EMR

Mr. Imad Ahmed Khan

D.G.M. (Process Systems)

CRITERIA TO EVALUATE BOARD'S PERFORMANCE

Following areas of responsibility forms the basis of criteria to evaluate Board's performance:

- a. Adherence to the laws, rules and regulations, etc. as laid down under the Companies Ordinance, 1984 and as may be specified from time to by the Securities and Exchange Commission of Pakistan, the Memorandum and Articles of Association of the Company and the Listing Registrations of Stock Exchange.
- b. Adherence to the requirements of the Code of Corporate Governance in all material respects.
- c. Determining and monitoring the Company's values to be applied in all its operations.
- d. Establishing and evaluating strategic direction of the Company.
- e. Approving Company's policies and monitoring implementation.
- f. Ensuring adequate financial resources.
- g. Ensuring risk management and ways to mitigate the risks.
- h. Providing effective fiscal oversight.
- i. Delegating to Board's Committees.
- j. Approving hiring, compensation, salary reviews, and dismissals of top management.
- k. Overseeing the succession planning of the Company's top management.
- l. Ensuring that the Company has defined the operating principles of internal control and monitors the functions of such control.
- m. Supporting the Chief Executive Officer
- n. Enhancing Company's public image.

A mechanism is in place for an annual evaluation of the Board' own performance on the basis of foreign criteria.

Business Ethics and Anti-corruption measures

The Company has a comprehensive Code of Ethics and Business Practices. All Directors and Employees are required to certify its compliance annually. Also, the Company has a policy on detection and prevention of corruption. Authorities and responsibilities are defined and appropriately delegated for transparent operation.

1. Maintaining integrity and scrupulous dealings
2. Reporting violations
3. Maintaining correct books and records of the Company
4. Strictly observing the laws of the country
5. Strictly avoiding questionable and improper payments or use of the Company's assets
6. Strictly avoiding conflicts of interest
7. Strictly avoiding political contributions
8. Expediting payment of amounts due customers, agents or distributors
9. Strictly avoiding giving and receiving of gifts
10. Treating mean to be as important as ends

Products & Markets

SPL has not only been successfully fulfilling paper requirement of Pakistan Security Printing Corporation (PSPC) for printing banknotes, prize bonds, Non Judicial Stamp Paper, share certificates, etc. but is also providing papers to various educational institutions for degree certificates.

MANAGEMENT SYSTEM

To maintain high quality levels, Company has adopted modern management techniques and training practices. In this regard, **SPL** first time achieved Quality Assurance Certification against ISO 9002:1994 in year 2002 from DNV certification body. For the continuity of Quality Management System, Company upgraded its QMS system in year 2006 with the requirement of ISO 9001:2000 system from SGS. For further improving the Quality & Environmental Management System, **SPL** again acquired ISO 14001:2004 EMS certification in year 2006 from SGS Pakistan.

In order to develop a systematic approach in the existing system, ISO 9001:2000 has been revised and replaced by ISO 9001:2008 in the year of 2008. In this regard, the Re-certification Audit of Integrated Quality and Environmental Management System have been carried out in March 2009 from SGS. After successfully completion of said audit, the Company has obtained certifications of Integrated Quality & Environmental Management System of ISO 9001:2008 & ISO14001:2004 in April 2009.

Through already established Standard Operating Procedure (SOP) and Quality / Environmental System Procedures (Q/ESP), the Company is committed to improve the utilization of existing resources for the benefit of local and international communities regarding the betterment of Quality, Environment, Occupational Health and Safety including visitor, contractors, surrounding community and capital assets.

A periodic internal HSE audits are carried out on regular basis to check the effectiveness of Integrated Quality, Environmental & Health & Safety Management System in the organization. Similarly, Third Party surveillance Audits are carried out by internationally recognized certification body SGS Pakistan (Pvt.) Limited.

In the same way, Cleaner Technology Project for Pulp & Paper Sector (CTPP) has carried out integrated audit regarding energy saving, reduction of fresh water consumption and environment.

The Company is moving ahead with commitment to achieve further milestones. We make objective based efforts for reducing unsafe and unhealthy work practices / conditions. Occupational Health and Safety Hazards identification and Risk assessment has been done for normal, abnormal and emergency situations and review when required. Incident analysis and follow-up for corrective / preventive measures are taken to reduce accidents. A successful first stage Audit for OHSAS 18001:2007 has been carried out by SGS an Independent certification body indorsing level OH&S Management System.

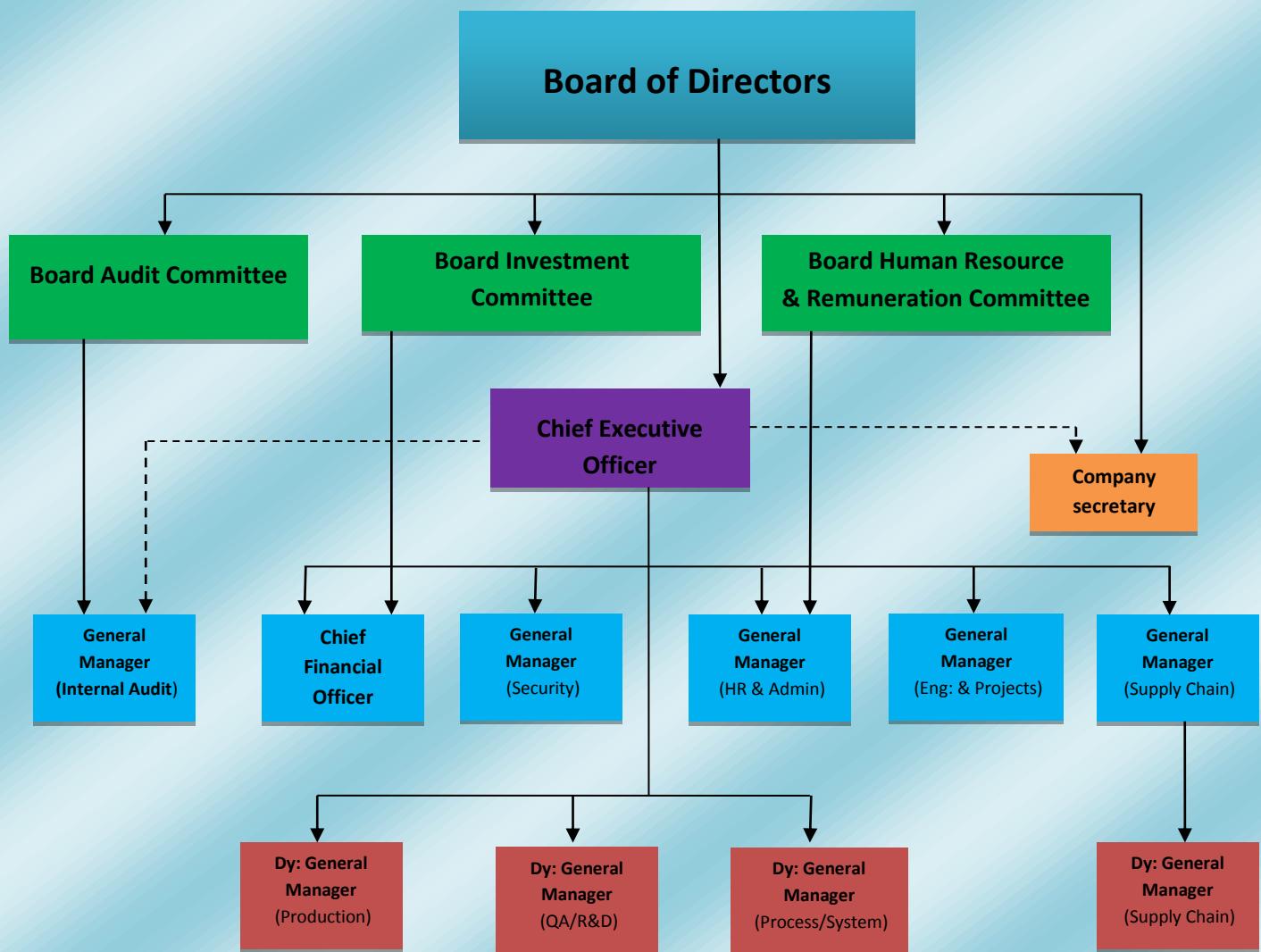
Comprehensive training is imparted to our employees and contractors in the area of OHS. Fire Fighting System is available with all necessary facilities to tackle any emergency.

The Company aims to achieve high level of excellence by integrating the systems (QMS, EMS& OH &S). Integrated Management System (IMS) has been developed and implemented as a combination of various sequential processes involving all operations and covering requirements of two standards. The integrated style has been adopted to ensure cost effective functioning, ongoing flexibility and smart documentations. All activities and processes of **SPL**, their application, sequence and functional interfaces with each other are clearly defined and documented for easy understanding and management of processes.

The OHSAS 18001:2007 Management System has been developed covering most legal requirements including Factory Act 1934, Boiler Act, electricity Act and rules, Civil defence rules ensuring effective application throughout organization.

THE MANAGEMENT

ORGANIZATIONAL CHART



OPERATIONAL ACTIVITIES

Production Department

Production Department is a major department in the Company. It comprises of following Sub-sections:

- (i) Machine House
- (ii) Pulp Mill
- (iii) Finishing

Production Department plans his production activity as per the order of their client demand. The Company aims at producing high quality security papers. In year 2013, all production process are effectively monitored, corrective actions are taken and preventive measures are planned and implemented perfectly. We have continued our efforts to expand the product base to achieve the economy of scales and optimize the production capacity. Successful **new paper trial runs were carried in the year 2011.** **In year 2011,** Company has made number of modifications and upgrading of plant. In this connection, Company will increase its potential and capability to produce paper of international quality standards.

Engineering Department

The core function of the Engineering Department is to support the plant for smooth running at maximum efficiency output. In this regard, Engineering Department priorly plans his routine maintenance and annual shutdown maintenance activities carefully.

Engineering Department comprises the following sections:

- (i) Mechanical (Maintenance)
- (ii) Electrical & Electronics
- (iii) Civil

In this regard, Engineering Department has developed Standard Operating Procedure (SOP) Document No. Q/E/SPL-SOP-MNT and relevant work instructions of each section so that all machines and equipments remain in a best operation condition throughout the year as per the requirement of production process. Usually, Engineering Department carried out following four type of maintenance work:-

- (i) Routine Maintenance
- (ii) Breakdown Maintenance
- (iii) Preventive Maintenance
- (iv) Outside / Contract Maintenance

During the year 2013, following important jobs have been done regarding the further improving the performance of the plant;

- Modification of Slitter / Rewinder Machine with auto positioning of Slitters
- Modification of Sheeter Machine with additional layboy and reel splicing system

- Modification in Size Kitchen
- Old Size Kitchen room extended and new Size Supply Tank of stainless steel manufactured and installed in-house to facilitate the operation and maintenance of the plant
- Installation of Flow Lines
- New arrangement of two flow lines equipped with paper cutting, inspection and counting machine in parallel in a hall to meet chain process requirement of Sheeter machine and Shrink Wrap Paper machine.

QUALITY ASSURANCE / RESEARCH & DEVELOPMENT DEPARTMENT

Quality Assurance

Keeping in view long term sustainable development regarding the quality products as per customer's requirements, we monitor all the stages of production from raw material to final finished product to ensure quality.

Management of the Company is committed toward delivery of quality products with minimum adverse environmental impacts along with compliance with National Environmental Quality Standard (NEQS). The Company is also committed to provide safe and environmental friendly atmosphere not only to its employees but also to the community by ensuring compliance to National Environmental Quality Standards (NEQS). The Company is putting all its efforts to monitor all its processes which may pollute the environment and control and mitigate any environmental impacts.

We manage our activities to mitigate its environmental impacts through effective implementation of EMS and by making and implementing short term and long term plans. *SPL* regularly conducts tests of its all emission sources and effluents. Objectives are set for significant environmental aspects and measures are taken against them. Periodic internal and external third party quality and environmental audits are conducted for continual improvement of the system. We organize trainings particularly on emergency response, energy conservation and operational control, to educate the employees and contractors to maintain healthy environment.

Certificate SG06/00813



The management system of

Security Papers Limited

Jinnah Avenue, Malir Halt, Karachi-75100,
Pakistan.



has been assessed and certified as meeting the requirements of

ISO 9001:2008

For the following activities

Production of Bank Note and other Security Papers

Further clarifications regarding the scope of this certificate and the applicability of
ISO 9001:2008 requirements may be obtained by consulting the organization

This certificate is valid from 03 April 2009 until 02 April 2012
and remains valid subject to satisfactory surveillance audits.

Re certification audit due before 02 March 2012
Issue 2. Certified since 03 April 2006

Authorised by



005

SGS United Kingdom Ltd. Systems & Services Certification
Rossmore Business Park, Ellesmere Port, Cheshire CH65 3EN, UK
t +44 (0)151 350-6666 f +44 (0)151 350-6600 www.sgs.com

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Certificate SG06/00239



The management system of

Security Papers Limited

Jinnah Avenue, Malir Halt, Karachi-75100,
Pakistan.



has been assessed and certified as meeting the requirements of

ISO 14001:2004

For the following activities

Production of Bank Note and other Security Papers

This certificate is valid from 26 April 2009 until 25 April 2012
and remains valid subject to satisfactory surveillance audits.

Re certification audit due before 25 March 2012
Issue 2. Certified since 26 April 2006

Authorised by



SGS Société Générale de Surveillance SA Systems & Services Certification
Technoparkstrasse 1 8005 Zurich Switzerland
t +41 (0)44 445-16-80 f +41 (0)44 445-16-88 www.sgs.com

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Research & Development

To meet future challenges, we are constantly in search of areas of improvement. For this purpose, we are already engaged in balancing, up-gradation and modernization for existing capital assets and resources. We feel that the research and development activities are the backbone of sustainability.

Efforts are being made to reduce process and material losses to ensure continuous improvement inefficiency. The objective is to increase customer satisfaction. During the year, following activities were carried out in the R&D Department for achieving the objectives:

- (i) Cost reduction by using cost effective alternate raw material and chemicals
- (ii) New product formulation and design modification have been developed (such as cheque and national Passport papers) according to customer's requirement
- (iii) Relative humidity impact on stage wise products has been improved significantly through intensive Efforts of team members which reduced process losses.

Objectives & Targets Achievements

Company & departmental objectives are established on annual basis keeping in view policy statement and other organizational goals regarding Quality, Environment and Occupational Health & Safety. Besides this, **SPL** Management also considers company strategies, customer needs, legal & other requirements, product, process, finance and business requirements, education & training of employees, community awareness and other opportunities leading to continual improvement in organization's performance. Achievements plans and management programs are designed to achieve these objectives and targets. The progress of the set objectives and targets are monitored using relevant performance indicators and regularly reported by concerned for management review. If required objectives / targets management programs and objectives achievement plans are revised according to the situation.

Security Department

General

In order to achieve continually improved results in the field of security in relation to men, material and information, we are endeavoring to further enhance latest security, fire and safety techniques.

Crisis Management Cell (CMC)

Crisis Management Cell has been developed and it is working under the Security Department. The Cell has been commissioned to counter and handle any untoward crisis situation. Standard Operating Procedure (SOP) has been prepared and issued on the functioning of CMC to all the departments. During the year, a number of employees (both male and female) are trained to help and provide first aid in case of any emergency. Various teams are formed to manage all type of crisis.

Training

A booklet has been prepared and issued to all the departments on “Safety Policy & Fire Orders”. The said book is prepared in Urdu for easy understanding of everyone. This book comprehensively cover topics related to safety and fire.

Like every year two ‘First Aid and Fire” training sessions were arranged in-house through Civil Defence Authorities with the aim to train maximum employees.

Human Resource & Administration

Human Resource & Administration Department provide employee services, direction and support for staff and administers policies and procedures, diversity initiatives, recruitment and employment, HR data management, employee relations, personal and professional development, employee assistance programmes, compliance issues related to recruitment and workplace health and safety issues.

The major goals of the Human Resource & Administration are:

- Recruitment of Professional Employees
- Aligning compensation and benefits with corporate vision, mission & values
- HR Information Databases
- Career Planning
- Succession Planning

During the year, following policies were implemented or updated:

- Travel Policy
- Telephone Facility – Mobile Phone
- Provident Fund (contributions)
- Policy for deceased employee’s family under CSR approach
- Management Trainee Officer Policy
- Medical Facility
- Succession Planning (01 – 05 Years)
- Educate, train and develop the masses
- Building a foundation for career and succession planning
- Create a competitive environment
- Improve the motivational level of employees

In year 2013, Company continued to invest in the professional development of its employees. Various in house and outside training programs, in the area of management, plant operation and maintenance,

information technology, finance were carried out. In this regard, total 2097 Training Man Hours were consumed from outside institutions.

Information Technology Department

The information Technology Department is responsible for the Company's IT requirements. It develops, maintains and enforces IT policies procedures and standards throughout the Company. The Department focuses on effective and rapid communication as a key area for quality management and services and recognizes IT as the most essential tool for sustaining the current business and for future business progress. The Department promotes use of IT and acts as a coordinator to build an IT interface with the rest of the Company.

The Department has been set up with the following functions and duties:

- Implementation of Oracle applications
- Attain business efficiency through Oracle systems
- Hardware and software support and management
- Coordinate the systems development
- Users training and design workflow of IT Department
- Formulation of IT policy
- Preparation of disaster recovery plan
- Implementation of data backup management policies
- Planning of different IT related programmes
- Management of Company's website and e-mail
- Proactive promotion of IT
- Maintenance of Local Area Network (LAN)

Oracle based applications are in place and continuous improvements are being made in these applications in order to attain business efficiency. The Department coordinates the systems development and ensures that all investment on hardware and software are in line with Company's long term plans

Supply Chain Department

During the year, the Supply Chain Department ensured uninterrupted supply of raw materials, allied items, engineering spares etc. at most competitive prices for smooth operation of the Plant.

All-out efforts were made to induct new suppliers particularly for raw materials like comber and denim cuttings, creating a situation which ensured maximum benefit to our organization.

In the current scenario of international crisis and uncertainty, the role of the Department became even more important to come out with the options which could create maximum benefit for the Organization. We certainly tried to do that and surely our price correlated international trends thus ensuring that no additional burden had to be borne by the Organization.

During this year, major upgrading was carried out plant involving import of equipments for different projects. The Department ensured timely clearance of all consignments which had sophisticated components and needed utmost precautions.

The Department will continue to use all its resources for the benefit and satisfaction of stakeholders.

Corporate Department

During the year, all Board meetings and Annual General meeting were held much before the mandatory time limit ensuring compliance with the requirements of the corporate laws and good governance in all material respects.

All the requirements of shareholders were met in quickest possible manner to meet their satisfaction. No shareholder queries were left pending. Dividend was paid to the shareholders well before the mandatory time limit.

Effective communication was maintained with all the stakeholders including Board of Directors, management and relevant agencies.

It is the resolve of the Department to keep performing core function of corporate affairs in a most efficient manner.

INTERNAL AUDIT DEPARTMENT

Internal Audit Department is governed by the Board Audit Committee (BAC) which consists of non-executive directors. It assists the BAC and the Board in fulfilling their responsibilities.

The head of the Internal Audit Department reviews and reports to the Chairman Audit Committee on the following aspects of Company's operations:

- Adequacy and effectiveness of internal controls
- Management of financial risk
- Continued assurance that financial accounting and other records and reports provide a true and fair view of Company's operations
- Safeguard of Company's operations with applicable regulatory framework, including Companies Ordinance 1984, Code of Corporate Governance, other applicable statutes, International Accounting Standards (as adopted by Institute of Chartered Accountants of Pakistan) and best practices.
- Companies of respective departments with policies, plans and procedures as laid down by the management

- Compliance of Company's internal control structure with corporate governance provisions and International Profession Practices Framework issued by institute of Internal Auditors, USA.

The Internal Audit function is an independent appraisal activity in the Company for the review of accounting, financial and operational matters. It acts as a management control and resident value adding agent. Internal audit reviews are risk-based and impartial. The broad targets of these reviews are operational efficiency, safeguard of profitability and Company's interests, establishment and observance of internal controls. Internal Audit's scope covers financial as well as operational aspects and is an effective tool to monitor compliance with management policies.

Finance & Accounts Department

The Finance and Accounts Department manages company finances and has core responsibility for organizing the financial and accounting affairs including the preparation and presentation of financial information.

Its key role is to develop policies, procedures, internal controls, management information systems including the following:-

- Provide strategic financial information for business and operational planning
- Fulfill external and internal financial reporting requirements
- Preparation and compilation of budget estimates and to maintain an effective budgetary control system
- Control of expenditure and economy measures
- Advise on the financial aspect of all transactions
- Comply generally accepted accounting practices and procedures
- Introduce cost effectiveness and profit improvement plans
- Strive for overall corporate health
- Undertake strategic planning
- Monitor capital and structure and debt equity ratios
- Working capital and funds management
- Tax Planning, Production Pricing and Cost reduction and Cost Control

The Finance and Accounts Department is committed to maintain highest standards of ethics and professionalism and play a proactive role in achieving Company's objectives. With the dedication and teamwork the Department will continue to add value, face new challenges and to exceed the expectation of the management and the shareholders

ECONOMIC PERFORMANCE

The Directors of the Company declared the Annual Report of the Company for the year ended June 30, 2013. The operating results of the Company for the year ended June 30, 2013 are summarized as follows:

Description	2013	2012
	Rupees in 000	
Profit before taxation	468,080	510,222
Taxation		
Current – for the year	165,382 (2,134)	12,127 (1,525)
Current – for prior year	163,248 (15,400)	10,602 (121,519)
Deferred	147,848	132,121
Profit after taxation	320,232	378,101

Subsequent Appropriations

The Directors have recommended (i) final cash dividend of Rs. 4/- per share, i.e. 40% (2012: Rs. 6/- per share i.e. 60%) (ii) Bonus shares in the proportion of two shares for every 10 shares held i.e. 20% (2012 nil and appropriation of Rs. 73.33 million (2012: Rs. 131.30 million) to revenue reserves.

These appropriations will be reflected in the subsequent financial statements, in compliance with the revised Fourth Schedule to the Companies with the revised fourth Schedule to the Companies Ordinance, 1984.

Earnings per Share

The earnings per share (EPS) – before and after taxation at Rs. 11.37 and Rs. 7.78 (2012: Rs. 12.24 and Rs. 9.19) respectively.

Operating Results

During the year, the net sales revenue is higher by Rs. 286.01 million as compared to the previous year mainly due to higher sales volume of banknotes and other security papers.

The Company earned a gross profit of Rs. 546.15 million during the year under review as compared to Rs. 513.86 million in the previous year. The increase in gross profit during the current year as compared to the corresponding year is mainly attributable to higher sales volume, operational efficiencies and better absorption of fixed costs.

Other operating income increased by Rs. 52.14 million during the current year as compared to the previous year mainly due to reduction in interest rates.

The profit after tax of Rs. 320.23 million has been earned for the year as compared to Rs. 378.10 million during the previous year. The decrease in Company's profitability during the year under review is mainly due to rising costs of energy and production overheads and decline in other operating income, increase in administration & general expense and finance cost.

Market and Book Value per Share

The book value per share stood at Rs. 84.34 as against Rs. 82.44 in the previous year. The before and after tax return on equity worked out to be 13.48% and 9.22% compared to 15.04% in the corresponding period respectively. The average market price during the year remained at Rs. 58.05 (2012: Rs. 39.52) per share. The market price as of June 30, 2013 was Rs. 66.99 (2012: Rs. 44).

Statement on Corporate and Financial Reporting Framework

- a. The financial statements prepared by the management of the Company, present fairly the state of affairs, the results of its operations, cash flows and changes in equity.
- b. Proper books of account of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on responsible and prudent judgment.
- d. The International Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- e. The system of internal audit is sound designed and have been effectively implemented and monitored.
- f. There are no significant doubts upon the Company's ability to continue as a going concern.
- g. Key operating financial data of last six years in summarized form is annexed (page 36).
- h. Outstanding taxes and levies have been adequately disclosed in the annexed audited financial statements.
- i. The following is the values of investment based on respective audited accounts :(Provident fund Rs238.22 million (ii) Gratuity Fund Rs. 245.35 million.
- j. The detail of number of Board Committee meetings held during the year and attendance by each director is as follows:

Names of Directors	Board		Committee					
			Audit		Human Resource & Remuneration		Investment	
	Eligible to attend	attended	Eligible to attend	attended	Eligible to attend	attended	Eligible to attend	attended
Mr. Mustapha A. Chinoy	7	7	6	6	2	2	1	1
Shiekh Muhammad Aijaz Akhtar	7	7	3	3	2	2		
Mrs. Ayla Akin-(Turkey)	7	0						
Mr. Jamal Nasim	7	6	6	5	2	2		
Mr. Mazhar-ul-Hassan Shah	7	4					1	1
Mr. Muhammad Reza Roshani Moghaddam-(Iran)	7	7						
Mr.Rizwan Ahmed	2	1						
Mr.Kazi Abdul Muqtadir	1	1						
Mrs. Naiyer Muzafar Hussain (Chief Executive Officer)	7	7			2	2		
Mr.Hasan Irfan	3	3	3	3			1	1
Ms Yasmin Saud	1	1						
Mr.Shoeb Mir	3	3						
Mr.Shahid Aziz Siddiqi	2	2						
Mr. Javed Iqbal	1	1						

k. During the year Sheikh Muhammad Aijaz Akhtar, Mr. Jamal Nasim and Mr. Mazhar-Ul-Hassan Shah have completed Directors' Training Program. In Addition Mr. Reza Roshani Moghaddam- (Iran) meets the criteria of exemption under clause (xi) of Code of Corporate Governance is accordingly exempt from Directors' Training Program.

l. The pattern of shareholding is annexed on page (93).

m. No trading in Company's' Shares were carried out by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit, other Executives and their spouse(s)and minor children.

Capital Risk Management

The Company's objective when managing capital is to safe guard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

REVIEW REPORT TO THE MEMBERS ON STATEMENT OFCOMPLIANCE WITH BEST PRACTICES ENVIRONMENTAL SAFETY ASPECTS & IMPACTS

Environmental safety aspects and impacts of the Company are given below:-

Table 1: Aspect / Impact Analysis Report 2011-to-2013

Sr.No	Department / Section	Activity	Environmental Aspect	Environmental Impact	Severity (S)	Occurrence (O)	Total Nos. (S x O)	Rank	Controls Limits to Minimize Significant Environmental Impacts
1.	Stores (Raw materials & Chemicals)	Handling Solid	<ul style="list-style-type: none"> Dispersion of dust, fibers and fine powder of chemicals in air 	<ul style="list-style-type: none"> Health hazards for working staff Waste eater contamination Air Pollution 	02	05	10	B	-
		Handling Liquid	<ul style="list-style-type: none"> Spillage Toxic fumes 	<ul style="list-style-type: none"> Injury Effect on working people Air pollution Waste water contamination 	02	05	10	B	-
		Stacking Solid	<ul style="list-style-type: none"> Fall incident Material Damage 	<ul style="list-style-type: none"> Air contamination Human injury Material waste 	01	05	05	B	-

Sr.No	Department / Section	Activity	Environmental Aspect	Environmental Impact	Severity (S)	Occurrence (O)	Total Nos. (S x O)	Rank	Controls Limits to Minimize Significant Environmental Impacts
1.	Pulp Mill (Rag Cutter Section)	Stacking Liquid	<ul style="list-style-type: none"> • Fall incident • Spillage • Fumes evaporation 	<ul style="list-style-type: none"> • Human Injury • Air/waste water contamination • Respiratory disease 	01	05	05	B	-
		Storage conditions	<ul style="list-style-type: none"> • Warm & High RH% environment 	<ul style="list-style-type: none"> • Material waste • Fire incident 	02	05	10	B	-
		Raw material inspection	<ul style="list-style-type: none"> • Suspension of dust particles & fine cotton fibers in the air 	<ul style="list-style-type: none"> • Negative Effect on the health of working people 	02	05	10	B	-
		Packing	<ul style="list-style-type: none"> • Spillage • Emission of fumes gaseous 	<ul style="list-style-type: none"> • Environmental pollution • Negative Effect on the health of working people 	02	05	10	B	-
2.	Pulp Mill (Rag Cutter Section)	Sorting of Raw Materials	<ul style="list-style-type: none"> • Suspension of dust particles & fine cotton fibers in the air 	<ul style="list-style-type: none"> • Effect on the health of working people • Air Pollution 	02	06	12	C	<ul style="list-style-type: none"> • Exhaust fans to be installed. • Make sure the use of safety mask.
		Cutting of Raw Materials	<ul style="list-style-type: none"> • Suspension of dust particles & fine cotton fibers in the air 	<ul style="list-style-type: none"> • Fire hazards • Negative Effect on the health of working people 	02	06	12	C	Ensure use of Mask and Safety goggles.
		Raw Materials filling in bags	<ul style="list-style-type: none"> • Suspension of dust particles & fine cotton fibers in the air 	<ul style="list-style-type: none"> • Fire hazards • Negative Effect on the health of working people 	02	05	10	B	
3.	Pulp Mill (Rag Digester Boiler Section)	Raw Materials loading in Rag Boilers	<ul style="list-style-type: none"> • Handling of Raw Materials 	<ul style="list-style-type: none"> • Musculoskeletal injury 	02	05	10	B	-
			<ul style="list-style-type: none"> • Suspension of dust particles & fine cotton fibers in the air 	<ul style="list-style-type: none"> • Negative effect on the health of working people 	02	05	10	B	-
			<ul style="list-style-type: none"> • Improper maintenance of Rag Boiler 	<ul style="list-style-type: none"> • Air contamination due to accidental leakage 	04	03	12	C	More frequent preventive maintenance
		Handling of Caustic Soda	<ul style="list-style-type: none"> • Spillage 	<ul style="list-style-type: none"> • Skin injury • Waste water contamination 	02	05	10	B	-
		Washing	<ul style="list-style-type: none"> • Chemical mixed waste 	<ul style="list-style-type: none"> • Chemical Contamination in liquid effluent 	01	08	08	B	-
		Maintenance	<ul style="list-style-type: none"> • Improper maintenance 	<ul style="list-style-type: none"> • Air and effluent pollution due to accident spill/leakage 	01	05	05	B	-
			<ul style="list-style-type: none"> • Noise generation 	<ul style="list-style-type: none"> • Human hearing adversity 	02	05	10	B	-
4.	Hemp Breaker	Loading of material	<ul style="list-style-type: none"> • Improper Loading • Material waste 	<ul style="list-style-type: none"> • Musculoskeletal injury • Solid waste contamination 	02	05	10	B	-

Sr.No	Department / Section	Activity	Environmental Aspect	Environmental Impact	Severity (S)	Occurrence (O)	Total Nos. (S x O)	Rank	Controls Limits to Minimize Significant Environmental Impacts
		Bleaching with Hypo Chlorite	• Chemical Spillage	• Air pollution due Chemical fume evaporation • Skin injury	02	05	10	B	-
		Breaking of raw materials	• Noise generation	• Adverse hearing effect	02	03	06	B	-
5.	Repulper (Broke plant)	Repulping(Recycling of paper cuttings)	• Chemical Spillage	• Human injury • Effluent contamination	02	05	10	B	-
			• Temperature	• Fire hazard • Burn injury	02	05	10	B	-
			• Noise generation	• Adverse hearing effect	02	03	06	B	-
6.	Beater House	Loading of materials	• Improper Loading	• Material waste • Musculoskeletal injury • Solid waste contamination	02	05	10	B	-
		Bleaching with Hypo Chlorite	• Chemical Spillage	• Skin injury • Air contamination due to fumes evaporation	02	05	10	B	-
		Breaking process of raw materials	• Noise generation	• Hearing adversity effect	02	03	06	B	-
		Beating of stock	• Chemical Spillage	• Can effect on the health of working people	02	03	06	B	-
			• Noise generation	• Hearing adversity effect	02	05	10	B	-
		Manual Handling	• Improper handling	• Musculoskeletal injury • Effluent contamination • Material waste	02	05	10	B	-
7.	Machine House	Refining of Pulp	• Noise generation	• Adverse hearing effect	02	05	10	B	-
		Chemical handling	• Chemical Spillage	• Skin injury • Effluent contamination • Material waste	02	05	10	B	-
		Wet Strength Agent (WSA) & internal sizing solution preparation; Melamine &HCl	• Generation of irritating fumes	• Respiratory disease • Air contamination	02	05	10	B	-
		Weight control through sensor		• Skin injury					Restrict the movement of persons in that area, regular medical checkup of concerned personnel.
		Sealed radioactive source	• Radioactive Decay	• Environmental pollution due to ionization	09	02	18	C	

Sr.No	Department / Section	Activity	Environmental Aspect	Environmental Impact	Severity (S)	Occurrence (O)	Total Nos. (S x O)	Rank	Controls Limits to Minimize Significant Environmental Impacts	
8.	Finishing				01	09	B	-		
		Handling Reel weighing	• Improper handling	• Fall incident • Material Waste • Musculoskeletal injury	02	05	10	B	-	
		Machines Operation	• Noise generation	• Adverse hearing effect	01	02	02	B	-	
9.		Rewinding Cutting of paper reel	• Improper handling • Noise generation	• Skin/Cut injury • Material waste • Adverse hearing effect	02 02	05 05	10 10	B B	- -	
		Sheeter Paper Sheet cutting	• Improper handling • Noise generation	• Musculoskeletal injury • Material waste • Adverse hearing effect	02 02	05 05	10 10	B B	- -	
		Guillotine Cutting of reams	• Improper handling	• Cut injury	02	05	10	B	-	
Security	Semi Finished Products and Final Finished Product Delivery storage EB4	• Emission of volatile fumes	• Respiratory disease • Air pollution	02	05	10	B	-		
10.	Clarifier	Effluent treatment	• Improper dosing of chemicals	• Air Pollution • Hazard for biodiversity	02	05	10	B	-	
11.	Boiler	Operation	• Incomplete combustion	• Air pollution	01	05	05	B	-	
		Improper gas and oil fuel ratio	• Explosion	• Fire hazard • Loss of Human lives • Environmental pollution	05	01	05	B	-	
		Maintenance	• Improper preventive maintenance • Noise / vibration	• Steam leakage • Human injuries • Adverse hearing effect • Equipment damage	02 02	05 05	10 10	B B	- -	
		Routine maintenance work	• Spillage of oil & grease	• Environmental pollution • Slippery injury • Respiratory disease	02	05	10	B	-	

Sr.No	Department / Section	Activity	Environmental Aspect	Environmental Impact	Severity (S)	Occurrence (O)	Total Nos. (S x O)	Rank	Controls Limits to Minimize Significant Environmental Impacts
12.	Incinerator	Operation	<ul style="list-style-type: none"> • Incomplete combustion of waste materials • Mishandling 	<ul style="list-style-type: none"> • Air Pollution • Fire Hazard • Burn injury • Respiratory disease 	05	03	15	C	(i) Burnt the material in small batches, so as to ensure the complete combustion process (ii) Spray water on burnt material prior its removal from its place (iii) Strictly monitor the flame and its smoke emission.
13.	Generator	Maintenance	• Improper maintenance	<ul style="list-style-type: none"> • Air pollution / Oil Spillages 	03	04	12	C	Develop good housekeeping habit.
			• Improper air & fuel ratio during operation	<ul style="list-style-type: none"> • Air pollution / Oil Spillages 	03	04	12	C	Keep the fuel and air ratio proper for complete combustion process.
			• Noise generation	<ul style="list-style-type: none"> • Adverse hearing effect 	01	05	05	B	-
14.	Chiller	Maintenance	• Improper maintenance	<ul style="list-style-type: none"> • Environmental pollution 	01	05	05	B	-
			• Noise generation	<ul style="list-style-type: none"> • Adverse hearing effect 	01	05	05	B	-
15.	Quality Assurance / Research & Development	Chemical handling	• Improper handling	<ul style="list-style-type: none"> • Burn injury • Toxicity • Respiratory disease 	03	04	12	C	Implement good laboratory practices as per manual prepared.
			• Improper disposal	<ul style="list-style-type: none"> • Air, liquid & soil waste contamination 	03	04	12	C	Implement good laboratory practices as per manual prepared.
		Glass ware handling	• Glass Breakage	<ul style="list-style-type: none"> • Cut injuries 	05	02	10	B	-
			• Improper placement	<ul style="list-style-type: none"> • Solid Waste • Environment pollution 	01	05	05	B	-
		Sampling of Raw Material & chemical	• Spillage of Liquid/solid Chemicals	<ul style="list-style-type: none"> • Toxicity • Respiratory disease • Environment pollution 	03	03	09	B	-
16.	Disposal of Solid Waste & Sludge	Final dispose of solid waste	• Improper disposal	<ul style="list-style-type: none"> • Adverse effect on biodiversity • Respiratory disease • Musculoskeletal injury 	02	04	08	B	-

Sr.No	Department / Section	Activity	Environmental Aspect	Environmental Impact	Severity (S)	Occurrence (O)	Total Nos. (S x O)	Rank	Controls Limits to Minimize Significant Environmental Impacts
		Transportation	• Improper transportation	• Environment pollution • Human health hazard	01	05	05	B	-
17.	Maintenance	Chemical Handling	• Improper handling	• Environment pollution • Human injury	02	05	10	B	-
		Storage	• Improper storage	• Environment pollution	02	05	10	B	-
			• Improper	•	02	05	10	B	-
		Disposal	• Improper disposal	• Environment pollution • Human injury	01	05	05	B	-
18.	HR & A	House keeping And cleaning	• Improper cleaning and • House keeping	• Air contamination • Environmental pollution • Human health injuries	03	02	06	B	-
		Fire security	• Improper maintenance of firefighting establishments / equipment	• Fire hazards	05	02	10	B	-
19.	Lifter	Material handling	• Smoke Emission • Lubricants / Oil leakage • Noise generation • Mishandling • Poor driving	• Air pollution • Land surface pollution • Hearing adversity • Fall incident • Human injury	03	03	09	B	-
20.	Workshop	Replacement of oil filters	• Improper Disposal • Metal chips generation	• Soil pollution • Negative impacts on biodiversity • Body injury	02	04	08	B	-
21.	Welding Plant	Multiple welding	• Fire arc • Gas smoke emission	• Fire incident • Burn injury • Respiratory disease • Air pollution	02	04	08	B	-
22.	Motor vehicles	Loading / unloading and transportation of materials	• Smoke Emission • Fire Hazards • Careless in improper handling • Lubricants / Oil leakage • Noise generation • Poor driving	• Air /liquid contamination • Material waste • Negative effect on Human health • Slippery incident • Fire incident • Human injury	02	05	10	B	-
23.	Tube Lights	Use for lighting purpose	• presence of Mercury Oxide • Glass waste generation	• Toxicity for biodiversity • Human cut injuries	02	02	04	B	-
24.	Co-Generation Power Plant	Operation	• High Sound Level	• Negative effect on human hearing	05	02	10	B	-
			• Vibration	• Building and equipments damage	10	01	10	B	-
			• Gas Emission	• Air pollution	03	03	09	B	-

Sr.No	Department / Section	Activity	Environmental Aspect	Environmental Impact	Severity (S)	Occurrence (O)	Total Nos. (S x O)	Rank	Controls Limits to Minimize Significant Environmental Impacts
			<ul style="list-style-type: none"> • Generation of oily waste (Filters, cloths, empty oil/chemical drums) 	<ul style="list-style-type: none"> • Solid waste pollution • Reuse of empty drums 	03	03	09	B	
25.	IT Department	Disposal of solid waste	<ul style="list-style-type: none"> • Disposal of computer printers and parts 	<ul style="list-style-type: none"> • Environmental Hazards 	02	04	08	B	-
26.	Kitchen Areas	<ul style="list-style-type: none"> • Cooking • Baking • Washing 	<ul style="list-style-type: none"> • Waste Food • Vapor generation • Smoke emission • Insecticide and chemical use • Gas leakage • Hot environment 	<ul style="list-style-type: none"> • Environmental pollution • Air contamination • Toxicity/Food poisoning • Fire incident • Propagation of contagious disease 	01	04	04	B	-

S= Severity, O= Occurrence

RANK: 0 : A : No action required

1 to 10 : B : Keep monitoring

11to 20 : C : Monitor changes

21to100: D : Plan & implement focus measures to control

Scale: Severity= 1 to 10 =(Lowest to Highest), Occurance:1 to 10 (Lowest to Highest)

WATER

Water is the most vital utility for the production of paper, as it is the only steam production and pulp carrying medium in the Pulp and Paper Mill. To fulfill the large needs of water in the Company, there are two sources of fresh water, one is the Reverse Osmosis (RO) plant situated in the vicinity of the mill and the other is Karachi Development Authority (KDA) water supply system. The RO Plant is supplied with water through 08 tube-wells installed at various locations of the mill. The total fresh water consumption in the year 2013 is 2,273 m³/day.

Wastewater

Water, being the only pulp carrying medium for pulp and paper industry becomes the most important as well as difficult aspect to handle. All the water consumed for the product manufacturing eventually comes out as wastewater with high concentrations of pollutions such as COD, BOD, TSS and TDS.

Sources & Generation Rates

In the Company, following are the main sources of wastewater generation:

- Pulp Mill

- Paper Machine
- Beater House

Being consumer of large amount of fresh water and high pollution loads, the Company diverted its Paper Machine and Beater House wastewater to clarifier before the final discharge to the neighboring wastewater drain in order to reduce the wastewater pollution.

The Company is committed to ensure safer and environment-friendly operations, products and services. Certification of the Company in accordance, with ISO 14001:2004 EMS & ISO 9001:2008 QMS demonstrate management's commitment towards excellence throughout all the processes including safety, health, environment and quality.

Wastewater Analysis

For waste water analysis, Company has its own environmental laboratory. The laboratory is well equipped with trained human resource and suitable

equipments. The laboratory has the capability to perform the waste water analysis such as pH, temperature, TSS, TDS, Chloride (Cl) and sulphate (SO₄).

As part of the environmental management system, the laboratory performs regular sampling. Samples are collected and tested on weekly basis. Record of such activity is available within the laboratory.

Table 2 describes the overall summary of the wastewater analysis performed during this period. The values described under the parameters are monthly average values.

Table 2: Characterization of SPL Generated Wastewater

S. #	Source	Wastewater Flow	pH	Temp °C	TSS	TDS	NaCl	Na ₂ SO ₄
		m ³ / day			mg / l			
1	Paper Machine & Beater House	501.63	8.33	28.98	41	522	203	352
2	Pulp Mill	102.75	8.11	27.54	143	522	203	352
3	NEQS		6-9	40	150	3,500	1650	600

The following Figure-1 graphically represents the above mentioned results

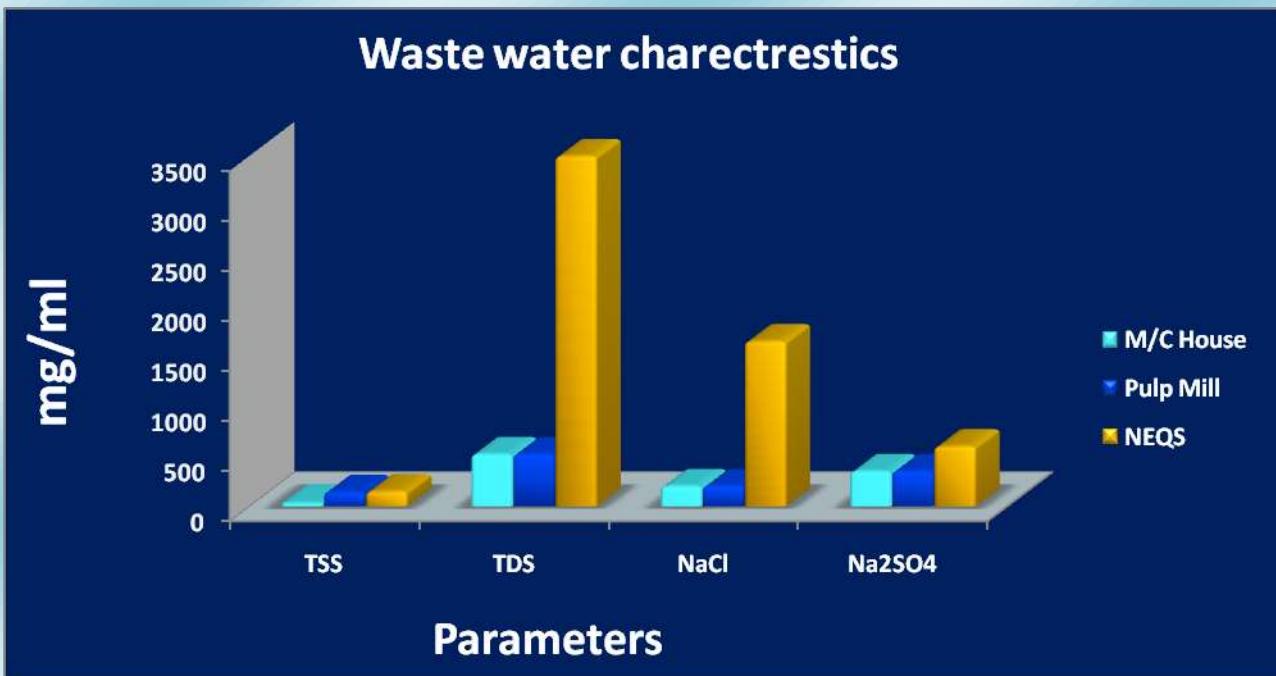


Figure 1 Comparison of NEQS with wastewater of Paper Machine at SPL. The wastewater of Paper Machine and Beater House is in compliance with NEQS.

Wastewater Pollution Load

The following Table 3 provides the pollution load calculation for wastewater:

Table 3: Wastewater Pollution Load at 6.05 ton Basis

S. #	Source	Wastewater Flow m ³ / day	TSS	TDS	NaCl	Na ₂ SO ₄
mg / l						
1	Paper Machine & Beater House	501.63	33.99	432.81	168.31	291.57
2	Pulp Mill	102.75	24.29	88.65	34.48	59.78
3	Total pollution load		58.28	521.6	202.79	351.35
	NEQS		8.72	130.60	34.75	62.44

The volume of effluent discharged and pollution load generated by Paper Machine & Beater House of the Company is graphically illustrated in Figure 2.

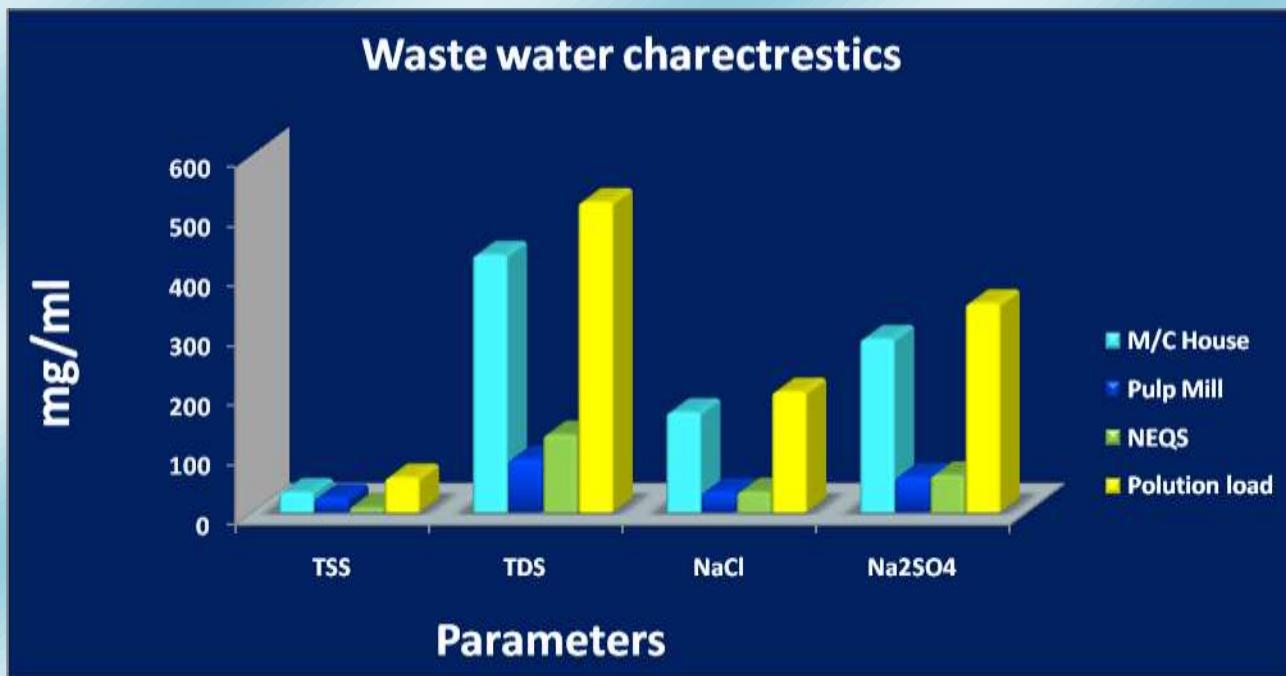


Figure 2: Wastewater Pollution Load of Paper Machine at SPL

Wastewater Treatment Plant

The Company has its own primary wastewater treatment plant and is termed as clarifier. All the wastewater of Paper Machine and Beater House is discharged into two buffer tanks. The clarifier is then fed from this buffer tanks through feed pumps. The wastewater is retained in the clarifier where Alum is added to initiate the sedimentation process. The sedimentation process clarifies the wastewater and the sludge produced at the bottom is pumped to sludge drying beds. The sun dried sludge is then supplied to the secondary users. The treated water is discharged into the neighbouring drain. Sample of wastewater discharged from the clarifier is weekly analyzed at internal laboratory of the Company, for various polluting parameters in order to monitoring the efficiency of clarifier. Moreover, the wastewater and sludge samples are also tested from external laboratory once in a year.

Table 4 given below describes the wastewater analysis before and after the clarifier and the comparison with NEQS. The influent and effluent samples were tested by SGS Pakistan (Pvt.) Limited in year 2011.

Table 4: Wastewater Analysis Report

Sr.No	Parameter	unit	Waste water		NEQS	% Removal efficiency of clarifier
			Effluent to clarifier	Effluent from clarifier		
1	PH	-	10.05	8.32	6-9	-
2	Temperature	°C	26.5	26.6	40	-
3	COD	Mg/l	332	148	400	55.42
4	TSS	Mg/l	80	16	150	80
5	TDS	Mg/l	2300	750	3500	67.39
6	BOD	Mg/l	152	77	250	49.34

The Clarifier removal efficiencies are graphically illustrated in Figure 3

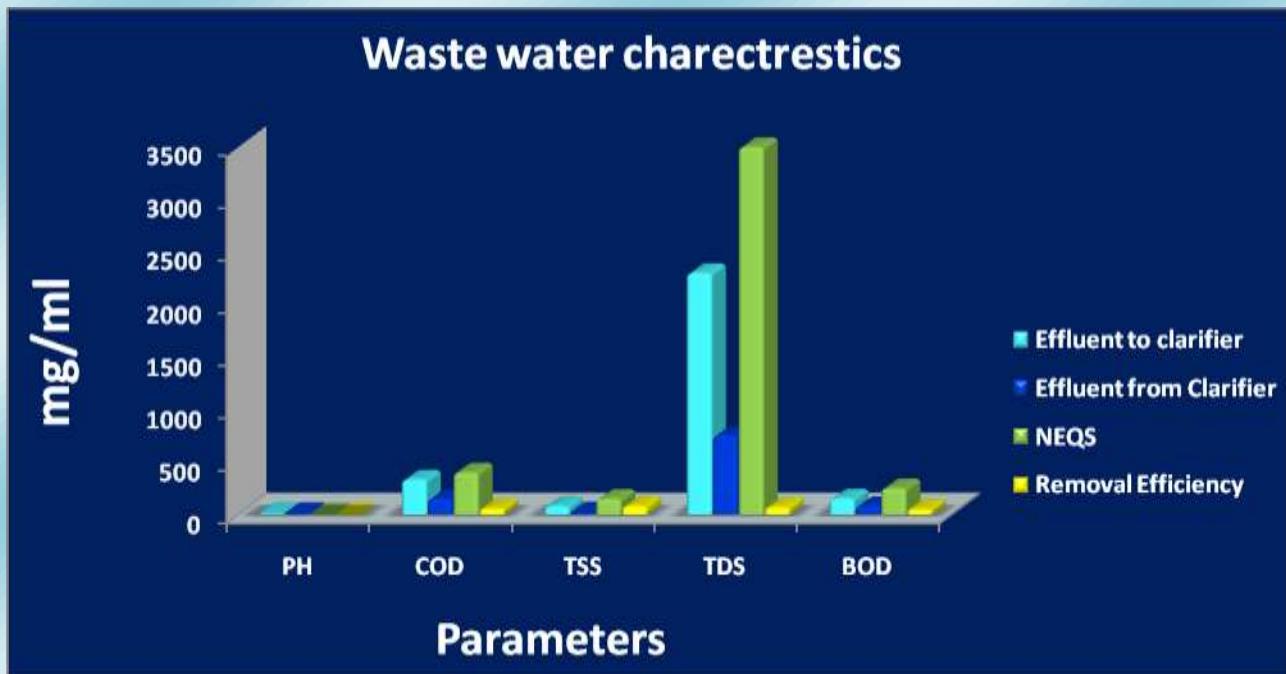


Figure 3: Comparison of Clarifier Removal Efficiencies with NEQS

Environmental Impacts Study

The agro based pulp & paper mills like **SPL** generates black liquor as wastewater from the Pulp Mill operations. The black liquor containing lignin, along with other pulping chemicals. The black liquor is contaminated with COD and BOD5. Besides the lignin, the effluent of **SPL** might contain solids, nutrients (nitrogen and phosphorus) and organic substances. The concentration of organic substances in effluent water is expressed as the amount of oxygen it takes to degrade these substances through either biological process (biological oxygen demand – BOD) or caustic in black liquor results in increase in dissolved solids thereby making microbial decomposition of organic matter inefficient.

Environmental impacts of the pulp and paper mill wastewater are described under:

(i) Biological Oxygen Demand (BOD)

Biochemical Oxygen Demand (BOD) indicates the amount of oxygen consumed by micro-organisms in decomposing organic matter in water. BOD directly affects the amount of dissolved oxygen in water bodies such as rivers and canals. The greater the BOD, the more rapidly the available oxygen is depleted in the water body. This means that the water with less oxygen concentration causes the death of aquatic organisms. Moreover, water with higher BOD contents may generate obnoxious odours leaving it unhealthy and of no use for human consumption. BOD concentration of Pulp Mill wastewater has been found within the standard limits of NEQS values.

(ii) Chemical Oxygen Demand (COD)

Chemical Oxygen Demand (COD) refers to the amount of oxygen consumed in the complete oxidation of compounds, composed of carbon and hydrogen, present in the water. COD is an important environmental

concern for all types of pulp and paper mills. Higher COD contents in the water leave it unhealthy for aquatic life.

COD concentration of Pulp Mill wastewater is within the standard limits of NEQS values.

(iii) Total Suspended Solids (TSS)

Total Suspended Solids (TSS) is a measure of solid material suspended in water. This includes both settle able and non-settle able matter.

Non-settleable matters increase the turbidity of water and settle able matter deposits over the surface of the underwater plants and at the fish gills, which reduces their life span and growth.

Total Suspended Solids (TSS) of wastewater is within the standard limits of NEQS values.

(iv) Total Dissolved Solids (TDS)

TDS is the measure of total dissolved inorganic and organic matter in water. Higher TDS concentrations in water make it unsuitable for agricultural use. It also increases the corrosion rate in water distribution network. TDS concentration of Pulp Mill wastewater is within the standard limits of NEQS values.

AIR POLLUTION

The Company is committed to ensure that its air emission remain within the limits, however, whenever any non-compliance is noticed, a corrective action takes place.

The boilers and generator are the sources of the air pollutants such as particulate matter, COx, NOx and smoke in **SPL**. In particular, the most concentrated source of the air pollutants in the mill is Rag Digester. Moreover, water vapours originating from tank vents, wash filters, sewers and similar sources can be taken as the most visible air emission from a pulp and paper mill, but are not usually regulated unless they have significant impact on environment.

Boilers, Generators, Rag Digesters, Absorption Chiller, Fork Lifters, and Hi-Roofs Stack Emissions

Boilers, Generators, Absorption Chiller, Fork Lifter, Rag Digesters and factory vehicles are the important utilities and major sources of air emissions in **SPL**. Therefore, **SPL** has made some efforts regarding their systems in order to minimize their emissions. The boilers are fed with treated water and stacks of both generator and boilers are monitored for adjusting the combustion ratios throughout the year on annual basis.

Table 5 describes the boilers stack emissions analysis conducted under normal conditions for major air pollutants of *SPL* in June 2011.

Table 5: SPL Boilers Stack Emission Analysis as in Oct, 2013

Sr.No	Air pollution	Units	Stack emission			NEQS Limits
			Boiler 1	Boiler 2	Boiler 3	
1	CO	mg/Nm ³	04	07	06	800
2	SO ₂	mg/Nm ³	Nil	Nil	Nil	1700
3	O ₂	Vol, %	8.89	5.23	8.91	-
4	NOx	mg/Nm ³	45	72	56	400
5	CO ₂	Vol, %	6.85	8.99	6.79	-
6	Particulate matter	mg/Nm ³	<10	<10	<10	300-500
7	Smoke,	Ringlemann Scale	Zero	Zero	Zero	40 or 2

Table 6 describes the Generator stack emissions analysis conducted under normal conditions for major air pollutants of *SPL* in June 2013.

Table 6: SPL Co-Generation Generators Stack Emission Analysis as in Oct, 2013

Sr.No	Air pollution	Units	Stack emission			NEQS Limits
			CO-generation generator No1	CO-generation generator No2	NEQS Limits	
1	CO	mg/Nm ³	740	780	800	
2	SO ₂	mg/Nm ³	Nil	Nil	1700	
3	NOx	mg/Nm ³	145	153	400	
4	H ₂ S	mg/Nm ³	Nil	Nil	10	
5	Particulate matter	mg/Nm ³	<10	<10	300-500	
6	Smoke,	Ringlemann Scale	zero	Zero	40 or 2	

Table 7 describes the Rag Digester stack emissions analysis conducted under normal conditions for major air pollutants of *SPL* in June 2013.

Sr.No	Air pollution	Units	Stack emission			
			Rag1	Rag2	Rag3	NEQS
1	CO	mg/Nm ³	38.0	47.33	305.33	800
2	SO ₂	mg/Nm ³	27.0	21.67	22.50	1700
3	O ₂	Vol, %	15.40	15.10	18.13	-
4	NO ₂	mg/Nm ³	Zero	Zero	1.0	-
5	NO	mg/Nm ³	7.33	5.67	8.27	-
6	NOx	mg/Nm ³	7.33	5.67	8.60	400
7	CO ₂	Vol, %	3.17	3.54	Zero	-

Table 7 describes the Rag Digester stack emissions analysis conducted under normal conditions for major air pollutants of *SPL* in Oct, 2013.

Sr.No	Air pollution	Units	Stack emission			NEQS Control limit
			Rag1	Rag2	Rag3	
1	CO	mg/Nm ³	149	48	135	800
2	SO ₂	mg/Nm ³	Nil	133	50	1700
3	NOx	mg/Nm ³	22	03	05	400
4	H ₂ S	mg/Nm ³	Nil	Nil	Nil	10
5	Particulate matter	mg/Nm ³	13	8	9	300-500
6	Smoke,	Ringlemann Scale	Zero	Zero	Zero	40 or 2

These results depict that all the emissions from the Rag Digesters No. 1, 2 and 3 are within limit as compared to the NEQS.

Table 8 describes the Absorption Chiller stack emissions analysis conducted under normal conditions for major air pollutants of *SPL* in June 2013.

Table 8: SPL Absorption Chillers Stack Emission Analysis

Sr.No	Air pollution	Units	Stack emission		NEQS Limits
			Absorption chiller		
1	CO	mg/Nm ³	416		800
2	SO ₂	mg/Nm ³	Nil		1700
3	O ₂	Vol, %	12.17		-
4	NO ₂	mg/Nm ³	Zero		-
5	NO	mg/Nm ³	2.0		-
6	NOx	mg/Nm ³	19		400
7	CO ₂	Vol, %	Zero		-

These results depict that all the emissions from the Absorption Chiller are within the limit when compared to the NEQS.

Table 9 describes the Fork Lifter stack emissions analysis conducted under normal conditions for major air pollutants of **SPL** in June 2013.

Sr.N o	Air pollution	Units	Stack emission			
			Fork Lifter (TOM)	Fork Lifter (CA-333)	Fork Lifter (CA-334)	NEQS
1	CO	%	0.01	0.01	0.01	4.5-6.0
2	Noise	db	76.27	72.0	72.60	85.0

These results depict that all the emissions from the Fork Lifters are within the limit as compared to the NEQS.

Table 10 describes the Ambulances (Hi-Roofs) stack emissions analysis conducted under normal conditions for major air pollutants of **SPL** in June 2011.

Table 10: SPL Ambulances (Hi-Roofs) Stack Emission Analysis

Sr.N o	Air pollution	Units	Stack emission		
			Ambulance CN-2639	Ambulance CN-2639	NEQS
1	CO	%	0.01	0.01	4.5-6.0
2	Noise	db	76.93	72.83	85.0

These results depict that all the emissions from the Ambulances (Hi-Roofs) are within the limit as compared to the NEQS.

Table 11 given below describes the carbon emissions from Boiler House calculated on the basis of natural gas consumption in year 2011.

Sr. No	Fuel Type	Fuel Consumpt ion (m ³)	Total Energy Consumption at Boiler House (kWh)	Total Carbon Emission	
				CO2	C
1	Neutral Gas	1,321,254	12,587,741	2,391,670.79	652,044.98

Environmental Impacts

Carbon monoxide is poisonous to human beings at high concentrations. It can cause harmful health effects by reducing oxygen delivery to the body's tissues and organs most notably the heart and brain. Individuals who already suffer from heart problems may experience chest pain and reduced physical function upon even

minor exposure to CO. Exposure to high levels of CO can also cause vision problems and physical or mental impairment.

Generally the oxides of sulphur (SO_x) promote wheezing bronchial constriction, shortness of breath, asthma and heart disease, and even premature death. The environmental impacts related to SO_x emissions are acid rain and haziness in the atmosphere caused by sulphur particles.

NO_x reduces the oxygen carrying capacity of blood. It can cause impairment of olfactory sense and night vision, dryness and roughness of the throat. The environmental impacts of NO_x are formation of photochemical oxidants and damage to materials and property by acid rains, resulting from oxidation of oxides of nitrogen to nitric acid after reacting with water vapours.

Particulate Matter

Raw material storage house is the main area of concern with respect to Particulate Matter as one of the environmental concerns of **SPL**. Beside this area, other parts of the mill have little emissions of particulate matter but not enough quantity to consider it as the environmental concern.

Particulate matter is usually related to shifting of cotton bales through lifter from Raw Material Store to Pulp Mill area. This shifting of material provides consistent exposure of particulate matter to the workers of this section. Since raw material storage hall has fine particles that can easily enter into respiratory tract and initiate severe breathing problems, in this regard, Company is providing suitable Personal Protective Equipments (PPE) to each worker of this area for their personal safety.

NOISE MONITORING

Company operations involve number of heavy machines with moving and rotating parts, which result into elevated noise levels at the workplace. Management of **SPL** consider the noise to be a health hazard at different working places of the workers within the organization.

Where the sound monitoring results are not within the standard limits, the Company provides Personal Protective Equipments (PPE) to the relevant areas. The staff of Workshop, Hemp Breaker in Pulp Mill along with the Refiner & Vacuum Papers Area of Machine House wears PPE. Similarly, the working people of Boiler House wear PPE.

In Pakistan, there is no national standard describing the maximum sound levels for workers in industries. However, American Conference of Government Industrial Hygienists (ACGIH) has recommended a safe noise exposure limit of 85 dB at the distance of 7.5 meters from the noise-source, where the worker can work for 8 hours in a day.

Table 12 describes the sources & their respective sound levels at **SPL**.

Table 12 Noise Level Monitoring

Sources	Sound Level (dB)		Controls
	At Source	At 7.5m away from the source	
Pulp Mill			
Rag Chopper	103.0	92.5	Use ear plug
Dust Drum	96.0	93.0	Use ear plug
Sack Elevator	93.2	92.0	Use ear plug
Feed Floor	80.0	-	-
Hemp Breaker	103.0	102.0	Use ear plug
Beater House			
Breakers	100.0	95.0	Use ear plug

Beaters	99.0	96.5	Use ear plug
Machine House			
Refiner	105.0	93.0	Use ear plug
Vacuum Fans / Pumps	99.0	94.0	Use ear plug
Wet End	110.0	93.5	Use ear plug
Dryer Section	86.6	86.0	Use ear plug
Calendar	87.6	86.2	Use ear plug
Pop Reel	87.0	85.0	Use ear plug
Finishing			
Re winder	95.0	91.0	Use ear plug
Sheeter	96.0	90.0	Use ear plug
Jogger No. 1	100.0	92.0	Use ear plug
Jogger No. 1	100.0	92.0	Use ear plug
Jogger No. 1	100.0	92.0	Use ear plug
Chiller			
Old Plant	92.0	85.0	
New Plant	90.2	83.0	
Steam Generated Boiler			
Boiler No. 1	-	-	
Boiler No. 2	-	-	
Boiler No. 3	96.0	86.0	Use ear plug
Rag Digester Steam Boiler			
Rag Digester No. 1	90.0	87.0	Use ear plug
Rag Digester No. 2	90.0	87.0	Use ear plug
Rag Digester No. 3	90.0	87.0	Use ear plug
Mill Pumping House			
Pump House	93.0	83.0	Use ear plug
Mechanical Work Shop			
Power Hammer	103.0	98.0	Use ear plug
Lath Machine	81.0	80.0	
Co-generation Power Plant			
Office	92.0	91.0	Use ear plug
Generator No. 1	116.0	106.0	Use ear muff
Generator No. 2	116.0	106.0	Use ear muff
Boiler	92.0	90.0	Use ear muff
Repulping Plant			
Broke pulper	96.0	95.0	Use ear plug
Civil Work shop			
Cutter machine	100.0	87.0	Use ear plug
Bladder planer	104.5	88.0	Use ear plug
Bend Saw	114.0	90.0	Use ear plug
Facer & Gauge Machine	99.0	86.0	Use ear plug
Handy planner	104.0	95.0	Use ear plug
Wood Grooving	107.0	86.0	Use ear plug
Hand planner	101.0	85.0	
Work shop (whole house)	100.0	100.0	Use ear plug

Environmental Impacts

Noise may have both physiological as well as psychological effects on human beings. Physiological effects include dizziness, nausea, unusual blood pressure variation, physical fatigue, hearing impairment and, in acute cases, permanent hearing loss. The psychological effects may comprise reduced mental capability and irritations. Chronic exposure of workers to higher noise levels also impairs their efficiency and skill.

SOLID WASTE

Solid waste of various kinds is generated throughout the production process in the Pulp & Paper Mill. At **SPL**, raw material binding strips, wires and empty chemical drums are the major solid wastes, which are sold to secondary users.

In the production line, first source of solid waste is the rejection of raw material which mainly comprises denim cutting and binding wires and strips. Used plastic drums / bags of chemical are another type of solid waste generated by **SPL**. However, currently most of the drums are reused in the mill's operation for various purposes or sold to secondary users.

The other major source of solid waste at **SPL** is the dried sludge generated from the wastewater, subsequent to drying of it at lagoons. However, this dried sludge is disposed off from the mills premises through contractor on regular basis.

The sources of solid waste other than production line are offices block, mechanical workshop, chemical house and utilities section. The garbage and other debris as a result of daily cleaning are the solid waste generated from offices and plant.

The main sources and quantity of solid waste generated in **SPL** are given in Table 13.

Table 13: Solid Waste Sources, Generation Rate & Disposal at SPL

Sr.No	Sources	Type of Solid Waste	Disposal
1	Raw Material Storage	Binding strips & wires used for bales	Sold to secondary users
2	Chemical Preparation	Empty drums, bags & other packing materials	
3	Mechanical Workshop	Miscellaneous material	
4	Wastewater Treatment Plant	Dry sludge	
5	Office Block	Garbage and other debris	
6	Other parts of the Mill	Miscellaneous material	

The solid waste generated in **SPL** is not of hazardous nature. Most of the solid waste is recycled and reused or sold to secondary users. Moreover, because of non hazardous nature of solid waste it is less likely to cause any harm to human beings and environment

OCCUPATIONAL HEALTH & SAFETY

Occupational Health and Safety is a cross-disciplinary focus area dealing with safety, health and welfare of workers. As a secondary effect, OHS may also protect co-workers, employers, customers, suppliers, family members, nearby communities, and other members of the public who are influence by the workplace environment.

Occupational health was first defined in 1950 by ILO / WHO committee as

“Occupational health should aim at the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention amongst workers of departure from health caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to his physiological and psychological capabilities; and to summarize, the adaptation of work to man and of each man to his job.”

SPL is committed to the safe operations of its facilities. This commitment requires that potential safety hazards are systematically identified and the risk from these hazards be managed in a way that employees, public and the environment are protected. The management of risk is an evergreen process that is integrated into our plant design, construction, maintenance, and operations of the facilities. In this regard, **SPL** has made Health & Safety Surveillance Committee, the members of the committee are given below:-

- | | | |
|-------|---|-------------|
| (i) | Dy. General Manager (Supply Chain)/(QMR/EMR) (Chairman) | |
| (ii) | Dy: General Manager (Process System) | (Member) |
| (ii) | Sr. Manager (Talent) | (Secretary) |
| (iii) | Sr. Manager (Production) | (Member) |
| (iv) | Manager (QMS/EMS) | (Member) |
| (v) | Manager (QA) | (Member) |
| (vi) | Manager (Security) | (Member) |
| (vii) | Dy: Manager (Electronics) | (Member) |

Keeping in view the importance of OHS in routine operations, **SPL** has taken some serious initiatives. Work Instructions for each machine and safety signboards are properly displayed at appropriate places with respect to each section of the mill. Material Safety Data Sheets (MSDS) are also available at each section of the mill. Personal Protective Equipment (PPE) are also available at number of sites.

The first aid boxes have been kept at all appropriate places in **SPL**. For any major injuries, local hospitals are contacted. As **SPL** believes that human resource is their real asset therefore, well organized internal and external trainings are provided by Mill to their employees. Trainings on general environmental awareness, chemical handling and occupational health & safety are delivered to all the newly appointed employees in order to adopt better working practices and handle the emergency situations. All these trainings are also conducted on periodic basis for the already existing employees.

Furthermore, a safety & security plan layout is displayed at all appropriate places for guidance in emergency situations. Additionally, there is a special team and area assigned to the safety squad in order to handle the emergency situations. The special rescue team is informed through a dedicated phone line which can be accessed from anywhere within the mill

Trainings

Occupational Health and Safety OHSAS 18001: 2007 Management System



Leadership Training



Fire fighting



SITE EMERGENCY & RESPONSE PLAN

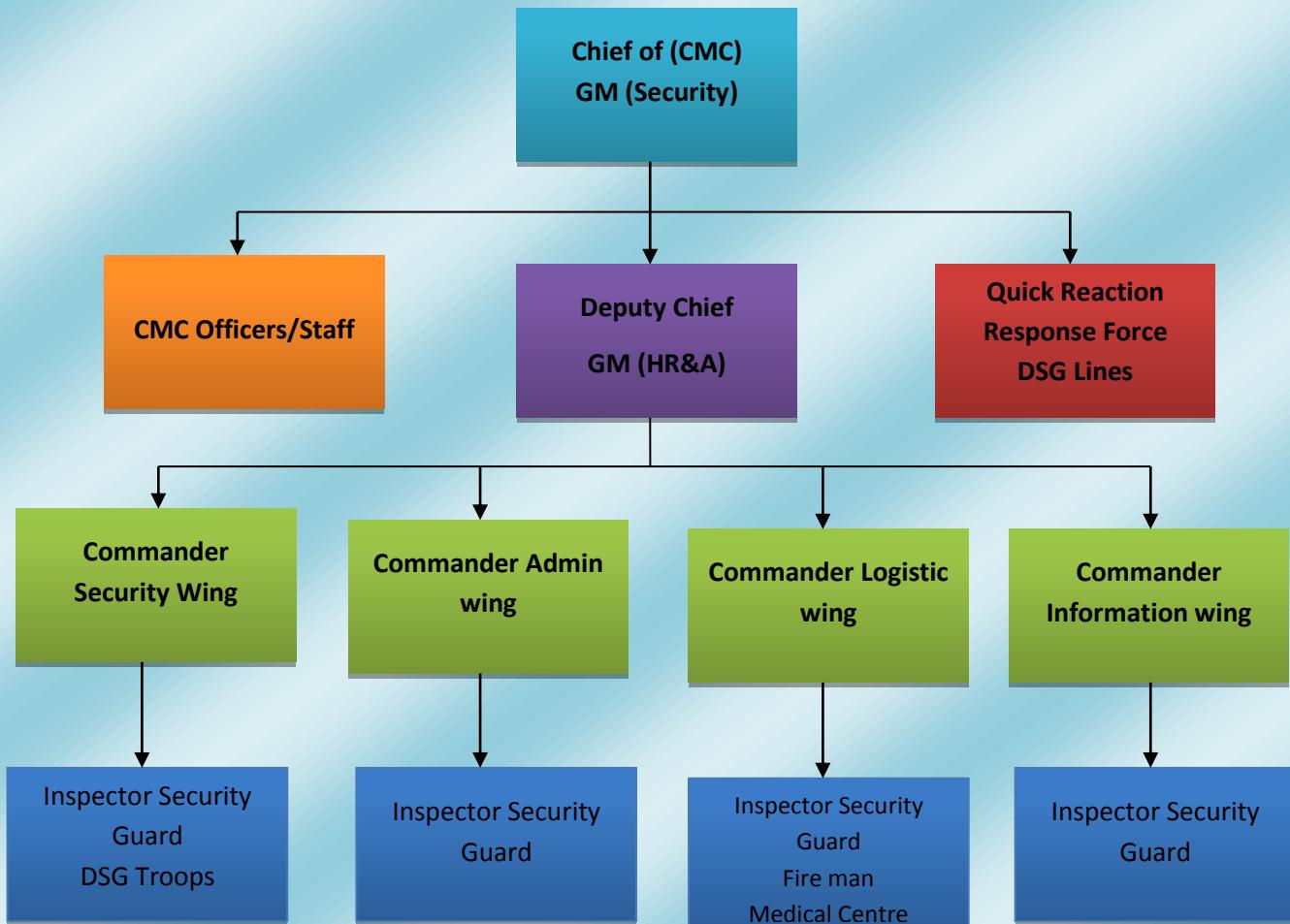
The Company has established documented procedure & plan to deal with the emergency situations. Responsibilities and authorities are clearly defined in the procedures. A safety and security plan layout also display in all the area of operations for guidance and movement in emergency situation.

Crisis Management Cell

Company has established a Crisis Management Cell (CMC). This cell has all the capabilities to handle the attack of the terrorist in any emergency situation.

Structure of Crisis Management Cell

Organogram



Emergency Preparedness Highlights

- Company has adopted following key features regarding emergency preparedness and response.
- Plant Zoning, Assembly Points and Emergency Exits
- Fire Fighting Post with all necessary facilities
- Fire Extinguisher
- Fire Hydrants
- Fire Boxes
- Bucket Stands
- Fire Hose Reels
- Electric Fire Alarms
- Fire Monitor
- Fire Extinguisher Filling Facility (Water Type)
- Work Permit Procedure to ensure Safe Practices
- Accident Reporting & Investigation Process

Emergency Contact Numbers

- Bomb Disposal Squad: 15
021-99212667
- Fire Brigade: 16
- 021-99215007
- 021-99215008
- Police Station: SHO Model Colony
- 021-34602222
- 021-34513833
- SHO Air Port
- 021-34571420
- Edhi Ambulance Service: 115
- SPL Intercom Numbers:
- *Fire Section 310*
- *GM (Security) Office 321*
- *GM (Security) Residence 342*
- *Medical Centre 345*

Water Reservoir Capacity

There are 13 hydrants installed at important locations connected to main line, with pressure pump connection and 02 hydrants in Residential Estate. There are three water tanks to support hydrants are available in the Company, these are:-

Sr.No	Tank	Capacity (in gallons)
1	Over Head Tank	50,000
2	Under Ground Tank # 1	500,000
3	Under Ground Tank # 2	250,000
4	Over Head Tank (In Residential Estate)	25,000

- First-aid points at different plant locations
- Availability of Ambulance round the clock
- Trained personnel ready at Post to tackle any emergency
- Work Permit Procedure to ensure safe practices
- Safety Vigilance Team
- Safety training of new employees
- Refresher trainings for all employees

- Accident Reporting and Investigation process
- Yearly Medical Check-up of employees

Emergency Response Mock Drills of Year 2013

Company has conducted emergency drill rehearsal for the whole employees of the Company to tackle the emergency situation whenever any real emergency condition occurred

Emergency Rehearsal of Year 2013

Fire fighting Training



Fire Fighting Training



First Aid



Factory Environment



For more information and any query regarding this report,
please feel free to contact us

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