

1. Introduction:

The Thal Industries Corporation Limited (Layyah Sugar Mills), is committed to upholding the highest standards of ethical business practices. As a leading organization in the sugar industry, we recognize our responsibility to operate transparently and ensure the welfare of our employees, suppliers, and the communities we serve.

About the ETI Base Code:

The ETI Base Code is founded on the conventions of the International Labor Organization (ILO) and is an internationally recognized code of good labor practice.

This policy document is based on the Ethical Trading Initiative (ETI) Base Code, a globally recognized framework promoting fair labor practices, safe working conditions, and respect for human rights. By adopting the ETI Base Code principles, we aim to align our operations with international best practices while adhering to the labor laws of Pakistan.

Our Commitment:

Our commitment to ethical trade is rooted in our core values of integrity, accountability, and sustainability. This policy outlines our approach to ensuring that all aspects of our operations at Layyah Sugar Mills foster an inclusive, safe, and respectful workplace. It also reinforces our dedication to fair labor standards throughout our supply chain.

2. Scope:

This policy applies to all operations and activities conducted by The Thal Industries Corporation Limited, at its plant site Layyah Sugar Mills, located in Layyah, Punjab, Pakistan.

It covers:

- **Employees:** All permanent, contractual, and temporary workers employed directly by the company.
- **Suppliers and Contractors:** All external parties providing goods, services, or labor to Layyah Sugar Mills.
- **Stakeholders:** Any individual or organization engaged with the company's operations, including customers and local communities.

This document governs practices within the workplace and the broader supply chain, ensuring that all operations adhere to the principles of the ETI Base Code. The policy extends to all work environments, on-site or off-site, that are connected to the operations of Layyah Sugar Mills.

The policy aligns with the labor laws of Pakistan and the internationally recognized standards of the ETI Base Code. It ensures compliance with local and global regulations related to fair labor practices, workplace safety, and human rights. This

policy emphasizes a collective responsibility across all levels of the organization and its supply chain to uphold the ethical standards outlined herein.

3. Principles of the ETI Base Code:



1. Employment is freely chosen



2. Freedom of association and the right to collective bargaining are respected



3. Working conditions are safe and hygienic



4. Child labour shall not be used



5. Living wages are paid



6. Working hours are not excessive



7. No discrimination is practised



8. Regular employment is provided



9. No harsh or inhumane treatment is allowed

3.1 Employment is Freely Chosen

Workers have the freedom to choose their employment without coercion, bonded labor, or other forms of involuntary work. Employees can leave their jobs with reasonable notice.

ETI Base Code Principle 1:

- 1.1 *There is no forced, bonded, or involuntary prison labor.*
- 1.2 *Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.*

3.2 Freedom of Association and the Right to Collective Bargaining are Respected

Workers are allowed to join trade unions or other representative groups and collectively negotiate working conditions without fear of discrimination or retaliation.

ETI Base Code Principle 2:

- 2.1 *Workers, without distinction, have the right to join or form trade unions of their choosing and to bargain collectively.*
- 2.2 *The employer adopts an open attitude towards the activities of trade unions and their organizational activities.*
- 2.3 *Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.*
- 2.4 *Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates and does not hinder, the development of parallel means for independent and free association and bargaining.*

3.3 Working Conditions are Safe and Hygienic

The workplace must meet safety standards, minimize hazards, and ensure proper sanitation. Regular safety training and equipment must be provided to all employees.

ETI Base Code Principle 3:

- 3.1 *A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.*
- 3.2 *Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.*
- 3.3 *Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.*
- 3.4 *Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.*
- 3.5 *The company observing the code shall assign responsibility for health and safety to a senior management representative.*

3.4 Child Labor Shall Not Be Used

The employment of children under the legal working age is strictly prohibited. Apprenticeships or internships for young workers must comply with legal guidelines to ensure their safety and education.

ETI Base Code Principle 4:

- 4.1 There shall be no new recruitment of child labor.
- 4.2 Companies shall develop or participate in and contribute to policies and programs that provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labor" being defined in the appendices.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

3.5 Living Wages are Paid

Workers must receive wages that meet their basic needs and provide some discretionary income, at least in line with legal or industry standards.

ETI Base Code Principle 5:

- 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event, wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2 All workers shall be provided with written and understandable information about their employment conditions for wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

3.6 Working Hours are Not Excessive

Working hours must comply with national laws, including overtime provisions, which should be voluntary and fairly compensated.

ETI Base Code Principle 6:

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labor standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency, and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any seven days shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any seven days only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents, or emergencies.

6.6 Workers shall be provided with at least one day off every seven days or, where allowed by national law, two days off every 14 days.

3.7 No Discrimination is Practiced

Equal opportunities must be provided regardless of race, gender, religion, age, disability, or other protected characteristics. Fair treatment and inclusivity are mandatory.

ETI Base Code Principle 7:

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or political affiliation.

3.8 Regular Employment is Provided

Workers must have written and legally binding contracts outlining their terms of employment. Temporary or casual work should not undermine job security.

ETI Base Code Principle 8:

8.1 To every extent possible work performed must be based on a recognized employment relationship established through national law and practice.

8.2 Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

3.9 No Harsh or Inhumane Treatment is Allowed

Physical abuse, verbal harassment, or other forms of intimidation or degrading treatment are strictly prohibited. Employees should be treated with dignity and respect at all times.

ETI Base Code Principle 9:

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment verbal abuse, or other forms of intimidation shall be prohibited.

4. Implementation Plan for Incorporating the ETI Base Code Principles:

The Thal Industries Corporation Limited has developed a clear framework to integrate the ETI Base Code principles into its operations at **Layyah Sugar Mills**.

- a) **Awareness:**
Spread awareness for employees to ensure understanding of ETI principles.
- b) **Policy Integration:**
Embed the ethical principles into company policies and develop clear SOPs to operationalize them.
- c) **Monitoring and Compliance:**
Perform regular internal audits to ensure adherence to ethical standards.
- d) **Grievance Mechanisms:**
Establish confidential channels for reporting and addressing violations of the ETI Base Code.
- e) **Worker Representation:**
Support the formation of worker committees and facilitate open dialogue between workers and management.
- f) **Stakeholder Engagement:**
Collaborate with local organizations and industry bodies to strengthen compliance efforts.
- g) **Reporting and Improvement:**
Publish annual progress reports and continuously refine practices based on feedback and assessments.



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