



“EMBEDDING SUSTAINABILITY
CREATING VALUE”

SUSTAINABILITY REPORT 2017



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LETTER FROM THE
LEADERSHIP

Chairman

SUSTAINABILITY THE ONLY WAY FORWARD

At Sadaqat, we get up every-day with a passion to bring a long-lasting, positive change in people's lives. We are endlessly seeking to better integrate our sustainability efforts to our daily actions.



On sustainability roadmap, this is our 4th year of reporting along with efforts towards making world a better place to live. It's my pleasure to present the initiatives which we have implemented this year for embedding sustainability in day to day operations to create and share value with our stakeholders.

We understand that sustainability is a complex and evolving process that is why this year we have established a dedicated Sustainability Committee, a multi-functional team, which steers our sustainability primacies, develop efficient and effective strategies and sets target to align sustainability related objectives with our Company's overall goals. Adding further value, our committee is enriched with young professionals from diversified backgrounds and experiences that enables the multi-functional committee to be innovative in its approach.

We have a motto of moving forward and we truly believe that sustainable business is the only way forward in today's world of finite resources and increasing demands. Hence, in the pursuit of our financial and economic objectives we are also aware of the environmental and social impacts of our business. To be sustainable in the long run we have ensured that our production facility duly complies with environmental protection, quality management and social compliance standards.

I believe, our recurring efforts have brought us there a long way but this is not the time to be self-satisfied we are seeking to achieve optimal levels in the subject. Staying as a participant of United Nations Global Compact (UNGC) reflects our promising commitment towards environmental protection and in providing safe and reasonable working conditions.

We are committed to increase openness in our work and also welcome others to join us on our journey where we are working every day to contribute towards making world a better place than its forseen currently. Last, but not the least, persistent efforts of our team has been commendable as they have exhibited appliacble results and are determined to accomplish more in coming future.


Mr. Mukhtar Ahmed
(Chairman)



Chief Executive Officer

“Sustainability is normally associated with “Doing the fair things”. For us, this involves much more than just an intuitive sense of following one’s conscience. We as a united team, firmly believes in the value and importance of sustainability – both as a necessary attribute of responsible corporate citizenship as well as a key driver for sustainable business performance.



Throughout the company’s history, sustainability remained high on our agenda and we, as a team, worked hard to fulfill our commitment of delivering sustainable returns. We have a pragmatic approach towards it that is engrained in our corporate culture. Our business model is robust, resilient and attuned to creating long-term value for stakeholders. We are well aware of environmental and social impact of our economic activities and why we also pay attention to minimize any negative impacts arising out of our business operations. We are also certified for all the leading textile industry specific certifications which demonstrate our commitment to become environmentally and socially compliant corporate citizen.

Former year was a year marked with the challenge of an increasingly uncertain global economy. Despite the unpredictability in the market, our financial performance continued to remain stable with sales revenue of approx PKR 11 Billion per annum for the last two financial years.

In this report, readers will discover about our experiences from which we have learned and embed in trying to drive positive change both within our own operations and also beyond our doorsteps. We have made substantial progress this year by advancing towards our top three primacies, which comprise of “Pollution”, “Premises” and “People”. My firm belief provides me hope that our stories will, at the same time, intrigue and inspire you from the unique insights which our report is rendering.

In the efforts of diminishing “Pollution” impacts, we have already joined hands with Environmental protection programs such as WWF Green office initiative and strived for better environment through value driven in-house policies. Furthermore, this year we are working to acquire another milestone by achieving certification of STeP by OEKO-TEX for supporting its vision of contributing to a permanent implementation of environmentally friendly manufacturing processes, occupational safety and social working conditions in production facilities along the entire textile chain. We have water treatment plant in place that supports us

in steering our sustainable commitment towards environment. Moreover, endeavoring for environmental friendly energy supply is our promising positive impact over environment as we are targeting in upcoming year to stretch our renewable energy mix to 35 KWH.

In terms of "Premises", we always upsurge our operational efficiency in a way that is sustainable and where goal is to optimize operations in a manner that result in minimal environmental footprints and wastage of resources. We continue to replicate and scale effective machines and infrastructure as we pursue the commitment of operational sustainability over the next few years.

Through our "People" well-being programs, we proactively participated in initiatives to increase skills set in textile sector, provide support for education and health facilities in the vicinity of the factory and at regional level. This year, we have secured approved training employer status from two of the world leading accountancy bodies ICAEW and ACCA to facilitate students and associates regarding their training and development needs.

This year we have also hosted a comprehensive fundraising exercise in collaboration with Shahid Afridi Foundation (SAF) to support its initiative "Hope – Not Out!" We feel a sense of responsibility towards all the stakeholders and we deliver with great caution.

Outside our own walls, we also energetically engage with external stakeholders to maintain open and honest dialogue. Our persistent view of shared value creation and mutual growth is further surged by our comprehensive supplier selection criteria based on principles identified by UNGC especially focusing areas of human rights and labor standards.

“ Our triumph in these primacies is directly linked to our system’s sustainable business growth. We progress toward our sustainability commitments by unleashing the collaborative power of all the individuals involved in this journey.

Sadaqat Limited endorses its commitment to the 10 principles of United Nations Global Compact as a "Participant" through meeting fundamental responsibilities in the areas of Human Rights, Labour, Environment and Anti-corruption which is also evident through our various certifications, memberships and licenses. On an ongoing basis, our Code of Conduct acts as a moral compass, ensuring that our business activities are conducted in righteous possible manner.

I feel pleasure in stating that this year, our Annual Report for FY 2016 secured 2nd position at "Best Corporate and Sustainability Report Awards 2016" which were jointly organized by ICAP and ICMAP. Report was privileged this accolade because of its accuracy, transparency and quality of presentation, which signifies our commitment to professionalism and limpidity.

Being CEO, I perceive these accomplishments as a witness of our vision to become a standard for others but, undoubtedly, in sustainable and responsible manner. Overall, I am pleased, yet advancing towards our sustainability commitments and the milestones yet to be reached. As we advance our reporting and disclosures, we continue to support and measure our sustainability progress against the principles outlined in the Global Reporting Initiative (GRI) G4 Framework and alignment with UNGC 10 principles as well as UN SDG's.


Mr. Khurram Mukhtar
(Chief Executive Officer)





SPOTLIGHT ON

COMPANY PROFILE

Sadaqat Limited has a long history of successful business operations based on highly professional and ethical practices, focused to achieve total customer satisfaction. Recognized as one of the major industrial business concern in Pakistan, Sadaqat majorly deals in manufacturing and export of Home Textile products.

History of Glory



Sadaqat Limited, a business established in 1951, is now a progressive export oriented textile manufacturing unit bearing annual exports of approx PKR 11 billion per annum for the last two consecutive years. The total capitalization stands at PKR 7.9 billion comprising of equity of PKR 6.7 billion and long-term liabilities of PKR 1.17 billion. There were no major changes in the structure, size or ownership of the Company during the year.

With continuous and purpose oriented efforts of the founding family and their team, currently Sadaqat Limited is established as an unlisted public limited company having its head-quarters at Khurrianwala, Faisalabad where the production facilities of the Company are also located. The Company's major line of exports is home textiles. It produces and markets home textile products to its customers located in Europe, UK, USA, Asia, Far East, Middle East, North America, South Africa, Australia and New Zealand. The major customers are retailers, wholesalers of buying agents and departmental stores. It is an export business, operating globally through its wide spread distribution channels running successfully on the stability and strength of its system.

We are cognizant of our responsibility in line with precautionary principle of Article 15 of Rio declarations and is committed to take necessary actions to fulfil our responsibility towards risk management in operational planning and product development. We have strong risk management system to identify potential risks covering financial and non-financial risks, allocate responsibilities for risk management, and take necessary actions to mitigate or avoid the risks. The risk management system identifies and analyses risks in line with Company's approach of avoidance of possible risks and all significance risks are communicated to Board Committees through respective management level. With a persistent vow of building sustainable communities, Sadaqat Limited is focused on initiatives to reduce its environmental footprints; support active and healthy living; and to create a safe and healthy work environment for its associates. In light with this, the company supports a number of external initiatives focused on product quality, social justice and uplifting of human rights. The Company does not provide funds to these organizations except the membership and certification fees.

Product Stewardship



Teflon Fabric Protector



Better Cotton Initiative



Organic Content Std



GOTS



Pakistan National Accreditation Council



OEKO-TEX



SUPIMA COTTON



QMS ISO 9001:2008



British Retail Consortium

Social Stewardship



Occupational Health and Safety (OSHAS) 18001:2007



Sadex Ethical Trading



Social Accountability Accreditation Service



Supplier Compliance Audit Network



Association of Chartered Certified Accountants

Trainee Development - Gold



Institute of Chartered Accountants of England and Wales



Custom Trader Partnership Against Terrorism



WRAP

Ecological Stewardship



WWF Green Office



Global Recycled Standard



Global Reporting Initiative



United Nations Global Compact



International Organization for Standardization



Supply Chain as A Value Chain

Sadaqat Limited is part of global supply chain. Sadaqat Limited procures most of the required products and services from local suppliers. The Company's purchases comprise of 76% from local and 24% from foreign suppliers. The Company imports machinery and equipment from international suppliers. During the year there were no major changes in the structure of its supply chain. It processes material at its production facilities located at Khurrianwala, Faisalabad. Final products are then supplied to leading stores in Europe, UK, USA, Asia, Far East, Middle East, North America, South Africa, Australia and New Zealand.

It operates closely with its in-bound and out-bound logistics, from raw material procurement to end user sale, to ensure that company values are embedded throughout the supply chain since it also seeks to work on economic, environmental and social priorities with its vendors and customers.

Our human capital at manufacturing facility, suppliers, distributors, retailers, customers and the communities in which we operate helps us grow our business and continually improves our sustainability performance.

The priority issues analysis conducted by our Environment, Health and Safety Committee earlier this year identified the key issues that many stakeholders and those within our Company consider most important to address in our sustainability reporting. These priority issues are:

- Water Stewardship
- Health and Safety
- Human Rights
- Emission Control
- Active and Healthy Living

Our team identifies the above priority issues in its supply chain to recognize, address and effectively manage the resulting key impacts arising out of its supply chain.

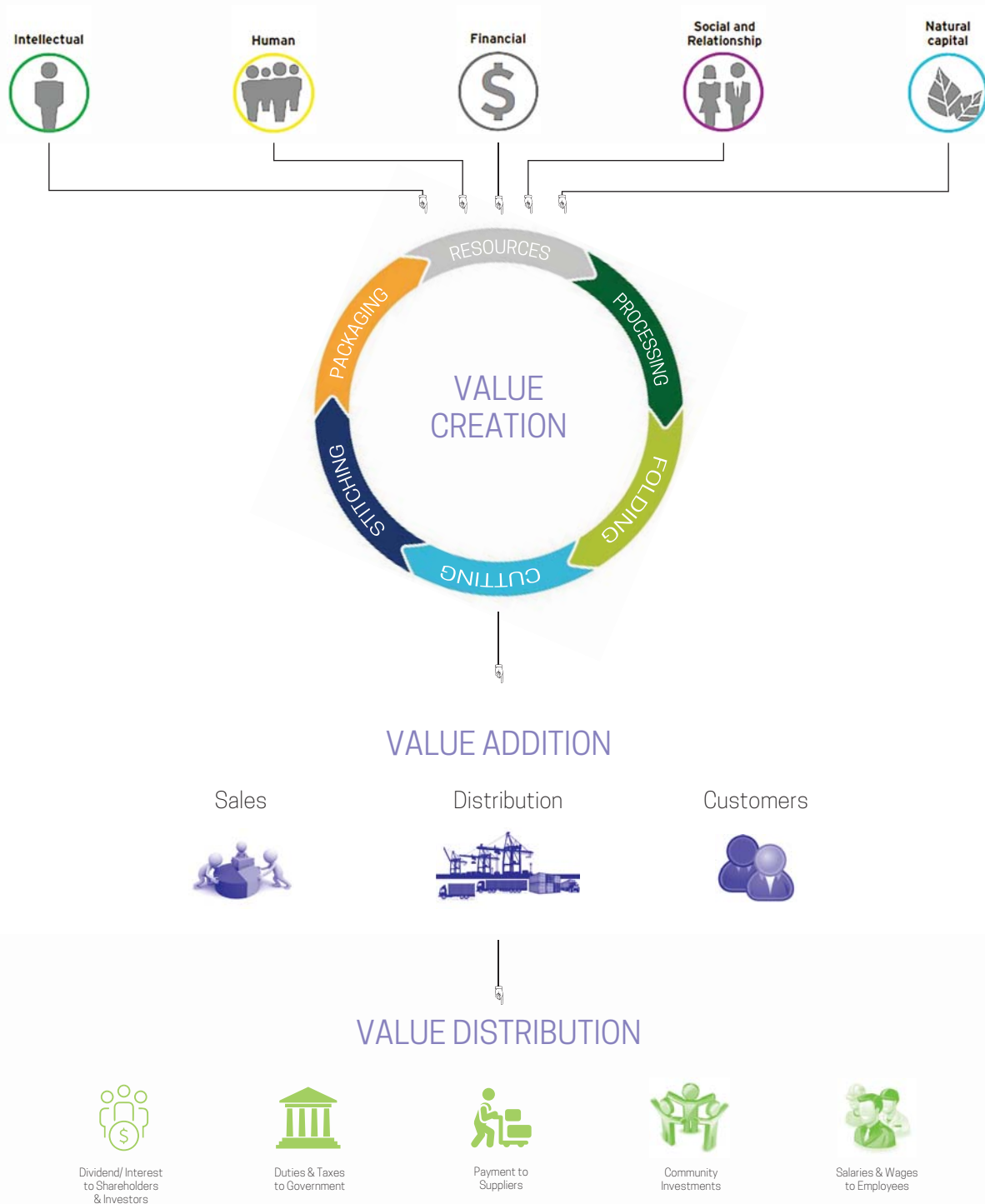
Supply Chain	Up Stream	Operations and Logistics	Down Stream
Process	Raw Material Sourcing (Vendors + Suppliers)	Manufacturing/Production	Distribution of final product
Issues Applies	Human Rights Water Stewardship Health And Safety	Active and Healthy Living Human Rights Health and Safety Water Stewardship Emission Control	Human Rights Health and Safety Active and Healthy Living



Vision, Mission, Values & Business Ethics



Nature and Model of Business



Our business model is central to our ability of creating and sharing value with our stakeholders while utilizing crux of different capitals.

External Environment

The risk and opportunities faced by our business and the broader political and macroeconomic environment where we operate.

REGULATORY FRAMEWORK AND COMPLIANCE

Uncertain regulatory environment coupled with compliance challenge.

POLITICAL INSTABILITY

Instable government and its policies adversely affecting market forces.

COMPETITION AND TECHNOLOGY OBSOLESCENCE

Rising global competition in terms of quality, price and technology developments.

01

CLIMATE CHANGE

Constantly changing weather patterns affecting cotton production and increasing environmental protection expenditure.

02

03

SKILLED LABOR AND SUPPLIER MANAGEMENT

Shortage of skilled labor, high turnover and key suppliers management.

04

05

CURRENCY FLUCTUATIONS

Frequent currency fluctuation affecting pricing, costing and business planning.

06

07

DYNAMIC CONSUMER REQUIREMENTS

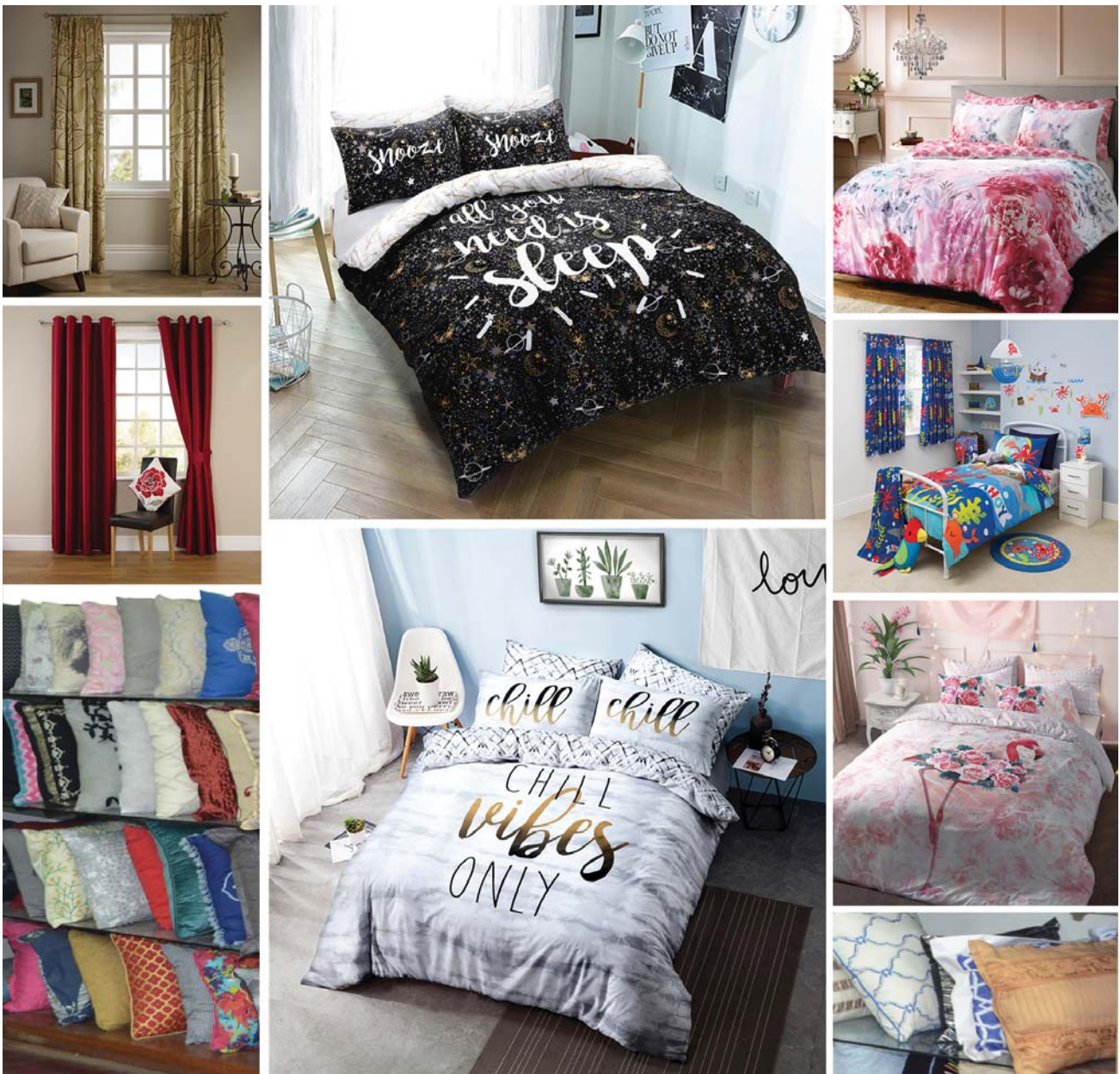
Consumer behaviour is greatly shifting owing to technological advancement and environmental awareness.



Our Products

Over the years, We have introduced a number of new trends in Home Textile articles including Bedding, Cushion, Curtains and Kitchen Accessories. The multi faceted nature of textile makes it a dynamic nature business.

Through continuous innovation, Sadaqat Limited masters in Home Textiles while catering the needs of customers by offering them a diverse product mix. At Sadaqat Limited, we don't just aim at setting trends, but believe in mastering them. The quality of our products is a key factor in our company's success that also spear heads the achievement of our corporate goals.



Key Performance Indicators

Our Key Performance Indicators depict that 2017 was another successful year with sustained sales numbers coupled with reduced environmental footprints and enhanced local community impacts. Below mentioned KPI's are derived by taking into consideration stakeholder engagement meetings and long term sustainability related approach of the Company.



Major Events and Initiatives



Lahore University of Management Sciences



National Textile University



Shahid Afridi Foundation



Association of Chartered Certified Accountants

Trainee Development - Gold



2nd Position in Best Corporate Report - 2016



C-TPAT



OEKO-TEX



Social Performance Team



Sustainability Committee



Institute of Chartered Accountants
of England and Wales

Sustainability Commitments



Moving forward towards sustainable development requires ambitions which not only serve as milestones but also augment continuous sustainable management efforts to become responsible corporate citizen and create and share value for our stakeholders.

Material Issue	Results 2017	Target 2018
Business & Social Performance	<ul style="list-style-type: none"> Foreign exchange earned 10.9 Billion Income Tax Paid 135 M Charity and Donations of 6.33 M 	<ul style="list-style-type: none"> Foreign Exchange of 15 Billion Income tax payment of 173 M Charity and Donation of 6-7 M
Energy & Climate Change	<ul style="list-style-type: none"> CO² Emission increased by 19.7% NOX, SOX Emission decreased by 24.1% 	<ul style="list-style-type: none"> 1-5% reduction in GHG emissions Plan to enhance renewable energy to 35 KWH Plan to install wet scrubber to control GHG Better water management to reuse water upto 15%
Water	<ul style="list-style-type: none"> 10% water reused 	<ul style="list-style-type: none"> Targeted to increase hazardous waste management by 20%
Waste & Effluents	<ul style="list-style-type: none"> 6.6 Ton hazardous waste managed 	<ul style="list-style-type: none"> Targeted to train 170,874 hours
Training	<ul style="list-style-type: none"> 155,340 total training hours 	



SPOT LIGHT ON

GOVERNANCE

Our well-demarcated governance structure is evident of our triumph over the years both on financial and sustainability fronts. The Company, without any imposition, willingly adheres to the best principles of corporate governance and is committed to high standards of ethical business practices.

Sustainability Governance Framework

Governance structure

Sadaqat Limited has a strong corporate governance system in place comprising of carefully developed code of conduct, policies, and procedures harmonized with industry's best available governance practices. Sadaqat Limited strictly conforms to its code of conduct and ensures that conflict of interest is eluded amongst its board members and employees.

The strength of our system, however, depends on our readiness to acknowledge and revamp weaknesses in the management system. It is an approach that lets us remain adaptable in a changing business environment and, eventually, keeps us aligned to fundamental principles that made Sadaqat limited what it is today.

Board of Directors

Sadaqat Limited's Board of Directors is headed by an executive Chairman. The Chairman and the Chief Executive Officer (CEO) at Sadaqat Limited are separate persons.

The Company strongly believes this arrangement reassures a balance of authority and enhances Board's ability to make independent decisions. The Company is an equal opportunity employer and the members of the highest governance body are designated on merit.

The Board of Directors is comprised of qualified and competent members instilled with immense experience and strong sense of responsibility. They add core competencies to the Group's decision making including insights into technological advancements, legal and regulatory expertise, accounting and finance skills and a comprehensive understanding of customer expectations cycle. Their diverse combination of experience and knowledge benefits quality group thinking and effective decision making. Management of Sadaqat limited is commanded by the CEO who executes strategic plans and policies together with the members of his team, and transforms the strategic direction into action plan.



Organogram



Board and Management Committees

The Board has formed various Committees of Directors with adequate powers for efficient and effective resolution of different issues arising on periodic basis. The Committees have their own charter with goals and responsibilities. Staying well-informed of the newest developments is not easy thus the committees meet periodically throughout the year to plan; to discuss progress and hindrances; and to deliberate on the significance of newly proposed projects and policies.

The Audit Committee and Corporate Planning and Control Function are vital in sustaining good business conduct, maintaining risk management and devising well-articulated plans and strategies across Sadaqat Limited.



Zeshan Afzal
(Advisor - Audit Committee)

Has played his role in the industry as a director on boards of:

Arif Habib Limited
Crescent Textiles Limited
Safe Mix Concrete Limited
Reliance Sacks (Pvt.) Limited
Serendib Stock Brokers in Sri Lanka
Stylo Group of Companies
Peshawar Zalmi & Peshawar Zalmi Foundation (CEO)

Has been a part of:

Board of Education at IoBM
Provided lectures on Leadership, Critical Thinking,
Leadership and Smart Finance in the educational sector.

The Audit Committee holds critical responsibilities in monitoring the effectiveness of Sadaqat Limited's internal control processes and internal audit function.

To further strengthen its good business conduct, the Company has recently revamped its audit committee by bringing an advisor to the Audit committee on board.

The Company's financial statements as well as other announcements related to financial performance are approved by the Audit Committee before publication.



M. Iqbal Ghori
FCMA, PURC (USA)
(Head of Strategic Planning)

He is also:

President - Institute of Cost and Management Accountants.
Chairman - Research & Publications Committee (ICMAP)
Chairman - Committee on Governmental & Public Sector Enterprises Accounting of South Asian Federation of Accountants






Member of board of studies:

National University of Modern Languages
ISRA University

Corporate Planning and Control (CPC) function is headed by Head of Strategic Planning who is acting as a key contributor of strategic change in the organisation. The principle objective of Corporate Planning and Control (CPC) function is to ensure an optimal and effective utilization of organizational resources. This management function is also engaged in devising strategies for the Company related to optimal business solutions while considering impact on sustainability commitments. The exercise acts as a control and is hinged on high standards.

Moreover, as an advocator of continuous innovation, CPC drives a need and suggest optimal ways for process reengineering and look fundamentally to explore radical ways of doing the same thing.

Board & Committee Meetings FY 2017

		Members	Agenda / Business Discussed	Meetings
Board of Directors		7	<ol style="list-style-type: none"> 1. Confirmation of minutes of last meeting. 2. Review of quarterly performance and group management information. 3. CAPEX planning and decision making regarding potential projects. 4. Review of departmental targets, approval of budgets and review of their achievement. 	4
Audit Committee		3	<ol style="list-style-type: none"> 1. Confirmation of minutes of last meeting. 2. Review of audit plan and internal audit reports. 3. Review of Internal Control Environment and its effectiveness. 4. Review of business risks & devising risk mitigation strategies. 	4
HR & Remuneration Committee		3	<ol style="list-style-type: none"> 1. Confirmation of minutes of last meeting. 2. Approval of manpower. 3. Approval of inhouse and outside trainings for employees. 4. Review of employee appraisals. 5. Review of KPI's. 	4
Sustainability Committee		4	<ol style="list-style-type: none"> 1. Confirmation of minutes of last meetings. 2. Review of compliance with UNGC and GRI Principles. 3. Review of implementation phase of KPI's throughout the organization. 	4
EHS Committee		6	<ol style="list-style-type: none"> 1. Confirmation of minutes of last meeting. 2. Discussion, review and approval of Environmental, Health & Safety Policy. 3. Review the performance of organization as per its EHS plan. 4. Discussion, review and approval of CSR activities. 	4



Shaping Sustainability Policies

The Board of Directors and management actively oversees the long term sustainability policies in relation to economic, environmental and social impact.

The Board finalizes the direction and overall framework relating to sustainability approach. All the strategic and corporate plans, capital expenditures, investment proposals and budgets are approved by the Board by taking into consideration sustainability related factors.

Moreover, the Board formally reviews and approves organization's sustainability report and in collaboration with Sustainability Committee ensures that all material aspects are covered and reported.

Shaping through delegation

Sadaqat Limited is intensely committed to act ethically and support sustainability in all of its business activities. In order to efficiently manage its CSR activities, the Board of Directors has delegated the Corporate Social Responsibility related issues to its Environment, Health and Safety Committee (EHS).

The EHS Committee is responsible to harmonize the Company's CSR activities within the direction and framework provided by Board. Consequently the Committee is engaged in planning and implementation of CSR activities from donations and welfare activities to main-stream activities and they also ensure that all the activities are in agreement to international standards and supply chain requirements.

The EHS Committee includes individuals from key business functions such as compliance, human resources and health & safety department. This ensures that all relevant strategic CSR initiatives and activities which are discussed and approved are coherent with business objectives and CSR policy.

For on-going monitoring of commitments towards sustainability, the Board has established a management committee named as Sustainability Committee which supports in the development of overall framework of sustainable activities.

The Committee provides Board with deeper insights relating to the Company's sustainable growth by analysing the effectiveness of current enacted policies. At the same time, the Committee actively engages with all possible stakeholders in identifying the sustainability related issues which they deem necessary for reporting in sustainability report.

Board of Directors' performance review

As a best practice and to enable the Board members to play their effective role for an on-going success of the Company, an annual self-evaluation is carried out in the meeting of Board of Directors held immediately after year-end for authorising issue of financial statements.

The Board has devised a self evaluation criteria to rate and assess their performance against an annual evaluation checklist centring on factors like alignment of objective with overall vision, monitoring and evaluation of departments and long term strategic direction.

CEO's performance review

To set a right tone from the beginning, the Company has devised a system of formally appraising the performance of CEO. Performance is not only appraised on quantitative but also on qualitative fronts.

In a previous exercise of review in Director's meeting, CEO was appreciated for managing and effectively tackling challenges despite overall slowdown in textile sector, high currency fluctuation risk and worsening impact of uncertainty regarding government policies. The major reasons highlighted for sustainable growth were team-driven initiatives towards innovation from CEO and periodical technology up-gradation.

Code of Conduct

Conflict of interest

A conflict of interest is a situation which is deemed to occur when an individual's personal interests conflict with their responsibility to act in the best interest of the Company, hence a non-goal congruent situation. We have a formal code of conduct and anti-corruption measures in place to under which conflict of interest at Board and executive level is governed. The code of conduct requires avoiding conflict of interest at first place. However, where it is not possible to avoid conflict of interest; the incident is required to be reported to Board of Directors for resolution. The Board of Directors are responsible for setting and updating the purpose, values, strategy and goals relating to economic, environmental and social impacts.

Whistle blowing mechanism

The Company is committed to listen to the concerns of employees and they can report safely and anonymously if they evidence or suspect any unethical or unlawful activity, damage to environment, any offence or injustice. However combating corruption or any unethical/unlawful activity requires both top-down and a bottom-up communication approach. It starts from the mind set of senior most management to a worker perspiring at the processing plant. By guaranteeing potential whistle-blowers that they can act without fear of vengeance, we are one step closer in eradicating corruption.

Investors' grievance mechanism

Sadaqat Limited has a well-established, transparent, easier and simpler grievance redress mechanism for investor/shareholders' service and grievance handling. The Company has identified a separate investor relation contact person detail which is publicly available at the Company's website. In case of any grievance, it is discussed in the presence of all directors including CEO, Chairman and CFO. After mutual discussion, matter is reviewed and grievance is handled with efficiency, courtesy and fairness followed by necessary steps taken to prevent recurrence.

The Company adheres to prevailing laws and regulations including laws relating to Anti Competitive behaviour such as Competition Act 2010. In light with that management of the Company strictly condemn anti competitive behaviour



Data protection and its confidentiality

Sadaqat Limited has IT Governance and Safety of Records Policy in place having directions and governance over access to information and its storage and deletion. The policy ensures if accurate records are created, captured, maintained, made accessible, stored and legally disposed of in accordance with legislative requirements. The policy also deals in access of storage devices, usage of internet, e-mails, password protection, data back-up, intrusion prevention and access to server room/data centre.

The policy aids decision making process for IT investment and promotes accountability. The MIS Department acts as a support function in the achievement of entity's objectives and coordinate enterprise IT planning efforts and strategies for most effective use of resources.



Prohibition of child labour

Sadaqat Limited discourages "Child Labour". The Company's minimum age for employment is 18 years keeping production process in view. Under exceptional cases, If any young worker is provided employment then proper facilities relating to Education, Transportation, Health and Safety are provided.

Young worker is not exposed to any hazardous occupation and dangerous machinery. It is ensured that the Company's employment has positive impact on young worker's health, safety, physical, mental and social development.

Security measures

The Company has put in place necessary security arrangements for its factory site and has hired well-trained security personnel. It has been ensured that security team is continuously trained and equipped with appropriate armoury to apply new safety measures for overall security of the Company's sites and offices.

Prohibition of forced/bonded labour

Sadaqat Limited strongly discourages Forced and Prison labour. All company policies and procedures (including policies and procedures for discipline/administration, security and hours of work and recruitment) are very much compatible to the consent and free movement of the employees.

The Company does not require or retain original copies of its employees important and identity papers/documents. It entirely prohibits subcontracting prison labour.

Security policies

The Company has insured all its physical assets including building, machinery, vehicles, and inventory to cope up with any unforeseen risks and damages.

In FY 2017, while acknowledging the Company's security commitments, Custom-Trade Partnership against Terrorism (C-TPAT) has awarded **Sadaqat Limited** 100% score upon their annual audit regarding presence and compliance of detailed security protocols in the facility. This security compliance is enhanced by attaining SCAN compliance.



Sadaqat Limited is committed to foster a culture of integrity and high ethical standards. It starts from the mind-set of the senior most management to a worker perspiring at the processing plant.

We, being part of senior management, are vested with the duty of instilling a culture of ethical behaviour and practices among employees. Our open door policy, at the same time, welcomes employees so that their concerns can be voiced and addressed.

Major Raza Haider (Head of Admin and Security)

Sustainability Committee

Vision

To act as a catalyst in embracing change towards developing sustainability related organizational approach while being fair and equal with all its stakeholders.

Objective

To design and implement policies, roadmaps and methods that alleviate us to assimilate our sustainability commitments with the vision and mission of the company.

Responsibilities of the committee

- i. To define critical success factors of sustainable growth, disseminate departmental targets and to set KPIs to monitor sustainability performance.
- ii. To foster and propose partnerships to accelerate and promote adoption of sustainable practices by stakeholders including suppliers, customers and neighbourhood community.
- iii. To suggest and propose innovative technologies that curtail wastage of resources and help in advancing towards sustainability goals of the Company.
- iv. To ensure maximum compliance with UNGC universal principles in the areas of Human Rights, Anti-corruption, Labour and Environment and mapping Company's activities and initiatives to UNGC Guidelines while identifying and minimizing gaps, if any.
- v. To set agenda and arrange meetings to engage stakeholders in order to determine priority areas for reporting in sustainability reports and addressing stakeholders' concerns guiding to sustainable activities.

Members

Osman Mukhtar (Head of Compliance)

Waleed Afzal (Manager Finance & Team Leader - CPC)

Mohammad Asim (Technical director)

Abdul Mannan (Member Corporate Planning & Control)



Waleed Afzal ACA (ICAP)
(Manager - Finance & Team Leader - CPC)
(Member Sustainability Committee)

Evolving stakeholder expectations are driving transformation in corporate reporting to embrace sustainability considerations in their reporting to stakeholders. As a result of this, voluntary sustainability reporting and disclosures have become one of mainstream focus of businesses.

We as a business direct our efforts to carefully consider what non-financial information is material to our stakeholders and keep on developing robustness in our processes and controls to produce relevant and reliable information for reporting to stakeholders. We expect this shall also build and boost stakeholder confidence, trust and loyalty.

Being member of this purpose built Committee, we are directing our efforts to integrate economic, social and environmental aspects to their routine operations with the goal to achieve sustainable development in all dimensions.





SPOTLIGHT ON

ECONOMIC

Sustainable returns to the shareholders and providers of capital is one of the primary objective of the entity. However it's management is thoughtful and committed to align it's primary objective with the economic development of society at large.

- Management Approach
- Economic Performance
- Economic Policies

Management Approach

Our vision, mission and corporate objectives guide us to deliver exceptional results year on year basis. Sadaqat Limited is committed to become one of the largest exporter of textile products by providing premium quality products to its international customers, while delivering healthy yet sustainable returns to investors.

Sadaqat Limited is aware of its operations major direct and indirect economic impacts. The material topics are identified through stakeholder engagement and materiality analysis which takes into account the severity of impacts and influence on stakeholder's decisions.

The Company has well devised strategies and strong marketing team to ensure business growth in this global competitive markets and deliver robust financial performance year on year basis.

The process of determination of material topics and their boundaries is defined in stakeholder engagement section of this report. The major direct impacts include payment to investors, payment of taxes and duties to the government, payment of salaries and benefits to employees, and payments to suppliers.

The indirect economic impacts are economic development around factory site, skill enhancement in textile industry, investment in infrastructure projects, and provision of support for health and education.

The Company aims to increase positive impacts and work for inclusive growth by engaging local suppliers, and employing local workforce. The Chief Executive is the highest officer responsible for economic impacts of the entity's operations.

The economic objectives and policies are formulated and approved by the Board of Directors. The day to day affairs and implementation of policy is delegated to Chief Executive Officer. The management approach and the performance is reviewed quarterly and actions are taken accordingly.

Moreover some aspects like Market presence and Procurement practices are also being highlighted in stakeholders engagement exercises and accordingly the Company has dealt these aspects with the materiality of those aspects. Market presence is considered as important and relevant aspect since significant portion of the workforce is compensated as per the minimum wage applicable regulation.



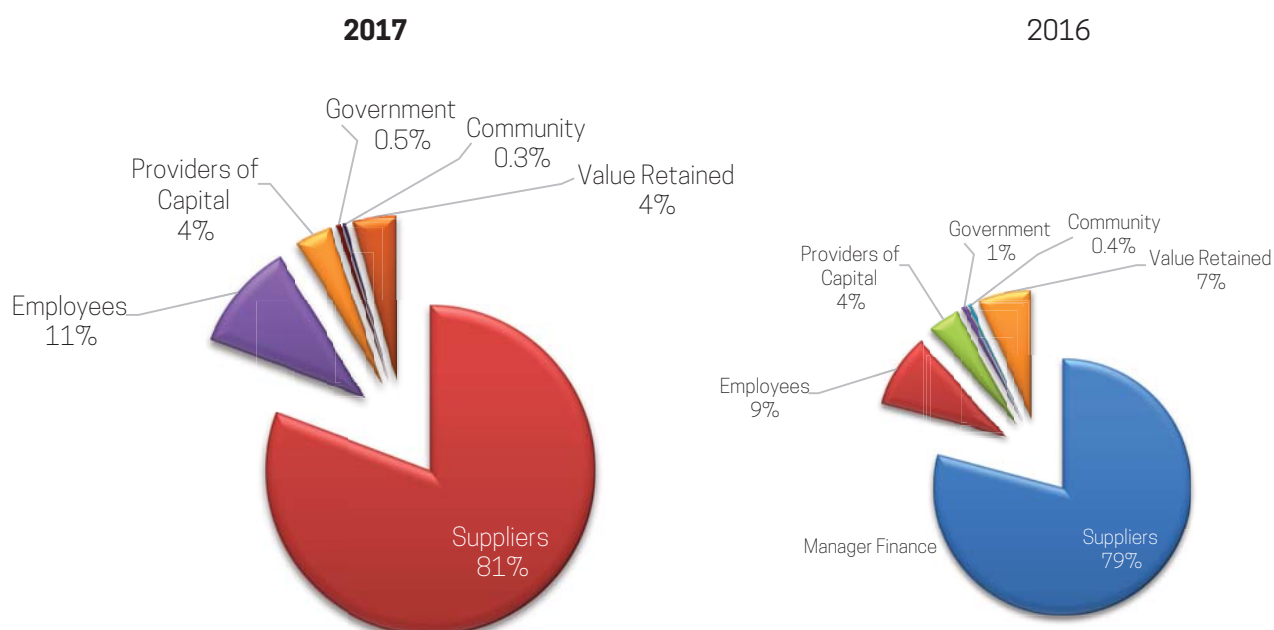
Management is well aware about setting strict standards of complying with applicable regulation as this contributes to the economic wellbeing of its employees and society at large.

Appropriately managed procurement mechanism can have replicating impact over the economic wellbeing of the society as it can attract additional investments indirectly to the local economy. Therefore Company has played vital role in it and devised policies to locally purchase its raw material so that growth in local economy can be fuelled and stimulated.

Economic Performance

The financial results of Sadaqat Limited for the year 2017 reflect a satisfactory financial performance despite challenging global economic conditions. Though it kept growing in quantitative terms however the profitability and export numbers slightly declined as compared to proceeding financial year due to unpredictability in the market, stiff global competition and unfavorable foreign currency fluctuation. Due to these impeding factors, the Company maintained strict price competitiveness which restricted the value of its sales while moderating the bottom line whereas a higher proportion of value has been shared with employees and suppliers as compared to the preceeding year.

Description	2017	2016	2015	2014
Rupees in millions				
Revenue	11,047	11,595	9,204	10,256
Value Shared:				
Suppliers	8,921	9,181	7,636	8,736
Employees	1,173	1,064	797	649
Providers of Capital	396	459	445	427
Government	55	78	69	88
Community	34	50	22	26
Total	10,579	10,832	8,969	9,925
Value Retained	469	763	234	331



Economic Policies



Defined Contribution Plans

The Company offers defined contribution plan for its employees, i.e. provident fund, where 8.5% is contributed by employees and same proportionate amount is contributed by the Company on monthly basis. The provident fund contribution is payable when the employee leaves the organization. During the year, the Company contributed Rs. 31.8 million to provident fund plan. In addition to above, Sadaqat Limited also contributes to Employees Old Age Benefit Institution (EOBI) and Workers' Profit Participation Fund (WPPF). During the year, the Company contributed 5% of minimum wage of employees in EOBI and allocated Rs. 27.3 million funds for WPPF purpose.



Market Presence

The Company strictly complies to applicable regulations for minimum wage however the ratio of average minimum entry level wages compared to local minimum wages is well above of the minimum wage level. During the FY 2017, the ratio of standard entry level wage to local minimum wage was 1.09:1 across all significant locations of operations. The Company has only Khurrianwala Faisalabad as its location of operation. In the Company, all employment is strictly done on merit and no preference whatsoever is granted. However, while employing production staff preference is given to local community residents. Approximately 83% senior management is hired from Faisalabad which the Company considers as its local community. The Company categorize Senior Manager and above ranked employees as its senior management.



Government Support

The Company being a part of textile industry receives duty drawback on export, drawback of local taxes and levies, tax credits on balancing and modernization of machinery and LTFF / ERF loans at subsidized rates. Rs. 1052 million is receivable from government and statutory authorities at the end of FY 2016-17.



Procurement Practices

The Company is aware of procuring from local resources as it contributes to economic growth and development of local industry. During the year, the company made 76% purchases from local suppliers while 24% purchases from international suppliers.





SPOTLIGHT ON

SOCIAL

At Sadaqat limited, our view to respect human rights extends across all aspects of our business conduct, including the ways we interact with our stakeholders. This pledge is fundamental to the success of our Company.

- Management Approach
- Human and Work Place Rights
- Product Stewardship
- Environment, Health and Safety
- Value Towards Society
- Training and Development
- Work Force Structure
- Social Stewardship
- Way Forward

Management Approach

The Company is voluntarily committed to ensure that its business activities and strategic decisions, adherence to labor laws, human rights declarations, anti-corruption regulations, responsible production, and marketing practices.

The material aspects of Company's operations on social fronts have been identified on the basis of consultation sessions with stakeholders, influence of social impacts on stakeholder decisions, severity of impacts and business strategy.

Our strong commitment to inclusive growth coupled with policies and procedures help us to stay socially responsible over the years. The Company values its employees as human capital and view them as an intellectual asset. Sadaqat Limited is committed to honor human rights within sphere of its influence, eliminate discrimination, child labor, modern slavery, forced and compulsory labor. The Company's operations are mainly labor intensive and it employs more than 5500 in total. The labor intensive operations require good human resource policies, safe working conditions, ongoing trainings and education for better productivity.

The HR & Remuneration Committee, EHS Committee and Sustainability Committee suggest and assist in formulation of Company's policies, procedures, and programs while addressing issues and identifying human rights risks throughout entity's value chain. They are also concerned with developing tools to address and mitigate any adverse impacts arising from Company's routine operations.

The programs are formulated and implemented in consultation with local community. The progress on social initiatives is analyzed by the committee and reported to higher governing body on a continuous basis.

Each full time employee from both management and staff is provided with life insurance and health care coverage, hence embracing a complete Health and Safety care culture accross the organization.



Commitment Fulfilled

As you already are aware of the initiatives Sadaqat Limited has previously taken and currently undertaking in pursuit of its Corporate Social responsibility & its commitment towards Corporate Sustainability which starts with its values by adopting ethical approach for doing business globally, especially by supporting the 10 universal Sustainability Principles of United Nations Global Compact towards a sustainable world in the areas of Human Rights, Labor, Environment and Anti-Corruption for achieving the Sustainable Development Goals of United Nations.

We have revamped our Human Rights related policies in order to align them with the principles of UNGC. The updated policies help employees better understand their rights and how to make contribution towards sustainable business. As part of ensuring compliance with local laws & regulations, we, at Sadaqat Limited carry on-going evaluation to ascertain our compliance related to social and environmental aspects. During the year, we had no complaints concerning any violation of above laws.

Sadaqat Limited possesses certifications such as WRAP and SA8000 for developing, maintaining and applying socially acceptable practices in the workplace. Moreover, complying with numerous certifications relating to environment such as EMS 14001 and WWF Green Office enables us to reduce the carbon foot prints of our operations. Hence, leading the company towards better quality and well-being of our employees ensuring its long term sustainable future.



Osman Mukhtar
MHRM-UK, Chartered MCIPD-UK,
CHRM-USA, CCBM-USA, CIA-UAE, COM-UAE
(GM - HR & Compliance)
(Chairman EHS Committee, CSR Lead)
(Persident Social Performance Team)



Human and Work Place Rights

At Sadaqat Limited well-being of human at large is always regarded as an important aspect. The Company clearly believes Human rights extend beyond the rights of employees in the workplace and if they are treated with due care more efficiency can be achieved due to increased satisfaction level. At the same time, management of Sadaqat limited considers that existence and effective implementation of policies and principles are essential for socially responsible conduct towards the right to freedom of association and collective bargaining.

Therefore, Company has stated some and rigorous policies in its code of conduct while embedding guidelines of local and international standards related to Human and Work Place rights. The Company's code of conduct and activities towards human rights also supports Sustainable Development Goals (SDG's) of UNGC.

Managerial teams within the company ensures adherence to Sadaqat Limited's Code of Conduct by actively monitoring activities in their respective span of control, in order to address any risk or potential violation of Company's code of conduct.

Further, any breach of ethical principles, can be brought to the attention of HR and Compliance by emailing the incident at Company's designated e-mail address.

100% of employees are covered by Workers Management Committee. Purely on non-discriminatory basis, all employees of the company possess freedom and right to associate and collectively bargain by ethical and legal means to protect their rights through this Committee. On parallel means, all employees are free in their right to vote any representative, whom they are comfortable with, for representing their rights. The Company follows a practice to furnish four weeks prior notice before making any kind of operational changes which can have significant effect over its employees. This practice enhances organization's ability to uphold employees motivation during implementation of operational changes having potential impact over them. However, the provision of

minimum notice period is not mentioned in the agreement with labor union.

The Company strictly complies with the local regulations regarding child labour, forced and compulsory labour. With great success, no such case of child labour or forced and compulsory labour has been reported or identified during the financial year 2017.



Sadaqat Limited takes due care of the remuneration and related benefits of its associates. To provide opportunity to employees along with appropriate growth, the Company has designed reasonable career path for individuals joining through certain specified routes.

Performances of those individuals are evaluated every six months/ annual basis depending upon the nature of their employment. Such evaluation is conducted on the parameters of their professional learning and upon satisfactory performance during the period under evaluation. After evaluation employees are rewarded with appropriate increment / promotion in designation, as the case may be. Working hours for employees are according to the governing labor law.



Diversity and non-discrimination

Sadaqat Limited, without any ambiguity, believes that diversity within an organization provides valuable insights to the human capital of its organization. The Company has defined clear non-discrimination policy especially based on race, color, sex and religion and no employee is at disadvantage due to ethnicity, religion, age or gender.

The policy is communicated to all employees through different communication channels such as display at prominent places and through orientation sessions. It undoubtedly states zero tolerance on any violation of policy regarding discrimination case being reported. During the year, no such case regarding violation of policy was reported with in the entity.

Aligned with our approach of diversity and equal opportunity, we believe that empowering women has larger replicating effects over the society. In the race where we are trying to make world a better place to live, it is utmost necessary to build women as pillar of community by empowering them at the work place.



Hamid Mukhtar (Director)
Director Value Addition City
Former Member of ADRC-CBR

Sadaqat Limited embraces diversity of background, culture and ideas as a part of its business culture. The Company believes that women's at work place are acting as a helping hand for business progress as well as their involvement in work is an enduring way to help, grow and prosper families in which they live.

We believe:

“Accomplishment of our vision requires Alliance
Alliance necessitates Equal Opportunity
Equal Opportunity entails No Discrimination



Social Performance Team

“Sadaqat limited has established a Social Performance Team (SPT) in its facility to quickly and efficiently respond, in an appropriate manner, toward any violation relating to HR and compliance principles set by the Company. They act vigilantly and keep an eye on everything going in their span of duty. If they evidence any misconduct or unethical behaviour, they actively report the matter to management accordingly. Employees from different departments are currently part of this team. They are provided with necessary knowledge and training required to effectively perform their tasks. Moving forward, an effective and measureable appraisal matrix of SPT is under development phase in order to ensure the team's efficient and effective performance.



Product Stewardship

Sadaqat Limited and its team is well aware of the impacts of its products on social fronts. Product stewardship and customer health and safety has always been an essential element of Company's approach towards sustainability, but the scope of its responsibility is now further widened as its supplier evaluation criteria has been formalized.

The Company's dedicated team diligently reviews its products and its related supply chain to address health and safety across the life cycle of a product. It follows strict product and quality standards designed to ensure the safety and quality of each of its products.

Moreover, the Company is aware that easily accessible and ample information on the sustainability impacts of its products is necessary for customers and consumers to stay informed and make purchase decision that may benefit society at large.

Over the period-highlights

Right Product in a Right way

At Sadaqat limited, we believe and target ourselves towards manufacturing the right product in an optimal manner. The Company believes product stewardship is an integrated process that depends on the commitment and expertise of numerous divisions, all serving for a common purpose – to identify and minimize environmental, health and safety risks at every stage of the product's lifecycle.

Sadaqat Limited recognizes that indirect impact on society and environment may arise out of manufacturing of a product and choice of supplier hence it keep focusing on how it may embed sustainability at every stage starting from raw material sourcing to product packaging.

Sadaqat limited believes that long term sustainable success cannot be achieved without the alignment of all the business partners including suppliers and customers. It does not only screen its suppliers on human rights criteria but also encourages them to follow the universal regulations and international conventions especially human rights charter of UNGC. Moreover, the Company has developed a specific matrix on the identification of actual or potential negative human rights impacts in its supply chain.

At start, all potential suppliers pass through specified screening criterion that includes ascertaining the quality of supplier's material that allows us to rule out suppliers with quality standards below our satisfaction levels. A supplier that passes initial screening is then evaluated upon sustainability grounds guided by UNGC and SDG's of United Nation including Human rights, Health and safety, environmental protection etc.

Product Stewardship in the production facility and new developments

On the roadmap to achieve efficiency and quality in its production and to make the right product in the right manner, the Company in its current financial year has invested in state of the art technology including significant amount of investments in Automatic Colour Kitchen, Mercerizing Range, Smart MRT systems, Computerized Quilting machines, Multi-head computerized embroidery machines, Calendaring Machine, Gas Generator (Jenbacher) and other miscellaneous investments to optimize resource utilization in processing, cutting, sewing and folding section and to promote resource utilization, improve fabric finishing while enhancing its aesthetic appeal. The above initiatives have also enabled us to become energy efficient, quality focused and a more responsible manufacturer/exporter.

Product and marketing compliance

The Company's products are subject to labelling requirements as per applicable regulations and codes followed by the Company. These regulations and codes require information about product sourcing, origin, safe use of product, washing instructions and disposal of products. During the year, no incidents of non-compliance with regulations and voluntary codes concerning product information and labelling were reported. The Company regularly interacts with customers for getting their input on product quality and related matters. However, no specific survey conducted during the year.

Throughout the reporting period, no incident of non-compliance with regulations and voluntary codes concerning marketing communications were reported. The Company does not produce and sell banned or disputed products. During the year the Company was not subject to any fine for noncompliance with laws and regulations concerning the provision and use of products.





Sadaqat Limited is delighted to hold license of SUPIMA world's finest cotton and being the member of this association has agreed to uphold the highest standard of quality and distribution of all SUPIMA cotton textile products.

Sadaqat Limited joined BCI to support their Better Cotton Initiative to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.

Sadaqat Limited holds the license of Teflon fabric protector. This invisible finish forms a protective barrier around fibers to deliver durable, long-lasting repellency against oil or water-based stains, dust and dry oil without impacting the look, touch, feel, color or breathability of the fabric to deliver best quality to its customer.



Sadaqat Limited has been certified and achieved Grade "A" for meeting the requirement of Global Standard for Consumer Products as assessed by SGS (formerly Société Générale de Surveillance).

BRC Global Standards' guarantee the standardization of quality, safety and operational criteria and ensure that manufacturers fulfill their legal obligations and provide protection for the end consumer.



Sadaqat Limited has been awarded compliance certificate by abiding with International Standards Organization (ISO) 9001:2008 initiative certified by BUREAU VERITAS.

To ensure greater commitment towards customer in terms of delivering higher standard of quality products, company has complied with ISO 9001. It is the international standard that specifies requirements for a quality management system (QMS) in order to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements.



Sadaqat Limited has been awarded compliance certificate by abiding with Global Organic Textile Standard (GOTS) version 4.0 inspected and certified by Control Union.

This standard ensures that only textile products which contain a minimum of 70% organic fibres can become GOTS certified and our company products such as Fabrics, home textiles and yarn met this prescribed standard.

This standard also benchmarks all chemical inputs such as dyestuffs and auxiliaries used must meet certain environmental and toxicological criteria. More over a functional waste water treatment plant is mandatory for any wet-processing unit involved and compliance of Social standard is also the prerequisite of this certification.





Sadaqat Limited has been awarded certificate of compliance by successfully abiding with Organic Content Standard 100 and Organic Content Standard Blended certified by Control union Certified.

The Organic Content Standard (OCS) applies to Fabrics and Home textiles which contains 95-100 percent organic material. It verifies the presence and amount of organic material in a final product and tracks the flow of the raw material from its source to the final product. With this certification Sadaqat Limited has been able to display transparent, consistent and comprehensive independent evaluation and verification of organic material content claims on its products.



Sadaqat Limited has been awarded Certificate of Accreditation by successfully complying with ISO/IEC 17025:2005 standard certified by Pakistan National Accreditation Council (PNAC).

By complying with this accreditation, Sadaqat Limited met the terms of the single most important standard for calibration and testing laboratories around the world. This results in more technically proficient, precise and accurate test and calibration data.



Sadaqat Limited has been awarded compliance certificate by abiding with STANDARD 100 by OEKO-TEX®. The STANDARD 100 by OEKO-TEX® is a worldwide consistent, independent testing and certification system for raw, semi-finished, and finished textile products at all processing levels, as well as accessory materials used.

As per the commitment of Sadaqat Limited, this standard has enabled it to contribute towards high and effective product safety from a consumer's point of view. Moreover its test criteria and limit values in many cases go far beyond applicable national and international standards which enhanced the trust factor of customers to new heights. Extensive product checks and regular company audits also ensure that the industry has a globally sustainable awareness of the responsible use of chemicals.

Environment, Health and Safety

Sadaqat Limited considers high-quality Health and safety focused working conditions as a key measure of an organization's moral responsibility. The Company believes employees' motivation and productivity are generally linked to low injury and absentee rates that's why it treats this aspect with the priority it deserves.

The manufacturing of textile related products involve handling hazardous material which can pose significant level of health and safety risk. Just like those workers who are involved in fluff related work may have high risk of lung cancer.

Due to potential risks that may arise, Sadaqat limited has been rigorously taking measures to continuously improve its health and safety environment across the entire system since its incorporation.

The Company holds Occupational Health and Safety (OSHAS) 18001:2007 certification and gets its facility certified on its protocols. This assurance provides the Company with the certain level of comfort regarding standard of health and safety conditions at the facility.

The Environment Health and Safety Committee (EHS) is deligated with this responsibility and the Committee scrutinize this process by meeting on regular basis to monitor health and safety issues and recommend improvements.

Effective fire fighting system is installed through out our manufacturing facilities as well as the Head Office which is reviewed on daily basis and attendance is marked by security personnel. The fire drills are frequently conducted for the training of employees and the staff team to handle unavoidable exigency.



Mirza Imran
(Head of Environment, Health & Safety)
BS (H) Environmental Sciences
NEBOSH IGC – UK
Certified Lead Auditor (18001-2007) – UK

Truly engaged associates will guarantee the continued success of our safety and environmental excellence Initiatives. Engaged employees believe that safety is a core value and understand what it takes to guarantee Safety Excellence. To make certain of this, Sadaqat Limited has implemented the Occupational Health & Safety Assessment Series (OHSAS) 18001 and International Standards Organization (ISO) 14001 guidelines. These paramount safety and environmental management initiatives provides continual improvement to an already strong safety culture, which in turn helps to ensure employee engagement and all of the benefits that safety guarantees.

Sadaqat Limited is actively pursuing multiple Green Initiatives in support of its commitment to the Environment. Our products range incorporates sustainable components in both material selection and energy consumption. Environmental Stewardship is an expectation and a basis upon which we conduct our day to day operations worldwide. We are committed in reducing our environmental footprint and the protection of environment and communities where we operate.

Sadaqat Limited is committed to safeguard the health, safety and welfare needs of its associates therefore it benchmarks and promotes safety focused, zero-lost hour and zero incident culture at its operations.



Commitment Fulfilled



Health and safety initiatives

The Company has developed a comprehensive annual training plan related to health and safety. Following are some initiatives carried out by the Company to safeguard the health and safety needs of its associates.

During the year, 12 fire fighting training sessions were conducted to provide associates with basic skills related to fire equipment usage, awareness regarding where those equipment are installed in the facility and emergency evacuation plan in case of fire.

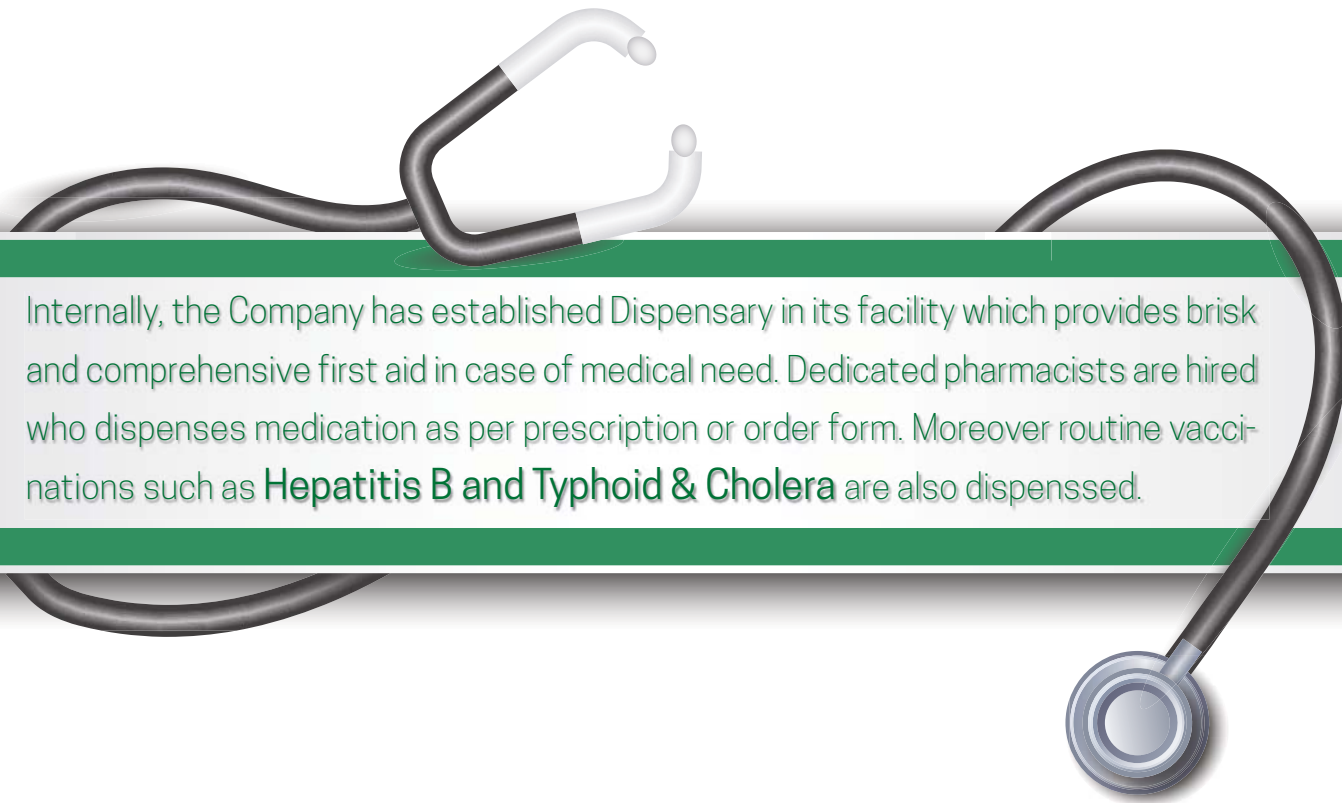
Social Performance Team (SPT) is also assigned and trained for occupational health and safety practices. The team includes workers from different departments so it aids in keeping an eye throughout the premises.

100% of the workforce is represented in formal joint management-worker health and safety committee which works at departmental level. The health and safety related topics/provisions are covered in the agreements with labour representative. This agreement promotes the acceptance of responsibilities by both parties and leads towards the development of positive and healthy culture.

To ensure safety of its workers, the Company has provided its work force with Personal Protective Equipment (PPE), so they can protect themselves from direct and indirect long term injury risks. Hands-on training regarding usage of PPE is also provided in different awareness workshops.

The Company also conducts training workshops after every 4 months related to chemical handling, waste handling and safe driving instructions. The Company uses both oral and practical demonstration methods to instil these protective measures among its associates.

The Company has extended its health and safety related approach by providing Group life insurance to all its employees as per applicable laws and total amount of premium is provided by the Company. Moreover, employees are provided with health insurance facility, paternal leaves and retirement provision as well.



Internally, the Company has established Dispensary in its facility which provides brisk and comprehensive first aid in case of medical need. Dedicated pharmacists are hired who dispenses medication as per prescription or order form. Moreover routine vaccinations such as **Hepatitis B and Typhoid & Cholera** are also dispensed.

Value Towards Society

Social well-being

As Sadaqat limited continues to grow, so does its impact on society that makes this aspect material for its stakeholders. To achieve a stable and sustainable equilibrium, this year the Company has shown greater commitment towards social well-being by taking part in socio-economic development of local community around its factory site.

To embed responsibility in its operations and activities, the Company has set Sustainable Development Goals (SGD's) as guiding principles for value creation and value sharing with local community in which it operates. The Company is also taking steps to uplift education, health and infrastructure facilities in the vicinity of its operations.

The Company has in place an Environment Health and Safety (EHS) Committee, which is mandated to devise strategies and programs for development around factory site. The Committee then uses numerous tools to monitor and follow-up the implemented programs, their performances and the value those programs add towards society.

The Company engages community on a continuous basis to obtain insights and suggestions for better community service. Moreover, no actual or potential negative impacts of operations, except environmental externalities, were identified during the year.



Combating corruption

Sadaqat Limited has developed a work environment where staff could safely and anonymously report known or suspected instances of frauds. Fighting successfully against corruption entails both a top-down and a bottom-up communication approach. The Company has ensured to potential whistle-blowers that they can act anonymously without fear of unjust retribution, so they can act as an essential element in eliminating corruption.

All operations were assessed for the risks related to corruption. No incident of corruption reported during the year. The Company has a dedicated internal audit department which continuously reviews the operations to identify the incidents of corruption, if any.

The Company has not specifically provided any formal training on anti-corruption during the year. However, the formal code of conduct, which is provided to every governing body member and employees, contains Company's policy on anti-corruption.



Voluntary activities initiated - highlights

Health Care and Community Initiatives

Sadaqat Limited treats health and safety with the priority and the importance it deserves. Respecting the fundamental healthcare of the people in society is an important factor contributing towards the economic development of the country.



Ali Zaib Foundation

Sadaqat limited has cooperated with ALI ZAIB Foundation in setting up blood donation camp in the facility on time to time basis. Employees are also encouraged to support the campaign by taking part in donation on voluntary basis.



Faisalabad Institute of Cardiology

The Company has constructed a 'waiting lounge' at 'Faisalabad Institute of Cardiology (FIC)' to provide relatives and visitors of patients with appropriate place for sitting and waiting. The Company has accorded it with necessities like canteen and washroom to facilitate the visitors.

Shahid Afridi Foundation

Shahid Afridi Foundation (SAF) is fighting battle to eradicate illiteracy and helping those suffering from lack of basic medical necessities.

To support the above cause and as a part of its commitment towards society at large, this year Sadaqat Limited hosted a scalable and impactful fund raising 'Iftar Dinner' at Serena hotel, Faisalabad in collaboration with SAF foundation and invited a considerable number of organizations. Those organisations and Sadaqat Limited in aggregate contributed a significant amount for the foundation's cause.

In addition to taking part in above fund raising activity, Sadaqat Limited has also committed to contribute a certain amount of funds to the foundation on monthly basis in order to support those suffering from lack of basic health and educational facilities which has been planned to be documented soon through a formal MOU between the Company and Shahid Afridi Foundation.



Educational needs and capacity building

Sadaqat limited is also taking part in capacity building programs by developing and strengthening the skills and abilities of individuals interested. The Company view its communities as a pool from which talent may be drawn and polished. This year Sadaqat Limited has collaborated and signed MOUs with different organizations at local, national and international level to accomplish the training and education needs of individuals who may also reap benefits for the organization:



LUMS

In order to facilitate the on-merit deserving students, Sadaqat limited has entered into an MOU with LUMS, one of the finest universities of Pakistan, under which it sponsored two eligible deserving students through "Sadaqat Limited Scholarship Grant" while sponsoring their complete program involving an annual amount of PKR 1,640,000, to be payable on semi-annual basis for two eligible students, until each student finishes his or her four years of undergraduate studies at LUMS.



NTU

Sadaqat Limited has signed an MOU with National Textile University (NTU) to provide internship's to the young graduates of the university to enhance their insights of textile sector in a practical environment. Internship is being offered for 8 weeks and it covers segments including processing, home textiles and fashion apparel.

As part of this MOU, Sadaqat limited has also donated certain equipment for the training lab of National Textile University to cater the research and development needs of students at NTU.



TESCO-Sadaqat Scholarship

Sadaqat limited joined hands with TESCO Stores Limited, one of its customer under the initiative "Education transforms lives". The Company has provided numerous scholarships to its employees in different schools and colleges under this initiative.

In addition to above scholarships, Sadaqat limited has also donated computers to different schools and provided a library for government school. This measure was to enhance information technology skills of students and make them a part of great technology revolution.



Government High School

Sadaqat Limited has been very kind to us. They provided us a library for our students to facilitate them. They have also installed a water filtration plant for our students to provide them hygienic water. We are very thankful to Sadaqat Limited.



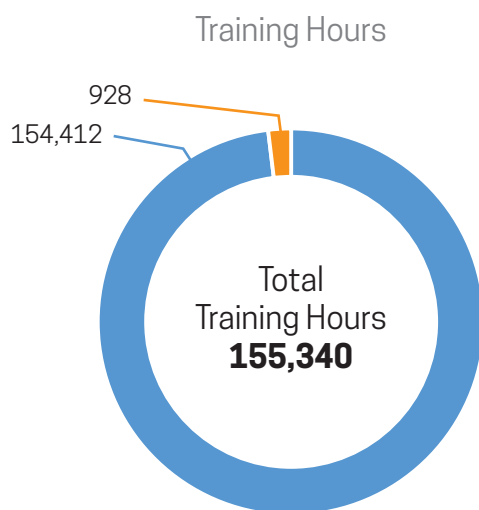
Rai Najeib Ullah
(Principal, Govt. High School)



Training and Development

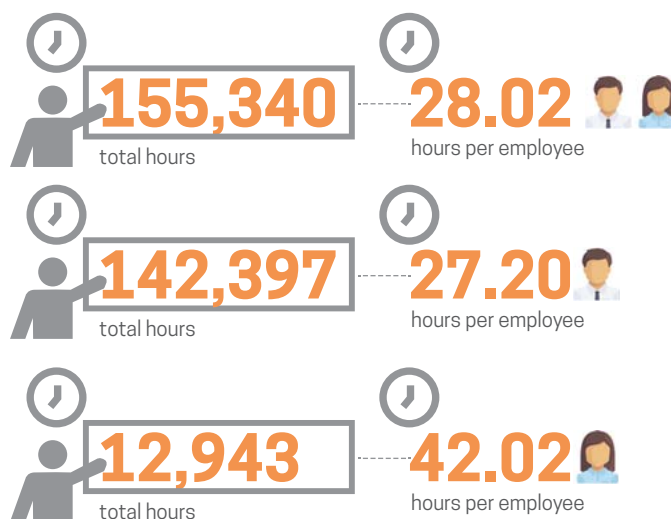
Training and development is an integral part for professional development and growth of the organization as well as its associates. The Company has managed this aspect by maintaining and enhancing human capital, particularly through its training calendar that is designed to provide learning opportunities throughout the financial year. To develop the calendar, Organization Development (OD) department regularly assesses the training need of the employees. Company admits that a workforce equipped with greater skills set, regularly trained and appraised for their performance enhances the organization's human capital and directly contributes towards employee satisfaction, which draws a parallel strong relationship with improved performance.

Aligned with the above commitment, Company provides various opportunities for lifelong learning through provision of in house trainings for enhancing their skill sets and at the same time employees are also encouraged to increase their qualifications in respective areas while working in the Company. 53% of male employees and 42% of female employees received performance appraisal and career development reviews during the year.



■ Total Internal Training Hours

■ Total External Training Hours



Voluntary initiatives



Sadaqat Limited is currently organizing and conducting Skills Enhancement Training exercise to cultivate local community with a blend of theoretical and practical exposure relating to Home textiles. This activity is primarily encouraging local women to learn necessary skills to survive and earn livelihood in this challenging economic environment. Appropriate Evaluation Matrix has been designed to evaluate the level of skills learned at the end of program. Successfully qualified individuals are often offered permanent opportunity in the facility by the company.

(Skills Enhancement Training Exercise)



As a part of its commitment to fulfilment of training and development needs of its employees, Sadaqat limited sponsored two days GRI Certified Training on Sustainability Reporting Standards for two of its top tier employees (both members being part of Sustainability Committee). GRI's Certified Training Course on the GRI Sustainability Reporting Standards was provided by Corporate Social Responsibility Center Pakistan (CSRCP), a certified training partner of GRI. The purpose of this training was to help the reporting teams to better understand the reporting standards for producing quality reports focused on material topics.

(Certified Training on GRI Standards)



Trainee Development - Gold

Sadaqat Limited has earned status of ACCA Approved Employer- Trainee Development and Approved Training Employer (ATE) of Institute of Chartered Accountants of England and Wales (ICAEW) this year. Under this initiative, employees and trainees under the scheme will be provided a platform to optimally enhance their skills set in the optimal direction. The Company has designed a dedicated career road map for the new joiners who will join the Company through this path. Career road map is embedded with comprehensive training throughout the organization. Aim of that training program is to develop technical skills in professional accountants. Training will be intended to enhance practical insights towards the role of professional accountants and what value they can add. At the same time, they will be provided with sound knowledge about different segments including Accounts, Audit, Finance, Corporate Planning and Control (CPC) or Taxation.

(Association with ACCA and ICAEW)





Adeel Ahmed

FCCA, FPFA
(Manager - Corporate Planning and Control)
Qualified Person Responsible for Training - ICAEW
Practical Experience Supervisor - ACCA

Intellectual capital and knowledge management have become major sources of corporate competitiveness in most industries. In the age of digitalization where artificial intelligence and technology has pushed a new era, management of Sadaqat Limited has also taken steps to uplift its professionally skilled resource.

Aligned with this belief, Company has secured the approved employer status of Institute of Chartered Accountants of England and Wales (ICAEW) and Association of Chartered Certified Accountant (ACCA), two of the world leading accounting and finance bodies. This move shall provide ample opportunities to the employees and shall enhance their knowledge and expertise which can be helpful in increasing the efficiency and productivity of the organization.

In this financial year, Sadaqat limited has also conducted a session for its employees in collaboration with ACCA. The training session was targeted towards Research and Insight relating to Entrepreneurship and critical thinking approach under the segment "Think Ahead with ACCA".

Trainee's Corner

Workshop was not only informative but it also boosted my motivation level towards the work place and I learnt that there can be different ways of looking at same thing.



Nadeem Baig

(Manager Finance)
FPFA, Commonwealth MBA (Finance)
CIPFA (UK)



Adding new skills in my expertise wallet is always my enthusiasm. Sadaqat limited skills enhancement exercise help fills the thirst for learning. Recent ACCA's training session was deeply packed with innovation and learning. I would recommend that such trainings be conducted on consistent basis.



Muhammad Yasin




(Officer - Corporate Planning and Control)
MS-Banking and Finance



Work Force Structure

TYPE	Full Time	5235	308	5543
	Part Time	-	-	-
	Total	5235	308	5543
CATEGORY	Management	293	5	298
	Staff	4942	303	5245
	Total	5235	308	5543
CONTRACT	Permanent	5235	308	5543
	Temporary	-	-	-
	Total	5235	308	5543
REGION	Faisalabad	3517	200	3717
	Other	1718	108	1826
	Total	5235	308	5543
HIRING	Below 30	1721	77	1798
	30 to 50	794	122	916
	Above 50	64	4	68
	Total	2579	203	2782
ATTRITION	Below 30	1191	33	1224
	30 to 50	621	62	683
	Above 50	41	3	44
	Total	1853	98	1951



				
ORGANIZATION	Rate of Injury	-	-	-
	Occupation Disease rate	-	-	-
	Lost days rate	N/A	N/A	N/A
	Total	-	-	
CONTRACTOR	Full Time	-	-	-
	Part Time	-	-	-
	Total	-	-	

MINORITY	MUSLIM	NON MUSLIM	AGE GROUP	< 30	30 – 50	> 50
Management	298	-	Management	76	207	15
Staff	5096	149	Staff	3005	2051	189
Total	5394	149	Total	3081	2258	204

Board of Directors

MINORITY	MUSLIM	NON MUSLIM	AGE GROUP	< 30	30 – 50	> 50
	7	-		-	6	1
	-	-		-	-	-

We Celebrate Our Employees

To promote inclusive work environment where employees are treated with all the respect they deserve Sadaqat Limited has started celebrating the birthdays of its employees. To make their special day more notable and crispy, the Company surprises its employee with a pleasant bouquet along with a delicious cake and capture the moment to make it memorable for life time.

Happy
BIRTHDAY

to you!



Social Stewardship



Sadaqat Limited has been awarded compliance certificate abiding by 18001:2007 initiative of Occupational Health and Safety Assessment Specification (OHSAS) certified by BUREAU VERITAS.

This initiative demonstrates commitment of our company to maintain an effective health and safety management system and a safe working environment throughout the company premises.

Sadaqat Limited has scrutinized its facility as per 4 pillars of Sedex Members Ethical Trade Audit (SEMTA). SEMTA is an audit procedure which is a compilation of good practice in ethical audit technique and Sadaqat Limited has achieved passed status in its audit.

SEMTA methodology ensures the organizations practices from four different perspectives such as Health and safety, Labour standards, Environment and Business ethics. Due to the company's greater compliances and positive practices in all these areas, Sadaqat limited achieved this upshot.



Sadaqat Limited has been awarded compliance certificate abiding by Social Accountability (SA) 8000:2008 initiative certified by BUREAU VERITAS.

This initiative demonstrates the company's intent to provide a standard working place based on international human rights norms and national labour laws that will protect its associates from some unethical practices such as Child or forced labour, Discrimination at work place and at the same time provide decent place for rights to collective bargaining and freedom of association.

Keeping in view of increasing security related global issue, Sadaqat Limited became an active member of the Supplier Compliance Audit Network (SCAN). Upholding this status along with regular C-TPAT audits, the company's displays its commitment towards greater quality and security for global importers and customers.



Sadaqat Limited has been awarded Gold certificate of compliance successfully abiding by standards of Worldwide Responsible Accredited Production (WRAP).

Company achieve this universally accepted milestone to ensure greater commitment towards human resources management, health and safety, environmental practices, and legal compliance.

The WRAP Certification Program's objective is to independently monitor and certify compliance with these standards, to ensure that sewn products are being produced under lawful, humane and ethical conditions.

Way Forward



Sadaqat limited is actively working to revamp its Human rights policies in order to align it with the 10 principles of UNGC. Moreover the Company is putting stress over aspects like workers well-being, their safety and security; and increased focus over Women's Empowerment.

The Company has targeted greater number of female training hours next year to play its part in the journey of diversity and equality by empowering women at their respective areas.

Moreover, the Company has a commitment to maintain and enhance its journey with Shahid Afridi foundation in its initiative of community well-being by playing its part in eradicating illiteracy and helping those suffering from lack of basic medical needs.



Moving forward, Sadaqat Limited has active plans relating to training and development of its existing employees and also long term career based plans for its new hiring. Among its great number of organizational development programs, the Company is also developing comprehensive career road map for individuals who wish to join ICAEW as their career. These capacity building initiatives will enable company to measure its progress towards associate's well-being and make them an integral future resource of the Company.

“We believe that the journey to optimize social wellbeing is an on-going process. We are actively taking steps to build a culture that supports the wellbeing of people associated with our Company over the long term.”

Future Commitment





SPOTLIGHT ON

ENVIRONMENTAL

Sadaqat Limited has shown commitment towards environmental protection and reducing negative environmental impacts of its operations through continuous adoption of new technologies and processes. Moreover, the management is analyzing its operations from the angle to ensure environmental protection opportunities are exploited for ecological stewardship.

- Management Approach
- Material Consumption
- Water Consumption
- Emissions
- Waste and Effluents
- Environmental Protection Expenditures
- Energy Consumption & Conservation
- Environmental Stewardship

Management Approach

The Company considers this aspect as important since it shall contribute towards joining hands for the conservation and effective utilization of the global resource base. The Company believes that tracking its resource consumption internally shall facilitate the process of monitoring material efficiency and the cost of materials throughout the production process.

The Company is aware of its direct and indirect impact on environment and has shown commitment towards environmental protection and reducing negative environmental impacts of its operations through continuous adoption of efficient technologies and processes. Moreover, the management is analysing its operations from the angle to ensure environmental protection for ecological stewardship.

The Company has Environment, Health and Safety policy in place executed and monitored by Environment, Health, and Safety Committee headed by the GM - HR & Compliance. The policy serves as a guideline for investments and improvements in Health and Safety segment.

The EHS Committee has mandate to formulate guidelines, take decisions, review performance and fix responsibility for environment, health and safety related matters.

The Company has identified material aspects having major environmental impacts of its operations and influence on stakeholders' decisions. The material environmental impacts are listed in the materiality matrix. The management's approach is focused to avoid and mitigate negative impacts of its operations leading to cautious raw material usage, energy & water efficiency and reducing emissions & wastages.

The GM - HR & Compliance is responsible for performance, regulatory affairs and monitoring the compliance with health and safety policy of the Company. The Company regularly deposes its key staff on health, safety and environmental trainings to equip them with the latest knowledge on the subject. The monitoring of the system is carried out on a continuous basis to ensure compliance with the internal policies, targets, applicable laws, certifications and customer's compliance requirements.



Our certifications

Our production facilities are certified for quality management system ISO 9001:2008, ISO 14001:2004 environmental management system and OSHAS 18001:2007 occupational health and safety.

These certifications help the Company to bring improvements in the management system and build stakeholder confidence. The management approach is also reviewed in management meetings which results in setting right targets and taking corrective actions where required.

As a result of continual efforts,
Sadaqat Limited

has clean record in compliance with laws, regulations and voluntary codes concerning nature and environment. Moreover, the Company has neither paid any material fines nor has been subject to non-monetary sanctions for non-compliance with environmental laws and regulations during the year.

Commitment Fulfilled

Material Consumption

Major material which we use in our facility is yarn, grey, dyes and chemicals. Company strives to efficiently use its raw material throughout its production process and in doing so, company has successfully executed a notable capital expenditure in terms of plant and machinery. Company has replaced its old machinery with state-of-the-art technology leading to innovation, improvement in quality of products and competitive edge in the market. In the long run, the Company is seeking end to end automation in dyeing, printing, cutting, stitching and packing units for which we expect to derive significant benefits in relation to efficient use of available resources.

Direct Material Consumed



YARN
471.1%
2017 vs 2016



GREIGE
7.6%
2017 vs 2016



DYES AND CHEMICAL
13.1%
2017 vs 2016



PACKING MATERIAL
6.0%
2017 vs 2016

Indirect Material Consumed



STITCHING
5.1%
2017 vs 2016



STORE SUPPLIES
199.2%
2017 vs 2016

TYPE	UOM	2017	2016	2015
Yarn	Bags	60,143	10,531	17,554
Greige	Mtr	51,647,165	55,867,000	45,400,000
Dyes and Chemical	Kg	4,353,645	3,848,000	2,862,000
Packing Material	Nos	119,531,913	127,220,000	78,264,000

TYPE	UOM	2017	2016	2015
Stitching	Nos	98,526,724	103,817,000	51,449,000
Stores Supplies	Nos	72,381,498	24,188,000	20,287,000

Water Consumption

We, at Sadaqat, continuously seek to optimize water efficiency and intake of our production processes. The water which is used is withdrawn from ground wells and does not significantly affect water level around plant site.

Sadaqat Limited takes due care while discharging wastewater to nearby surroundings. It has successfully achieved 100% level in treatment of waste water through Environmental Protection Authority (EPA) approved waste water treatment plant.

Commitment Fulfilled



WATER REUSED
44%
2017



WATER CONSUMPTION
1KG FABRIC
3%
2017 vs 2016



TYPE	UOM	2017	2016	2015	2014
Water withdrawal/year	M ³	881,530	878,120	968,464	1,203,102
Water consumption/kg Fabric	Kgs	51.304	53.085	65.444	92.466
% of water reused	%	10%	6.9%	6.3%	1.3%
Water reused (Volume)	M ³	87840	60840	60840	15210

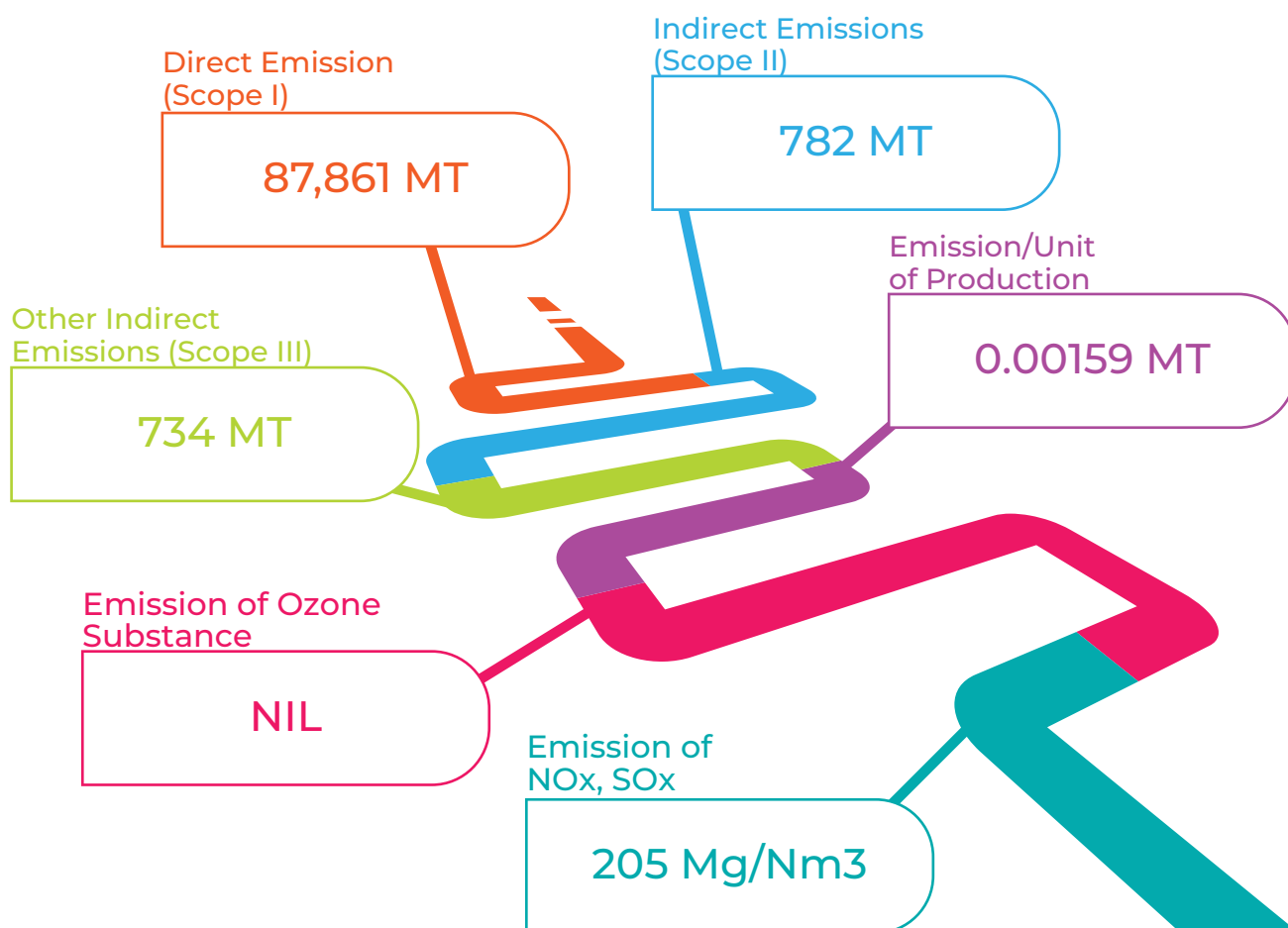
This is one of our achievements that International water consumption norm for 1kg of fabric is 100 kgs of water whereas owing to efficient and effective water usage approach, we have been able to reduce our water consumption from 53 kgs to 51 kgs / 1 kg of fabric while optimizing water consumption by a further 3%.

Commitment Fulfilled



Emissions

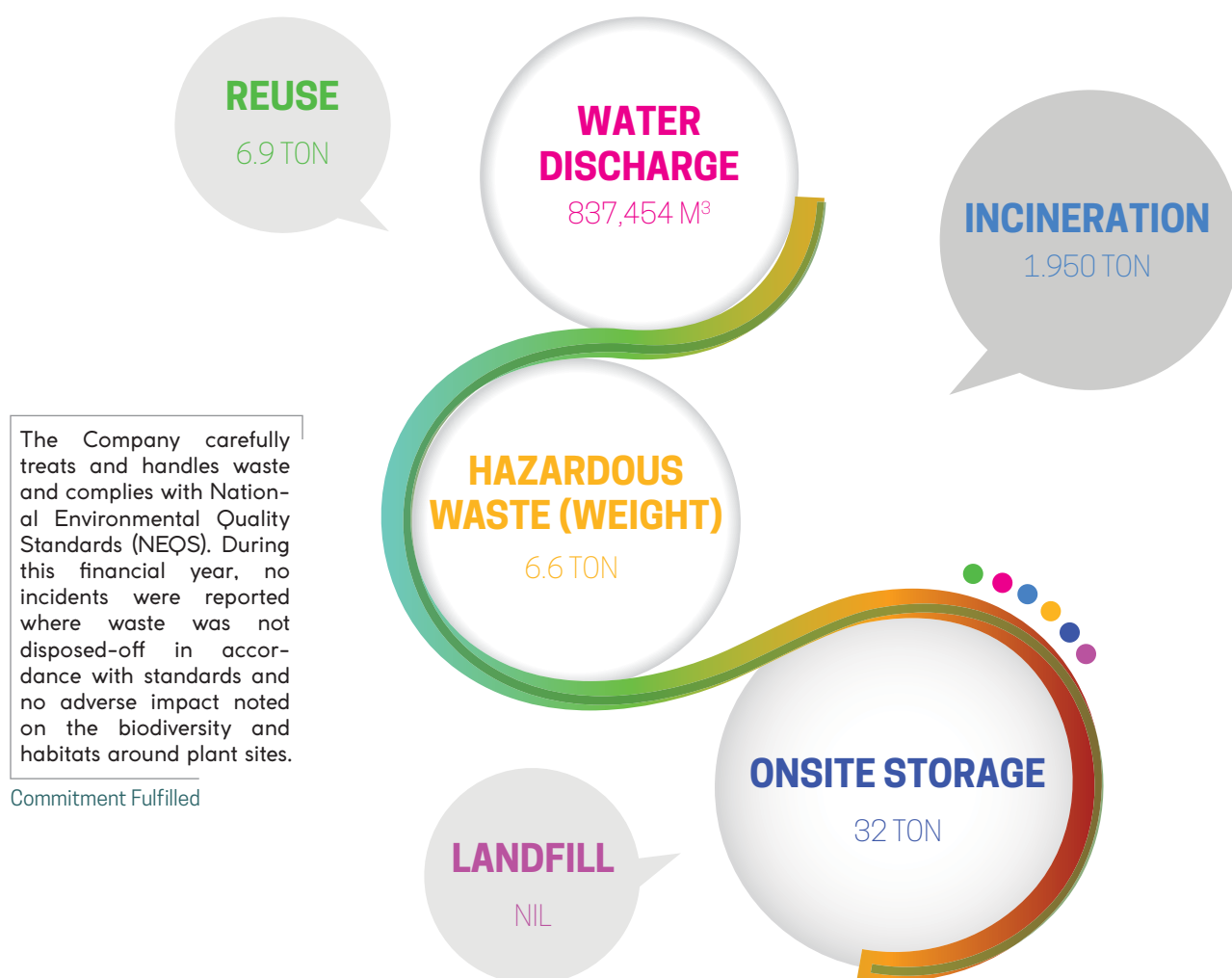
Scope I GHG emissions were used to calculate emission intensity. Scope III emission contains waste water treatment related emissions which are not accounted in Scope I. The Company has placed cyclone system in its facility to control particulate matters (PM) which has helped us in reduction of SOx and NOx. Moreover, Company has engaged third party to record its emissions. The Emission of Greenhouse gasses is measured by taking the reports of energy consumption from Energy Management module of ERP and then conversion factor is applied to evaluate the GHG emission. However, some of the Greenhouse gases are obtained from 3rd party measurement report, including Sox and Nox emissions. The Company has engaged global environmental lab which is certified laboratory from EPA Punjab. Moreover the conversion factors were sourced from "UK Government GHG conversion factors for company reporting".



TYPE	UOM	2017	2016	2015	2014
Direct Emission (Scope I)	MT	87,861	71,737	52,256	22,664
Indirect emissions (Scope II)	MT	782	2,170	2,738	3,411
Other indirect emissions (Scope III)	MT	734	734	734	734
Emission/unit of production	MT/Meter	0.00159	0.00138	0.00109	0.00058
Emission of Ozone-Depleting Substance	Ton	Nil	Nil	Nil	Nil
Emission of NOx, SOx	Mg/Nm ³	205	270	183	181

Waste and Effluents

The waste water is discharged in drain and measured by flow meters. Environmental Protection Authority (EPA) approved waste water treatment plant is installed at Sadaqat Limited which ensures appropriate treatment of waste water to mitigate harmful elements to meet the National Environmental Quality Standard (NEQS) limits.



TYPE	UOM	2017	2016	2015	2014
Water discharge	M ³	837,454	834,214	920,041	1,142,947
Reuse	Ton	6.9	37.16	35.38	30.79
Incineration	Ton	1.950	1.826	1.114	0.305
Landfill	Ton	Nil	Nil	Nil	Nil
Onsite storage	Ton	32	32	30	1,338
Hazardous waste (weight)	Ton	6.6	4	4	101

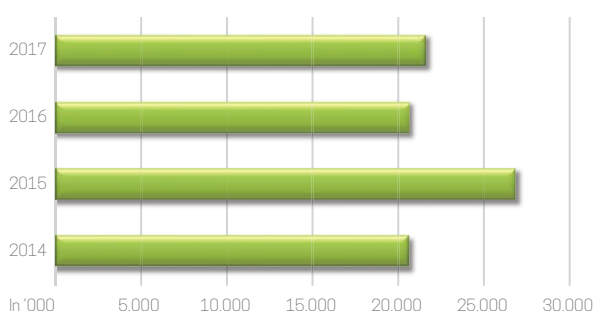


Environmental Protection Expenditures

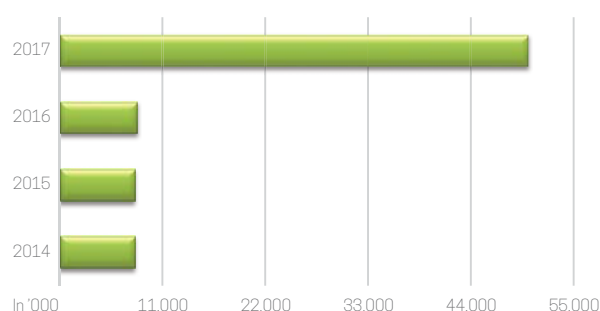
Sadaqat limited has shown commitment by investing more than PKR 199 Million during the past few years in environment protection and prevention. This year, the Company has notably invested in cyclone system and waste heat recovery plant which enabled operations of the organization to become more environmental friendly and sustainable in nature.

Aligned with our commitment towards reducing environmental burden of our operations, we have partnered with World Wide Fund (WWF) on green office initiative which helps us to reduce our environmental impacts, results in saving through changed processes and shall also help contribute to slow down in climatic change.

Waste Disposal and Remediation Costs



Environmental Management Costs



TYPE	UOM	2017	2016	2015	2014
Waste disposal and remediation costs	Million	21.7	20.8	27	21.7
Environmental management costs	Million	52.8	20.6	19.6	15.8

Owing to strong implementation of the Company's policies and regular customer audits, during the year, no incidents were reported regarding non-compliance of environmental laws and regulations.

Commitment Fulfilled

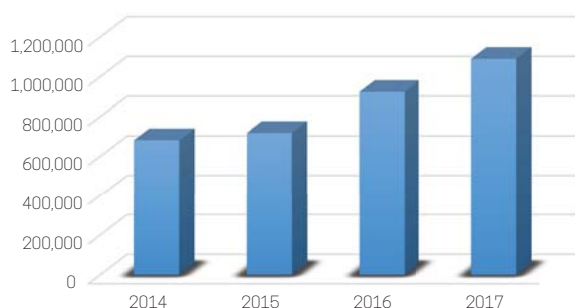
As part of its environmental protection program, this year Sadaqat Limited has planted 2195 trees along its premises. This shall result in sequester of around 50,000kg of Carbon dioxide per annum. This will somewhat counter the effect of GHG emission caused by production process, hence a positive move towards environmental stewardship.



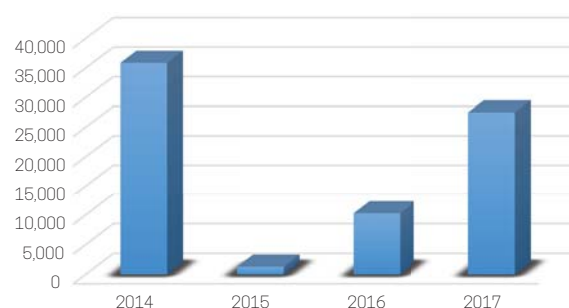
Energy Consumption & Conservation

Though Sadaqat Limited's operations are energy intensive and the energy requirements are mainly met through non-renewable sources yet it is directing its efforts to efficiently utilize its energy sources, reduce its carbon footprints and conserve natural resources in an optimal manner. Energy consumption data is recorded in our Energy Management module of ERP system in relevant unit, as KWH for Electricity and MJ/KG for LPG. Relevant reports are accumulated and their UOM is consolidated into gigajoules (GJ) to obtain the mean energy figure. The Company has maintained a separate module for Energy reporting, hence it provides a comprehensive information regarding energy usage in manufacturing operations.

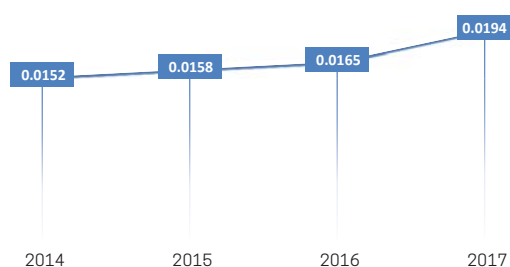
With-In Organization - GJ



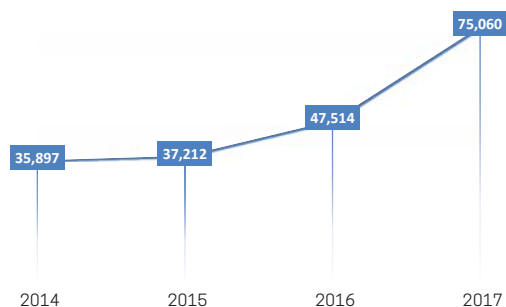
Energy Saving Per Year - GJ



Per Meter Fabric (GJ/Meter)



Energy Saving (Cumulative) - GJ



TYPE	UOM	2017	2016	2015	2014
With-In Organization	GJ	1,090,386	924,194	718,411	681,611
Per Meter fabric	GJ/Meter	0.0194	0.0165	0.0158	0.0152
Energy Saving Per Year	GJ	27,546	10,302	1315	35,897
Energy Saving (cumulative)	GJ	75,060	47,514	37,212	35,897

Recent Initiatives to Conserve Energy

Heat exchanger

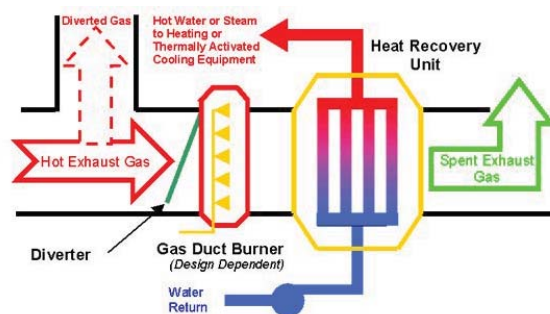
In FY 2016, the Company has installed heat exchangers in mercerizing and pad steam, which has helped it to save 29 GJs of energy.

Efficient electric motor

The Company has also replaced exhaust fans throughout its premises with energy efficient latest motor fans which helped the Company to save 472 GJs of energy during the financial year 2017.

Waste Heat Recovery Plant

After close of FY 2016, the Company also invested in Waste Heat Recovery Plant that has helped it to achieve significant energy saving of 15302 GJs.



Valve insulation

The Company has insulated its valves placed in its factory which helped it to maintain temperature within steam pipelines installed in its processing facilities enhancing steam efficiency while resulting in energy savings of 3221 GJs in FY 2017.

Replacement of air conditioners with chiller plant

This year the Company has replaced its Air Conditioners with Chiller Plant in its head office and processing unit which resulted in saving 3,469 GJs of energy.

Replacement of tube lights with led lights

In FY 2017, the Company replaced 8125 Tube Lights with LED Lights throughout our premises which resulted in saving 3255 GJs of energy.

Replacement of existing lifters with energy efficient ones

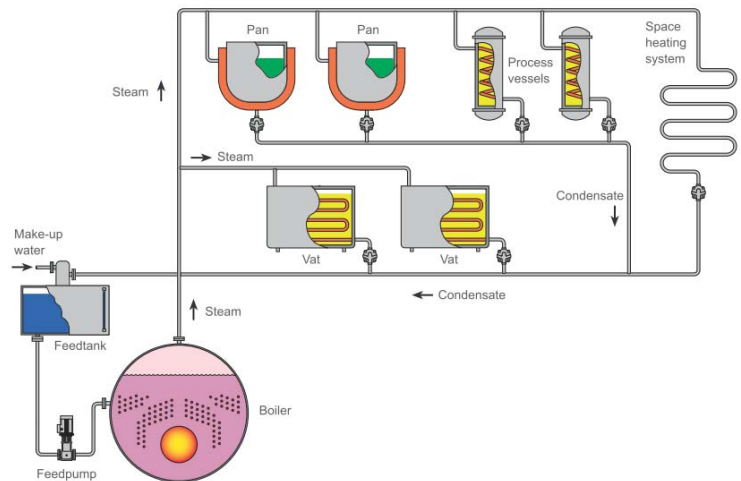
In FY 2017, the Company also replaced existing lifters with energy efficient ones which helped to save 13 GJs of energy.

Installation of rotary filters

In FY 2016, the Company installed Rotary Filters which helped us to re-use hot water in our processing facilities including bleaching plant, dyeing and pad steam which helped us to save 476 GJs of energy in FY 2017.

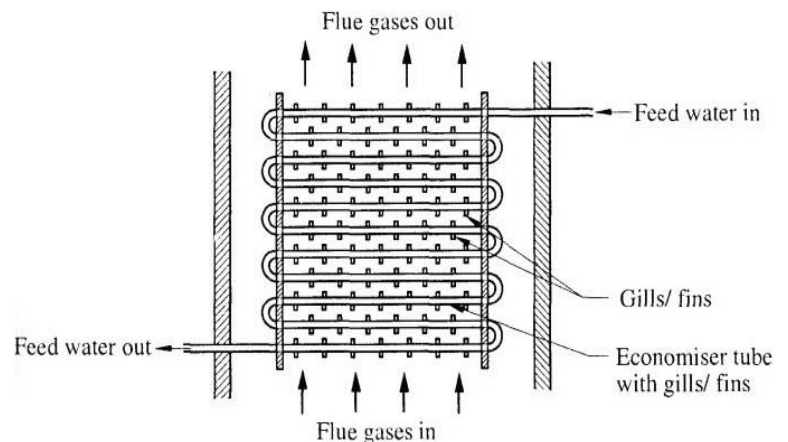
Condensation recovery system

In this FY the Company has installed Condensation Recovery System at its boilers allowing it to avoid extraction of new water and energy consumption in its processes. This initiative has helped the Company to save 2575 GJs of energy in six month.



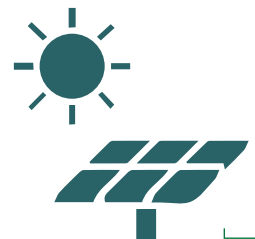
Economizer at 2.5 MKCL boiler

In FY 2017, the Company has installed Economizer, Economizers are basically tubular heat transfer surfaces used to preheat boiler feed water before it enters the steam drum. By recovering the energy from the flue gas before it is exhausted to the atmosphere this performs a key function in providing overall high boiler thermal efficiency. By help of economizer, we save 3160 GJs of energy.



Renewable Energy

Currently Sadaqat Limited has installed renewable energy source of 25 KWH Solar System in its facility. This initiative is resulting in savings of 674 GJs of energy each year; however company has planned to enhance its renewable energy source to 35 KWH by Financial Year 2017-18.



Environmental Stewardship



Sadaqat Limited has been awarded Diploma certificate by complying with green office initiative of World Wide Fund (WWF). As per initiative of WWF, Sadaqat Limited has shown responsibility towards its business's impact on Earth's climate and joined hands with them in making a positive environmental difference.

WWF-Pakistan Green Office Initiative team has lend a hand to Sadaqat Limited on the path towards greening its office and business practices. They have provided the company with Environmental Management System (EMS) and stridden the company through its implementation. Sadaqat Limited has fulfilled the criteria of Environment Management System (EMS) defined by WWF-Pakistan and based of it the company has been awarded a diploma certificate and rights to use the Green office logo.



Sadaqat Limited is delighted to become participant in United Nation Global Compact along with part of GRI Gold Community to join their road map of continuous commitment towards sustainable development and sustainability reporting.

By becoming part of these bodies, Sadaqat Limited has ensured sustainable practices and reporting towards producing quality products, reducing the environmental burden of its processes, engaging its stakeholders for their valuable inputs and devising strategies for inclusive growth and equal opportunities by providing sustainable returns to its shareholders, financing partners, supporting its suppliers and contributing to socio-economic development in its communities and world, at large. Moreover, being a member of GRI Gold Community has provided us the platform to be a part of a global community of knowledge sharing among peers and industry leaders with the latest imminent and inclination in sustainability and reporting



Sadaqat Limited has been awarded compliance certificate abiding by International Standards Organization (ISO) 14001:2004 initiative certified by BUREAU VERITAS.

ISO 14001:2004 is the principal management system standard which specifies the requirements for the formulation and maintenance of an Environmental Management System (EMS). By abiding with this standard, the company has ensured control over its environmental aspects and related impacts at community where company operates and to ensure legal compliance with applicable legislation.



Sadaqat Limited has been awarded compliance certificate abiding by Global Recycled Standard (GRS) version 3.0 inspected and certified by Control Union Certified. The Global Recycled Standard (GRS) is a product standard for tracking and verifying the content of recycled materials in a final product, while ensuring strict production requirements.

The Standard establishes that specific input materials are accounted for and quantified for the purposes of making a percentage-based claim. The Standard applies to products that contain 20% or more recycled content. At the same time the Standard gives guidelines for social and environmental requirements during the production stages of GRS certified products, hence ensuring sustainability throughout the business operation.



Report Profile

Scope

Objective	To inform and inspire both internal and external stakeholders.
Reporting Period	1st July 2016 to 30th June 2017
Reporting Cycle	Annual
Date of Publication	27 th February 2018
Boundary	Data and financial information related to Sadaqat limited only.
Most recent report	FY- 2016



Note: There is no material restatement from previous reporting period either in the scope/aspect boundary or the information provided in the previous report. However where there is restatement, figures have been restated to rectify certain errors.

Process

Content	Based on the material topics resulted from our dialogues with stakeholders, Global Reporting Initiative (GRI) G4 guidelines for Core level report.
Aspect boundaries of materiality	Based on significance of economic, environmental and social impacts along with influence on stakeholders assessment and decisions.
Report Base	The report is GRI-G4 in accordance—Core level report.
External Assurance	EY Ford Rhodes 96 / B-1, 4th Floor, Pace Tower, M.M.Alam Road, Gulberg III, Lahore, 54000, Pakistan



Feedback

The input of our readers is important to us. You can send your feedback, questions or suggestions at below mentioned addresses:



Mr. Osman Mukhtar

GM - HR & Compliance

Sadaqat Limited

2 KM, Sahianwala Road, Khurrianwala, Faisalabad-Pakistan.

Email: osman.mukhtar@sadaqatgroup.net

Mr. Waleed Afzal

Manager - Finance, Team Leader - CPC

Sadaqat Limited

2 KM, Sahianwala Road, Khurrianwala, Faisalabad-Pakistan.

Email: waleed.afzal@sadaqatgroup.net

Stakeholder Engagement

Our Approach

We ensure effective and on-going engagement with stakeholders to seek continuous improvement.

Stakeholders Value

We recognize stakeholders' as significant contributors towards our long term business success.

Staying Connected

We believe, staying involved and connected is foremost important in an increasingly globalized world.

We value stakeholder's input and interacts keenly with group or individuals that can significantly get affected by its activities, products, and services; and whose actions can affect its ability to successfully implement its strategies to achieve its objectives. The details of engagement activities with different stakeholders are mentioned hereunder.

Stakeholder Group	Stakeholder Interest	Mode of Consultation	Frequency
Shareholders and providers of capital	Increased rate of return, business growth, good corporate governance	Email and meetings	Annual/Need
Employees	Fair wages, training and education, and health and safety	Meetings and employee representation groups	Ongoing/Annual
Customers	Product quality, cost and timely delivery	Marketing Dept. customer feed backs	Ongoing/Annual
Local community	Interventions for social uplift, environmental impact of operations	Environmental Health and safety committee or sustainability committee	Ongoing/Annual
Govt. and other regulatory bodies	Compliance of laws and regulations	Letters and E-mails	Ongoing/Need
Suppliers	Reasonable terms and conditions timely payments	Through procurement department, Suppliers meetings	Ongoing/Annual
Media	Wider range of issues concerning different stakeholders	Depending on nature of requirement	Need basis

During the year, the Company carried out sustainability specific consultation with important stakeholder groups such as Banks, Customers, Suppliers, local community and Employees to determine material topics for Sustainability Report 2017. Such interactions were conducted through emails, letters and meetings.

During stakeholders' engagement meetings, conducted with community representatives and employees different aspects related to sustainability were discussed and addressed.

Employees representatives highlighted the areas including training and development needs while encouraging the Company to continue its initiatives related to provision of technical and skill oriented trainings for its employees. In response to this concern, the stakeholders' engagement team also highlighted the Company's initiatives towards continuance of skill based trainings including Skills Enhancement Training Exercise under Punjab Skills Development Fund (PSDF) conducted in collaboration with Government of Punjab.

Community representatives were interested to know about GHG emissions being caused by the Company in response to which the Company highlighted that it monitors and discloses its emissions through sustainability reports and also ensured that installation of wet scrubbers were expected to significantly mitigate GHG emissions hence controlling Company's contribution to pollution. However, improvement in Health and Safety measures taken across the premises were applauded by both, the representatives of community as well as employees.

Materiality Matrix

Based on the stakeholders' dialogue, feedbacks and reply to e-mails, we carried out materiality analysis to determine the material issues specifically related to textile industry for our Sustainability Report 2017. The materiality analysis helped us to direct our attention towards significant economic, environmental and social impacts and having significant influence over stakeholders' decisions.

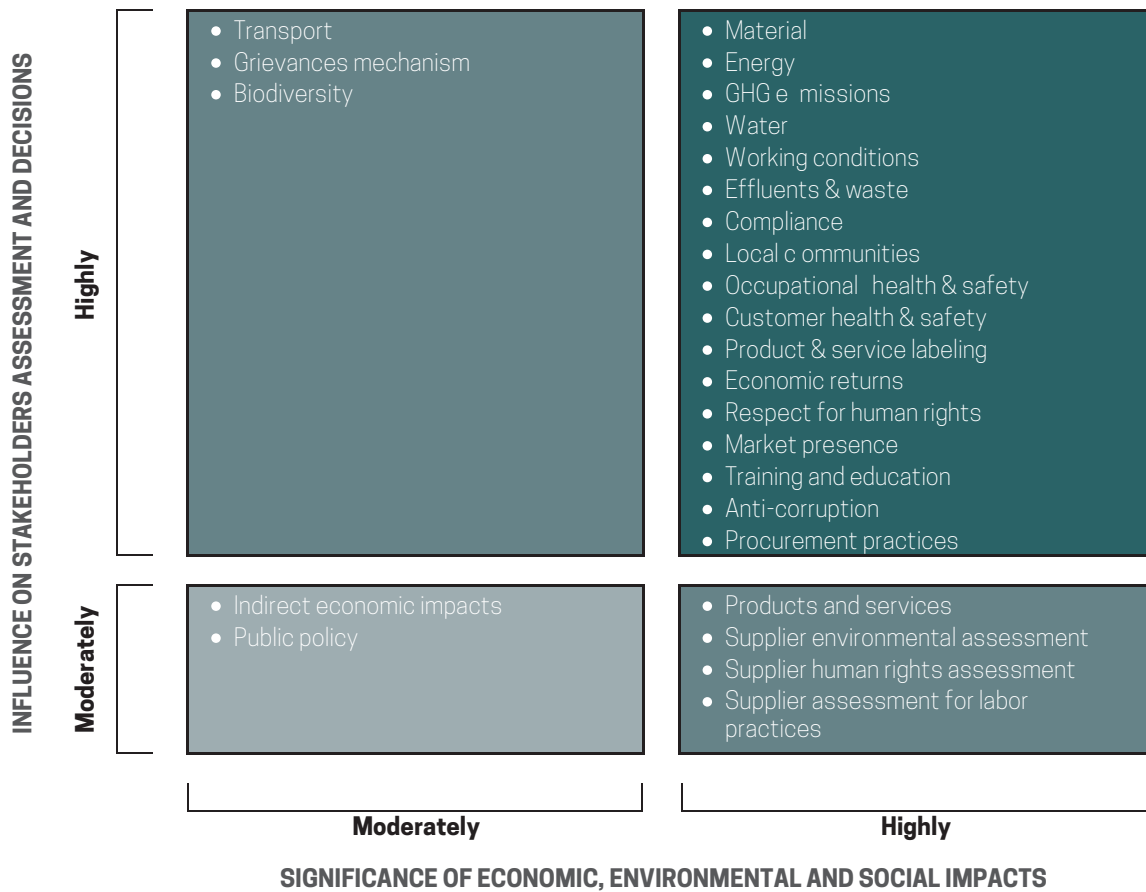
We took the following steps:



The materiality matrix represents the result of materiality determination exercise. The matrix is divided into areas to show topics which have moderate or high influence on stakeholders' decisions and moderate or high significance economic, environmental and social impacts. During the year no major changes in material aspects or scope occurred.



Matrix



Boundary of material topics

Sustainability area	Material topic	Boundary (within / outside)
Economic	Economic returns	Sadaqat Limited
	Procurement practices	Sadaqat Limited and its supplier
	Market presence	Sadaqat Limited
Environment	Material	Sadaqat Limited
	Energy	Sadaqat Limited and its supplier
	Water	Sadaqat Limited, its suppliers and customers
	GHG emissions	Sadaqat Limited and its supplier
	Effluent and waste	Sadaqat Limited and its supplier
	Compliance	Sadaqat Limited
Social	Working conditions	Sadaqat Limited
	Occupational health and safety	Sadaqat Limited
	Customer health and safety	Sadaqat Limited
	Training and education	Sadaqat Limited
	Anticorruption	Sadaqat Limited
	Local communities	Sadaqat Limited and the local community
	Respect for human rights	Sadaqat Limited and its suppliers
	Marketing communications	Sadaqat Limited

Assurance Statement from EY



EY Ford Rhodes
Chartered Accountants
96-B-1, 4th Floor, Pace Mall Building
M. M. Alam Road, Gulberg-II
P.O. Box 104, Lahore-54660

Tel: +9242 3577 8402-11
Fax: +9242 3577 8412-13
ey.lhr@pk.ey.com
ey.com/pk

INDEPENDENT ASSURANCE REPORT ON THE SUSTAINABILITY REPORT 2017 TO THE BOARD OF DIRECTORS OF SADAQAT LIMITED (THE COMPANY)

Introduction

We have undertaken a limited assurance engagement on the Sustainability Report of Sadaqat Limited (the Company) for the year ended 30 June 2017 prepared by the management of the Company.

Criteria

The Company has prepared the Sustainability Report (2017) 'in accordance' with core option of Global Reporting Initiative's (GRI) G4 Sustainability Reporting Guidelines.

Management's responsibility

The Company's management is responsible for the preparation of the Sustainability Report in accordance with the criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

Limitations

Our assurance scope excludes:

- Data and Information outside the defined reporting period (01 July 2016 to 30 June 2017).
- The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention and national or global socio-economic and environmental aspects.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of historical financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility and summary of work performed

Our responsibility is to express a limited assurance conclusion on the Sustainability Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000, 'Assurance Engagements other than audits or reviews of historical financial statements' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of Company's use of the Criteria as the basis for the preparation of the Sustainability Report, assessing the risks of material misstatement of the Report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

EY

Contd....P/2

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The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, the procedures selected were based on our professional judgement. Within the scope of our work, we performed amongst other the following procedures:

- Review Company's approach to stakeholders' engagement and processes for determining material issues through interviews and review of related documents;
- Conducted interviews to gain insight into the data gathering process and the Company's evidence collection processes, for the selected disclosure and KPI;
- Assessed the completeness and consistency of the non-financial disclosures and performed analytical and specific testing procedures on the selected qualitative and quantitative statements;
- Tested data reliability and completeness of information by reviewing calculations made, assumptions and source of data;
- Collected evidences for the selected disclosures – sample of evidences include invoices/bills/meter readings etc; and
- Performance of site visits as part of inspection of processes for collection, analyzing, validation and aggregation of sustainability data and their documentation on a sample basis.

Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the Criteria.



Chartered Accountants

Engagement Partner: Abdullah Fahad Masood




Lahore

Date: 27 February 2018

GRI-G4 Content Index

The following table has been provided to help the reader in locating content within the document that relates to specific GRI-G4 indicators. Each indicator is followed by reference to the appropriate pages in the Sustainability Report 2017 or other publicly available sources.

Key

SR	Sustainability report
	Fully disclosed
	Partially disclosed
	Not disclosed

General Standard Disclosure

General Standard Disclosures		Publications	Page
G 4 -1	Statement from the Chairman and the CEO	SR	3-5
G 4 -3	Name of the organization	SR	7
G 4 -4	Primary brands, products, and/or services	SR	12
G 4 -5	Location of the organization's headquarters	SR	7
G 4 -6	Countries where the organization operates	SR	7
G 4 -7	Nature of ownership and legal form	SR	7
G 4 -8	Markets served	SR	7
G 4 -9	Scale of the reporting organization	SR	7
G 4 -10	Workforce characteristic	SR	43-44
G 4 -11	Employees covered by collective bargaining agreements	SR	30
G 4 -12	Organization's supply chain	SR	8
G 4 -13	Changes in organization's size, structure, ownership or its supply chain	SR	7-8
G 4 -14	Precautionary approach to risk management	SR	7
G 4 -15	Externally developed charters, principles or initiatives to which the organization subscribes	SR	7
G 4 -16	Membership in associations or organizations	SR	7
Identified Material Aspects and Boundaries			
G 4 -17	Entities included in the organization reports	SR	59
G 4 -18	Reporting principles for defining report content	SR	59



General Standard Disclosures		Publications	Page
G 4 -19	Material aspects identified in defining report content	SR	61
G 4 -20	Material aspects within the organization	SR	62
G 4 -21	Material aspects outside the organization	SR	62
G 4 -22	Restatements of information provided in earlier reports	SR	59
G 4 -23	Significant changes from previous reporting periods in scope and aspect boundaries	SR	59
Stakeholder Engagement			
G 4 -24	Stakeholder groups engaged by the organization	SR	60
G 4 -25	Identification and selection of stakeholders to engage	SR	60
G 4 -26	Organization's approach to stakeholder engagement	SR	60
G 4 -27	Key topics collected through stakeholder engagement	SR	62
Report Profile			
G 4 -28	Reporting period	SR	59
G 4 -29	Date of the last report	SR	59
G 4 -30	Reporting cycle	SR	59
G 4 -31	Contact point for questions regarding the report	SR	59
G 4 -32	GRI Content Index	SR	65
G 4 -33	External assurance	SR	64
Governance			
G 4 -34	Governance structure	SR	17-23
Ethics and Integrity			
G 4 -56	Organization's values, principles, standards and norms of behavior	SR	09

Specific Standard Disclosures






















Economic

DMA and Indicators		Publications	Page	Omission and reason
Material Aspect: economic performance				
G4-DMA	Generic Disclosures on Management Approach	SR	25	
G4-EC1	Direct economic value generated and distributed	SR	26	
G4-EC3	Coverage of the organization's defined benefit plan obligations	SR	27	
G4-EC4	Financial assistance received from government	SR	27	
Material aspect: market presence				
G4-DMA	Generic Disclosures on Management Approach	SR	25	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	SR	27	
G4-EC6	Proportion of senior management hired from the local community	SR	27	
Material aspect: procurement practices				
G4-DMA	Generic Disclosures on Management Approach	SR	25	
G4-EC9	Proportion of spending on local suppliers	SR	27	

Environment


DMA and Indicators		Publications	Page	Omission and reason
Material aspect: materials				
G4-DMA	Generic Disclosures on Management Approach	SR	49	
G4-EN1	Materials used	SR	50	
Material aspect: energy				
G4-DMA	Generic Disclosures on Management Approach	SR	49	
G4-EN3	Energy consumption within the organization	SR	55	
G4-EN5	Energy intensity	SR	55	
G4-EN6	Reduction of energy consumption	SR	55-57	



DMA and Indicators		Publications	Page	Omission and reason
G4-EN7	Reductions in energy requirements of products and services	SR	55	
Material aspect: water				
G4-DMA	Generic Disclosures on Management Approach	SR	49	
G4-EN8	Water withdrawal	SR	51	
G4-EN10	Water recycled and reused	SR	51	
Material aspect: emissions				
G4-DMA	Generic Disclosures on Management Approach	SR	49	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	SR	52	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	SR	52	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	SR	52	
G4-EN18	Greenhouse gas (GHG) emissions intensity	SR	52	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	SR	52	
G4-EN20	Emissions of ozone -depleting substances (ODS)	SR	52	
G4-EN21	NOX, SOX, and other significant air emissions	SR	52	
Material aspect: effluents and waste				
G4-DMA	Generic Disclosures on Management Approach	SR	49	
G4-EN22	Water discharge	SR	53	
G4-EN23	Waste disposal	SR	53	
G4-EN25	Hazardous waste	SR	53	
G4-EN26	Biodiversity and habitats affected by the organization's discharges	SR	53	
Material aspect: compliance				
G4-DMA	Generic Disclosures on Management Approach	SR	49	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	SR	54	
Material aspect: overall				
G4-DMA	Generic Disclosures on Management Approach	SR	49	
G4-EN31	Environmental protection expenditures and investments	SR	54	

Social

Labor practices and decent work

DMA and Indicators		Publications	Page	Omission and reason
Material aspect: employment				
G4-DMA	Generic Disclosures on Management Approach	SR	29	
G4-LA1	Number and rates of new employee hires and employee turnover	SR	43-44	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	29	
Material aspect: labor/management relations				
G4-DMA	Generic Disclosures on Management Approach	SR	29-30	
G4-LA4	Minimum notice periods regarding operational changes	SR	30	
Material aspect: occupational health & safety				
G4-DMA	Generic Disclosures on Management Approach	SR	29,35	
G4-LA5	Workforce represented in health and safety committees	SR	36	
G4-LA6	Injuries, occupational diseases, lost days, absenteeism and total number of work-related fatalities	SR	35	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	SR	35	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR	36	
Material aspect: training and education				
G4-DMA	Generic Disclosures on Management Approach	SR	29,40	
G4-LA9	Training per employee	SR	40	
G4-LA10	Programs for skills management and lifelong learning of employees	SR	41-42	
G4-LA11	Employees receiving regular performance and career development reviews	SR	40	
Material aspect: diversity and equal opportunity				
G4-DMA	Generic Disclosures on Management Approach	SR	29,31	
G4-LA12	Composition of governance bodies and breakdown of employees per indicators of diversity	SR	44	

Human Rights

DMA and Indicators		Publications	Page	Omission and reason
Material aspect: non-discrimination				
G4-DMA	Generic Disclosures on Management Approach	SR	29-30	
G4-HR3	Incidents of discrimination and corrective actions taken	SR	30	
Material aspect: freedom of association and collective bargaining				
G4-DMA	Generic Disclosures on Management Approach	SR	29-30	
G4-HR4	Risks to the right to exercise freedom of association and collective bargaining	SR	30	
Material aspect: child labor				
G4-DMA	Generic Disclosures on Management Approach	SR	29-30	
G4-HR5	Operations identified as having significant risk for incidents of child labor	SR	30	
Material aspect: forced or compulsory labor				
G4-DMA	Generic Disclosures on Management Approach	SR	29,30	
G4-HR6	Operations identified as having significant risk for incidents of forced or compulsory labor	SR	30-31	
Material aspect: Supplier Human Rights Assessment				
G4-DMA	Generic Disclosures on Management Approach	SR	29,32	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	SR	32	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	SR	32	

Society

DMA and Indicators		Publications	Page	Omission and reason
Material aspect: local communities				
G4-DMA	Generic Disclosures on Management Approach	SR	29,37	
G4-S01	Operations with implemented local community engagement, impact assessments, and development programs	SR	26,38,39	
G4-S02	Operations with significant actual and potential negative impacts on local communities	SR	37	

Material aspect: anti-corruption

G4-DMA	Generic Disclosures on Management Approach	SR	29,37	
G4-S03	Operations assessed for risks related to corruption	SR	37	
G4-S04	Communication and training on anti-corruption policies and procedures	SR	37	
G4-S05	Confirmed incidents of corruption and actions taken	SR	37	

Product Responsibility

DMA and Indicators		Publications	Page	Omission and reason
Material aspect: customer health and safety				
G4-DMA	Generic Disclosures on Management Approach	SR	29,32	<div></div>
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement	SR	32	<div></div>
G4-PR2	Incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle	SR	32	<div></div>
Material aspect: product and service labeling				
G4-DMA	Generic Disclosures on Management Approach	SR	29	<div></div>
G4-PR3	Product and service information	SR	32	<div></div>
G4-PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	SR	32	<div></div>
Material aspect: marketing communications				
G4-DMA	Generic Disclosures on Management Approach	SR	29	<div></div>
G4-PR6	Sale of banned or disputed products	SR	32	<div></div>
G4-PR7	Incidents of non-compliance with regulations concerning marketing communications	SR	32	<div></div>
Material aspect: compliance				
G4-DMA	Generic Disclosures on Management Approach	SR	29	<div></div>
G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	SR	32	<div></div>

UNGC – “The Ten Principles”



UNGC “The Ten Principles”

Principle	Statement	Page No.	GRI G 4 Indicator
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	37-39	SO 1, SO 2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	32	HR 10, HR 11
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	30	G4-11, HR 4, LA 4,
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	30,31	HR 6
Principle 5	Businesses should uphold the effective abolition of child labor.	30	HR 5
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	27,30,40 43,44	G4-10, EC 5, EC 6, LA 1 LA 9, LA 11, LA 12, HR 3
Principle 7	Businesses should support a precautionary approach to environmental challenges.	50,51,52 54,55	EN 1, EN 3, EN 8, EN 15, EN 16, EN 17, EN 20, EN 21, EN 31
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	49-55	EN 1, EN 3, EN 5, EN 6, EN 7, EN 8, EN 9, EN 10, EN 15, EN 16, EN 17, EN 18, EN 19, EN 20, EN 21, EN 22, EN 23, EN 25, EN 26, EN 29, EN 31,
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	52,54,57	EN 6, EN 7, EN 19, EN 31
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	9,37	G 4 -56, SO 3, SO 4

SDG's INDEX



Sustainable Development Goals	How our initiatives and activities support these goals	Page Ref #
1 NO POVERTY 	<p>Initiatives and activities conducted to eradicate poverty</p> <p>Building capacity especially in youth to enhance their livelihood</p>	38-42
2 ZERO HUNGER 	<p>(Planned to be targeted in next year)</p>	
3 GOOD HEALTH AND WELL-BEING 	<p>Heading towards safety focused, zero-lost hour and zero-incident culture</p> <p>Achieving good well being through product stewardship</p> <p>Initiatives and activities conducted for good health and wellbeing</p>	32-42
4 QUALITY EDUCATION 	<p>Providing scholarships to community and employees</p> <p>Instilling practical knowledge in associates through skills development programs</p>	37-42
5 GENDER EQUALITY 	<p>Ensuring diversity through clear non discrimination policies</p> <p>Empowering women through skills development exercises</p>	30,31
6 CLEAN WATER AND SANITATION 	<p>Responsible withdrawal and consumption of water for manufacturing</p> <p>Ensuring effective treatment and proper discharge of wastewater</p> <p>Driving clean water initiative for all by donating water treatment plants</p>	37-39,51
7 AFFORDABLE AND CLEAN ENERGY 	<p>Adopting and enhancing more energy-efficient technologies at production site</p> <p>Enhancing energy derived from renewable sources</p>	32,57
8 DECENT WORK AND ECONOMIC GROWTH 	<p>Protecting labor and human rights and ensuring safe working environments</p> <p>Decent work for employees, with fair Road map designed for career progression</p> <p>Hiring and training employees primarily drawn from nearby communities</p>	27,30, 35,36

Sustainable Development Goals	How our initiatives and activities support these goals	Page Ref #
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Investing in resource-efficient and state-of-the-art technology for production	32
10 REDUCED INEQUALITIES 	Majorly providing jobs and training opportunities to near by residence Zero tolerance for discrimination enforced through the Code of Conduct	27,30,31
11 SUSTAINABLE CITIES AND COMMUNITIES 	(Planned to be targeted in next year)	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	Driving initiative towards optimal utilization of resources consumption in operations in forthcoming years	32-34
13 CLIMATE ACTION 	Driving initiative towards adopting newer technologies in manufacturing to mitigate GHG emissions in forthcoming years	32,54
14 LIFE BELOW WATER 	Ensuring effective and approved treatment and proper discharge of wastewater	53
15 LIFE ON LAND 	Promoting healthy environment through planting trees to cope with GHG emissions	54
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	Robust and comprehensive governance structure is established and maintained Conducting business while keeping in view highest ethical and legal standards Stron Internal Audit department addressing corruption-related risks Effectively implementing and maintaing the Code of Conduct	17-23,37
17 PARTNERSHIPS FOR THE GOALS 	Achieved status of different product, ecological and social stewardsip initiatives Youth capacity building through partnerships with professional institutions	32-34. 40-42, 46,58

Feedback Form

Sustainability Report 2017

Details of information provided on issues covered in the report

☐ Comprehensive ☐ Adequate ☐ Not adequate

Clarity of the information provided in the report

☐ High ☐ Medium ☐ Low

The quality of design and layout of the report

☐ Excellent ☐ Good ☐ Average

Your comments for adding value to the report

Name

Designation

Organization

Contact Details

Tel

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Glossary and Acronyms

BCI	Better Cotton Initiative
CSR	Corporate Social Responsibility
C-TPAT	Customer Trade Partnership Against Terrorism
ERF	Export Refinance
GRI	Global Reporting Initiative
GHG	Green House Gases
GJ	Giga Joules
GOTS	Global Organic Textile Standard
GRS	Global Recycle Standard
HSE	Health Safety and Environment
LTFF	Long Term Finance Facility
MMSCF	Million Standard Cubic Feet
MW	Mega Watt
NEQS	National Environmental Quality Standards
OCS	Organic Content Standard
OHSAS	Occupational Health and Safety Assessment Series
SA8000	Social Accountability 8000
UNGC	United Nations Global Compact
WMC	Workers Management Committee
WRAP	Worldwide Responsible Accredited Production
WWF	World Wild Fund

"BETTER ENVIRONMENT BETTER TOMORROW"

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