

Climate of change

Sustainability Report 2008



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Climate of change

"Eternal truths will be neither true nor eternal unless they have fresh meaning for every new social situation."

- Franklin D. Roosevelt

To us, this has been the test of our values: that they are timeless and self-renewing. They ensure our own readiness for the one constant we can afford to depend on: change. Change, both evolutionary and revolutionary - for we understand that exponential progress can only come from revolutionary change.

Handling the kinds of chemicals that we do, we cannot emphasize enough our keen awareness of the environment. So together, this year's 'climate' at ICI Pakistan was shaped, more so than in other years, with the celebration of change. Change for the better.

In 2008, among ICI Pakistan's climactic changes included integration in the AkzoNobel group. With that has come change that we've embraced.

For instance, you'll see how that the ICI Pakistan values have been amalgamated and fused into the AkzoNobel values. This transition has been a natural, evolutionary process for us. One that we enjoy learning and growing with.

We hope that you will enjoy our theme, and the substance behind it, as much as we enjoyed putting it together.



To our stakeholders, from our CEO



Dear Stakeholder,

In the 68 years that ICI Pakistan Limited has existed, we have taken any impact of all our operations seriously.

With this report, we're bringing in more clarity because we understand that, together, we have a promising future.

With this effort we are also commencing a candid dialogue, a dialogue that helps us understand how our businesses can perform better, more sustainably with greater **360°** value creation.

These are our initial steps to a new beginning and in fact some of you have helped us through this journey – as we align our structures for a better-flowing sustainability reporting capability. This will, of course, organically emerge as our sustainability program embeds itself into the core of our organization.

Integrity & honesty have been our forte – as you, our stakeholders tell us. The sustainability-related expectations in Pakistan's emerging market environment can be generous and forgiving. But we understand that we must be positioned for tomorrow's opportunities, today.

In this report, we also share with you parts of our heritage that we are particularly proud of. Here, you will find more details on the sections we highlighted earlier, in this annual report.

We've worked hard and it's been a long road. We have found that our engagement with many of you throughout our supply chains, has been among the highlights of the strength that our sustainability program is building on. It is heartening for us when you tell us what our efforts towards an inclusive, empowering approach to growth have meant to you, our stakeholder.

Our sustainability report is for you, with whom our progress is synergistically and inextricably entwined.

A handwritten signature in black ink, which appears to read 'Waqar A. Malik'. The signature is written in a cursive style and is positioned above a horizontal line.

Waqar A. Malik
Chief Executive

Bird's eye view of 2008



Fewer drops to dispose

Our water usage is down to 11.9 m3 per ton of production this year. That's 4.8% lower than 2007 and 26% lower than our baseline year, 2005.

Safety first

We completed a total of 8.38 Million man-hours, Lost Time Case-free. That means no calendar day was lost due to a work-related injury, for employees and supervised contractors.

Nurturing the talent factory

901 of our colleagues were trained in 2008.

Precious pulses preserved

Our energy consumption is down to 0.0125 tera-joules per ton of production - that's 9.8% lower than our baseline year 2005 and 3.5 % lower than 2007.

Getting warmer

Our CSR Program is moving from a nascent stage to sustainable, strategic philanthropy. Our businesses and foundation together spent Rs 15.8 million in 2008 towards community development.

I: Managing sustainable change

Positioning to weather: Timeless values

Our values define what we are made of - and who we aim to be. They reflect the way we should operate, internally and externally. And they're summed up in our tagline: 'Tomorrow's Answers Today'.

We believe the future belongs to those smart enough to challenge it. Exponential progress belongs to those who not only think with courage, but have the determination to deliver on their thought.

Our values give us standards to measure ourselves by, particularly in human interactions. They have real meaning for us and the way we behave. Through them, our practices and curious attitude set us apart.

- 1 **Focusing on our customers' future first**
- 2 **Embracing entrepreneurial thinking**
- 3 **Developing the talents of our people**
- 4 **The courage and curiosity to question**
- 5 **Integrity and responsibility in our actions**

Making the best decisions: Acclimatizing governance

We work hard to provide our people with systems that ensure that, no matter what their environment, they are empowered to make the best, and the right, decisions.

We also reaffirm our commitment to key sustainability issues in the non-financial Letter of Representation that our Chief Executive signs - renewing the company's written promise, every year.

Besides this, you may have noticed that in each of our annual reports, a statement of compliance with the Code of Corporate Governance is signed by the Chairman and the Chief Executive.

Code of conduct

In sync with our existing Code of Conduct, we launched, through AkzoNobel, a new Code of Conduct - which was approved by the ICI Pakistan board in October 2008.

Competition Law compliance forms an integral part of ICI Pakistan's Code of Conduct. Our representatives attended awareness sessions with the Competition Commission of Pakistan (CCP) to gain a fuller understanding of the new law.

We filed exemption applications for over 45 agreements in accordance with the Competition Ordinance - the CCP approved all exemptions sought.

In January 2009 ICI Pakistan's Corporate Legal Department organized a session on "The Supportive Role of the Competition Commission of Pakistan in Promoting Business". Held at the ICI Pakistan Karachi head office, our management and in-house legal counsels from other corporations also attended.

Speak Up: Our whistle blowing program

Speak Up is ICI Pakistan's 'whistle-blowing' system to report corrupt, unethical or illegal behavior - if employees do not feel able to use the normal management routes. Speak Up was introduced internationally at the end of 2003, and since then has received approximately 200 calls within the group, globally.

Our employees know not to ignore situations they suspect might turn into business conduct violations. We urge them to directly express their concern. That simple expression could help prevent a colleague or friend from making a mistake.

Speak Up is always available if they'd rather not talk directly with their colleagues or management. At the global Speak up hotline, employees can interact in a language of their choice. Complete anonymity is assured to employees using this program.

In 2008, the Speak Up program was accessed 8 times by ICI Pakistan employees. Each instance was investigated by senior executives from the Group and the ICI Pakistan businesses involved, with action taken to resolve the situation. A summary of the outcome was made available to the person who initiated this action cycle.

While we encourage local resolution, we value the Speak Up program. The issues raised through the program are reviewed twice a year by the Audit Committee of the ICI Pakistan Board of Directors.

The next sphere: Voluntary commitments

We also strive to adhere to cutting edge standards of sustainability.

UNGC Signatory

To us, signing the United Nations Global Compact means that within our sphere of influence, we embrace, support and enact its Ten Principles. These form a set of core values in the areas of human rights, labor standards, the environment and anti-corruption.

Global sustainability indices

We at ICI Pakistan are also proud to be a part of the AkzoNobel Group - which is on the DJSI and FTSE4GOOD.

To share some background: A number of independent indices follow the sustainability performance of companies. Their benchmarks are an important tool for the financial community in selecting sustainable investment opportunities.

The Dow Jones Sustainability World Indexes (DJSI), benchmarks the sustainability performance of companies based on environmental, social and economic performance, including forward-looking financial indicators. The DJSI Chemicals industry sector consists of around 90 companies. Membership is restricted to the top ten percent of companies with the highest scores on environmental, social and governance performance.

Created by the FTSE Group, a global index company, the FTSE4GOOD Index series is designed to identify companies that meet globally recognized corporate responsibility standards.



How we thrive: The talent factory

ICI Pakistan is one of the largest companies in the country. And, an employer of choice.

With a human capital of over 1,300 employees in our Talent Factory, we know that our employees shape our company's future. Our talent factory team is on a mission: to unleash the organization's intellectual energy to propel extraordinary business growth. We value and encourage continuous improvement at all levels - all for forming a sustainable structure that will carry us through this climate of change

Our high performance culture gives us the impetus to deliver success, today and tomorrow.



What the talent factory approach means to us

We understand that our business will grow only if our people grow too. This is why one of our values is all about developing their talent.

We firmly believe all our employees have talents that need to be developed and nurtured. We know - we hired them!

Nurturing the talent factory: 2008 trainings overview

Talent Development Overview

We're even more excited because now, as part of the larger AkzoNobel group, we can offer our talent more growth and career opportunities through a broader scope of businesses, all over the world.

- In 2008, we invested in training 901 of our employees
- 530 employees attended in-house workshops tailored to their needs



In terms of the type of training, the details are:

Managerial effectiveness

- 540 person-days invested
- 4 senior executives attended leadership programs at INSEAD and Oxford University

Personal effectiveness

- 449 person-days invested

Functional effectiveness

- 842 person-days invested
- 75 junior to middle level managers were trained on selling skills specific to our products

In 2009, our talent factory team is working to integrate the Performance & Development Dialog and the employee survey into our existing indicators.

HSE talent development

Given the nature of our business, we invest heavily in HSE training and practice. 100 managers were trained on various HSE aspects and seven of them attended AkzoNobel's HSE Conference in Kuala Lumpur.



II: A sustainable environment

Primarily, our risks stem from the hazardous materials we handle – throughout our supply chain. In our ‘Supply Chain Ethics and Empowerment’ section, we share more about how we have worked hard to prevent risk from emerging.

Health and safety indicators

We have a robust HSE Management System, covering safety, health, environmental performance and product stewardship.

Sharing experiences and best practices is an essential part of raising the bar of our overall performance. For example, we have an incident logging database called the “Learning Events Database”. We use this for reporting any incident which could cause an injury or illness. We report on what we define as the 3 pillars of an injury free performance:

- Personal Safety
- Process Safety
- Product Safety

We analyze and investigate reported incidents. We share the learnings and recommendations. Through this routine sharing of incidents, our businesses are able to investigate and analyze vulnerabilities. We use this information as a leading indicator to improve our practices.

Our cross-functional “Safety Improvement Teams” involve shop floor-level team members into the HSE improvement processes.

In addition to internal HSE audits, we open ourselves to inspection by external auditors for ISO certification. Furthermore, we have integrated these systems to leverage audit findings towards developing and implementing robust improvement plans - enabling us to continuously upgrade our safety standards.

360° Environmental impact performance review

Health, safety and environment (HSE) flow through every aspect of our business. Sustained improvement is delivered by a rolling program of five year targets. Challenge 2010 is focused on a broader sustainability base and its targets are based on percentage reductions from the 2005 burden values per ton of production. We report the percentage changes from the baseline year 2005.

We, at ICI Pakistan Limited, plan to make significant progress by 2010 towards our long term goal to eliminate all emissions of hazardous materials. Internally we intend to determine our environmental footprints across key activities and products, so that future improvements are targeted for maximum impact.

a) Land

Effective and innovative solutions to waste management throughout the year enabled us to significantly reduce the amount of waste generated. Hazardous waste is down per ton of production – with some increase in non-hazardous waste.

We continue to review all our sites for possible soil and groundwater contamination.

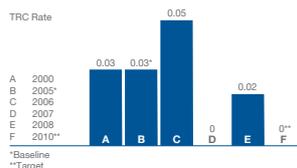
A few examples from our operation sites follow.

Paints; Solvent recycling

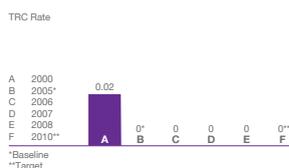
In the paints industry, the thorough cleaning of manufacturing equipment is critical for product consistency. Solvents are the only solution for the complete removal of the remnants of the previous batch within our equipment. Thus, high consumption of thinner and resulting level of wastage- was among this business’s main concerns.

Total recordable case rate

Employees & supervised contractors
Reduction Target over Baseline 2005: 20%

**Total recordable case rate**

Non supervised (other) contractors
Reduction Target over Baseline 2005: 20%



The challenge was to develop a low cost, efficient solvent recycling facility – one that would conform to our standards and be commercially viable. Inputs and information towards a permanent solution were exchanged with a local contractor and a project outline was defined.

80 percent of the used solvent was recovered in a trial run. After evaluation, our R&D lab approved this for reuse as a cleaning solvent. Benefits include:

- Cost reduction
- A reduction in the fire load on the site
- The shifting of our waste disposal hierarchy from a lower to the higher category of recycle after process – in line with Challenge 2010.

Soda Ash: Reducing NPOs (Non-Product Output)

The Soda Ash plant had product drying equipment as old, well, as itself - called finishing machines. The sealing arrangement of these machines contained hazardous asbestos. Through technology upgrades, during our 50 kiloton per annum expansion project, these machines were replaced with steam calciners - which reduced asbestos usage, thus significantly lowering our generation of hazardous NPOs.

Polyester: Reducing NPOs

During the production of polyester, polymer waste is produced at different stages of the fiber making process. Project Salvage was initiated for the reduction of non-hazardous NPOs. The waste generated in the process was recycled and significantly reduced our non hazardous NPOs.

b) Air

We achieved an across-the-board reduction in air emissions from the targets set in our baseline year, 2005. Our acid gases are comprised of process emissions from manufacturing and combustion emissions from the energy that we use. We share with you below the initiatives our businesses have taken towards energy efficiency and resource conservation.

Polyester: Reducing emissions

To produce more electricity, gas turbines operating on natural gas were substituted for dual fuel engines operating on furnace oil and natural gas. We installed waste heat recovery boilers to capture free steam from this process. Overall, this has reduced energy related emissions CO₂ in Polyester Business by 23% over baseline 2005 and reduced energy consumption by 18.5% over baseline 2005.

We also undertook several energy saving projects, including:

- Cooling water pressure reduction
- Steam reduction at draw lines oven zones
- Installation of a bigger capacity compressor
- Installation of a reverse osmosis plant
- Single baler operation.

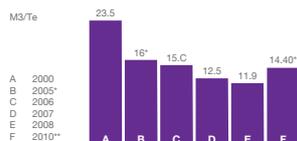
Soda Ash: Energy improvement

Energy improvement and hence carbon footprint reduction contributors included:

- Improvement of water quality from the Jhelum river by adding more bore hole pumps near the river bed, resulting in improved heat transfer at different stages of the process
- Targeted energy improvements carried out include chemical cleaning of different process units, boilers, application of stringent energy monitoring system and an improved steam balance of the plant.

Water usage

M³ per ton of production
Reduction Target over Baseline 2005: 10%



*Baseline
**Target

Aquatic oxygen demand

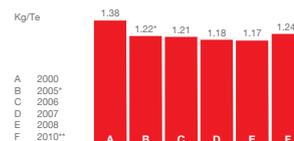
Kg per ton of production
Reduction Target over Baseline 2005: 10%



*Baseline
**Target

Total waste

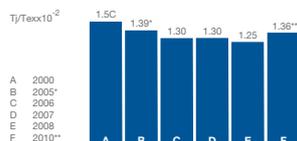
Kg per ton of production
Reduction Target over Baseline 2005: 10%



*Baseline
**Target

Energy

Terejoule per ton of production
Reduction Target over Baseline 2005: 5%



*Baseline
**Target

Energy associated CO₂

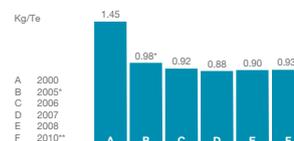
Kg per ton of production
Reduction Target over Baseline 2005: 10%



*Baseline
**Target

Greenhouse gases

Kg per ton of production
Reduction Target over Baseline 2005: 5%



*Baseline
**Target

c) Water

We achieved an important decrease of 73 percent in our aquatic oxygen demand (AOD) and 26 percent in our water usage, since our baseline targets were set in 2005.

Polyester: Cleaner water

During the process of esterification, water is a by-product. This water has a high level of volatile organic compounds which are then distilled in the Organic Stripping Column (OSC). As the polyester manufacturing rate increased, the OSC became a bottle neck with reduced efficiency.

Now, the OSC distributor has been modified and the bottleneck resolved. The OSC functions better and relatively cleaner water is sent to the waste water treatment section. The quality of the effluent being discharged from the site has also improved. This treated water is also reused at our site for irrigation and horticulture.

Paints: 45% Water Usage Reduction

The only liquid effluent produced at our Paints plant is from the washing of reusable tanks. We now process this water through an effluent treatment plant at-site. While in the past this treated water was disposed as waste, we now store the effluent water in newly built tanks and use it for washing purposes - instead of fresh water. With 100 percent recycled water being used for tank washing purposes, this site's total water usage reduction (m³/te of product) is 45 percent lower than in the baseline year, 2005.

d) Leveraging operational efficiencies

We at ICI Pakistan, believe that world class manufacturing leads to world class health, safety and environmental performance. Evidence points to the fact that the opposite, is not true. Through a focused approach on maintaining "fit for purpose" plants we have phased out obsolete equipment, improved manufacturing and operational practices and accrued cost benefits in energy related indices.

As you've seen in the graphs above, each of our sites and locations is stretching improvement objectives ahead of our Sustainability Challenge 2010 targets.

We have made solid progress in reducing our energy consumption and greenhouse gases per ton of production – a manifestation of the strength of our commitment to environmental responsibility at all levels of our organization.

Although we've shared details of our Operational Efficiencies in preceding sections, particularly the one entitled Air, some more follow below.

Chemicals Business

- Reduced the third shift of operations through better Production Planning
- Process mapping to reduce batch cycle times
- Energy saver lights installed
- Products with low gross margins and high energy consumption replaced
- Cleaning water usage reduced through jet pressure cleaning.

Paints

- One MSD (multi shaft disperser) replaced five HSDs (high speed dispersers)
- Reduced product cycle times to minimum via product formulation changes
- High oil consumption and resin wastage due to drum-handling by forklift trucks was reduced by replacing drums with bulk dispensing
- Installed motion sensors in conference rooms to automatically switch off lights when vacant
- Product cycle time reduced to minimum through product formulation change

Full-circle: Product life cycle management

At ICI Pakistan, we define product stewardship as: "the activities which enable a business to ensure that a product is developed, promoted, distributed and marketed in a socially acceptable manner with respect to HSE&S matters and to demonstrate that this has been done. It includes a knowledge of the foreseeable uses to which the product could reasonably be put and the fate of the product after use or disposal into the environment."

To give you an overview: we begin upstream, with intensive supplier-evaluations. Every few years, we consolidate our information collected on suppliers' policies and practices, and then select and work with the best.

Distribution channel measurement and logistics are also carefully evaluated. In this report we've shared stories of the time and energy we've invested in making some of our Hauliers, CEFIC-compliant.

We also look at the responsible management of our raw materials and ensure that waste is minimized and disposed responsibly.

Warehousing options are assessed with scrutiny similar to that exercised for other outsourced steps in our value chain.

No product life cycle program is complete without investing in customer awareness. We conduct product handling assessments evaluations and a few capacity building projects with our customers.

III: Sustainable communities

Supply chain ethics and empowerment

At ICI Pakistan we consider ourselves all-weather friends, not the seasonal kind. We want to help our stakeholders get to the fair-weather – and keep enjoying it.

We do what it takes to meet our code of conduct, formally and in spirit. Along with many of our contractors, whom we've helped train, we create a rigorous stream of documentation to track our materials.

In this report, we share with you some stories that remind us why we're so proud to be a part of the ICI Pakistan family.

'What did you do for ICI today?' Azad Transporters: 4 generations & going strong

"Our father used to hold his uncle's pinky finger and come to ICI Pakistan with him," shared Mohammad Azad, one of three brothers currently running Azad Transporters. That, was the induction of his family's third 'generation' into their work with ICI Pakistan.

His paternal grandfather, Haji Mohammad was ICI Pakistan's first transporter. Back then he used a camel cart to transport dry cargo for ICI Pakistan, within Karachi.

No one knows exactly when he started working with ICI Pakistan. The brothers do know that in 1932, their grandfather bought his first petrol vehicle from a military auction. Enterprising spirit that he was, he had the vehicle fixed, painted and started using it instead of the camel cart. He worked at ICI Pakistan during the day, and at night would transport wood as fuel for cooking.

The Azad Transporters family now has four trucks, two heavy and two light, with a total capacity to transport around 60 tons at any given time.

"The ICI Pakistan HSE people have helped us identify what materials are DG [dangerous goods] and

non-DG," shared another brother, Mohammad Ashfaq. They now use the protective gear needed to handle their cargo. They still love their work, and have a profound sense of responsibility towards delivering results: they've come to work after their Eid prayers when needed.

"When we'd go home after work, our grandmother would ask us, how much work did you do for ICI Pakistan today," Azad said, highlighting how long his family's livelihood had been tied with ICI Pakistan. "Our relationship and cooperation with everyone has been great - that is how we've had such a long-term relationship with ICI Pakistan," said Azad.

"ICI Pakistan is our home," Azad said. "Our community doesn't call us by our last name, everyone just knows us as 'ICI Pakistan Wallay' (the 'ICI Pakistan people')."

We at ICI Pakistan would like to believe that such is the result when we conduct our relationships based on our values.

ICI Pakistan: 'The force behind our transformation' Partners in progress: Shakoor and Company

We've been interacting with Shakoor and Company since 1981, when our Polyester plant was set up. The company was set up by Abdul Shakoor in 1965 when he moved to Pakistan from Kenya. On his way here, he bought four 10-ton Bedford vehicles from London – and with that he started his company.

Before working with ICI Pakistan, the company had a total carrying capacity of 280 tons. In sync with ICI's needs, Shakoor and Company expanded alongside. Then, ICI's business and their professional reputation further catapulted the company's growth. Now, their carrying capacity is 7,800 tons. With 485 employees, they currently cater to 18 companies in eight industrial sectors.

Our relationship further deepened a decade ago. In 1998, ICI Pakistan worked with the company to become CEFIC compliant. The European Chemical Industry Council (Conseil Européen de l'Industrie Chimique) is a Brussels-based international scientific

association that has rigorous standards for handling industrial chemicals.

The CEFIC compliance project was a 36-month effort that our HSE department helped define. Together, with the international expertise we engaged, a tri-partite committee implemented this system. We helped two of our major business partners develop the technical expertise and systems required to meet the rigorous CEFIC road safety guidelines for chemical transportation and handling.

“We now have professional management – we have Chartered Accountants, MBAs, mechanical engineers,” he said, adding that this is still far from the norm within his industry in Pakistan. “Even our HR system is modeled after ICI,” Mr. Shakoor said.

He emphasizes that ICI Pakistan was the force behind his company’s transformation – otherwise companies tend to shy from taking such initiatives on their own.

“My father always says,” he summed up, “whatever we are now, almost all of it is because of ICI.”

organizations and events in the education, health and environment sectors in and around the communities where their manufacturing sites are located. Some of our ongoing commitments are highlighted in the table that follows on the next page:



Strategizing philanthropy: a welcome change

We endeavor to ensure that we qualify as responsible corporate citizens, by ensuring a sustainable improvement in the lives of the communities we operate in.

The ICI Pakistan Foundation was created as a trust in 1991 to channel our support of various social development initiatives in the health care and education sectors. The Foundation is allocated a percentage of the company’s profit every year to invest in philanthropic activities. Our grants are intended to complement rather than substitute government or other private funding.

In addition to what we’ve called our corporate social responsibility initiatives, our businesses support



Philanthropic activities table

A sampling of philanthropic activities over the years

Initiative	Manifestation	Units of Measure	2008 Social Value Contributed	Cum. Social Value Contributed	Since	Cum. Years
Winnington Hospital Community Health Services	ICI's Winnington Hospital, Khewra provides free weekly out-patient facilities, including free medications when needed	Patients Treated/Month, free	15,420*	-	1972**	36
		Lab Tests Provided	960	-		
		Free (65%) & at-Cost Rs. Value of Free Consultations Provided to Community*	3,084,000*	-		
LRBT Eye Clinic Program	2-day monthly clinics, free to the public, includes OPD consultation & surgeries	Minor & major surgeries performed	744	10,823	1991	17
		Out-patients treated	6,844	104,012		
		Rs. Value of ICI Support to Eye Clinic	663,944	-		
Project Green	Forestation of used lime beds at our Khewra plant	Trees planted Acres covered	-	361,000 152	1992	16
Education Support to Tibbi Harya	Holistic soft & infrastructural support to school in village, including cold drinking water, building extension & transportation	Rs. Invested % Increase in students since ICI Involvement Students enrolled since ICI Involvement	284,000	2,023,000 160 67	2002	6
Clean Water for Khewra	Facilitating Community Access to 24 hour running water for domestic use	Water Taps Provided		10	1944**	64
SOS Children's Village	Monetary donations & outdoor activities with the children	Rs. Invested Smiles Celebrated	1,700,000	4,900,000 Priceless	2005	3
Support for the 2005 Earthquake	a) Monetary donations for re-building Bararkot school building destroyed by the earthquake	Rs. Invested Children Enrolled		15,100,000 108	2005	3
	b) Company & employee donation	Rs. Value		- 32,000,000***		
WWF Communities	Donations to WWF's work with local communities, including their Save the Turtle project	Rs. Invested	621,000	4,642,000 -	1999	9

*estimated on a weekly free consultation for about 300 patients @ Rs 200

**approximate year of commencement

***includes Rs 4.2 m Employee Contribution

All Rs values in bold



We want to tell you a bit more about some of our initiatives.

a) Winnington Hospital & our MedTeam

Founded in 1943, our Winnington Hospital is located on-site at our Soda Ash plant, Khewra.

In addition to serving our staff, in the 1970s, the hospital also started serving the community by providing free daily out-patient facilities.

Equipped with a well-established operation theater, the hospital serves as a hub of medical activity for the benefit of the Khewra community. For instance, we actively participate in all the immunization campaigns launched by the Government. The Hospital is used to conduct regular immunization for all community children against infectious diseases.

In collaboration with local NGOs, the hospital team volunteers their personal time one Sunday every month to conduct medical camps in the vicinity of Khewra and the Pind Dadan Khan district. Our doctors also network to be able to offer complimentary medication to those who need help affording complete healthcare.



b) LRBT Eye Clinic & IOL Bank

With the assistance of Layton Rahmatulla Benevolent Trust (LRBT) doctors, we conduct Eye Clinic programs at our Winnington Hospital, Khewra. The two-day monthly clinics, open to the public, include consultation as well as major and minor surgeries. All performed free of cost since inception in 1991.

Over the years, the program has been strengthened to respond to increasing community needs for eye care services. Our team has also built an intraocular lens (IOL) Bank and has 50 IOLs on standby at any given point. All patients operated for cataracts are now implanted with IOLs.



c) Education support to Tibbi Harya

We also actively support the Sheikhpura Community, with particular focus on the small village of Tibbi Harya, adjacent to our Polyester Plant. In collaboration with Idara-e-Taleem-o-Aghai, a local NGO, we have improved the infrastructure of the community school.

With the extension of the school building and induction of qualified teachers the number of students has increased from 42 to 109. We support the community in other ways too: for instance, we provide transport to the teachers and cold drinking water for the school.

Our employees are individually involved too: their personal contributions under the 'adopt a school' program support students with school fees and uniforms, when needed.

d) Project Green

Initiated in 1992, Project Green is a tree plantation drive at Khewra on its dried up lime beds. To date we have filled 152 acres of used lime beds and planted 361000 trees, with a survival rate of 84%. The biodiversity of the area has improved considerably turning it into a sanctuary of birds and mammals, plus a recreational area for the local people.





What the future holds

It's not exactly breaking news that we're committed to the communities where we live and work.

In 2009, we're formalizing our employee community engagement program. We encourage our employees to get involved in community activities. The aim of our individually tailored volunteer program, for instance, is to encourage employees to apply their unique abilities to actively contribute to their local communities - while developing their own talents and leadership skills all while feeling good!

We're also excited about our project with the fishing community in Karachi. So we can't help but give you a sneak peak into the nascent program: together with the EU and Tameer Micro Finance Bank our Chemicals business will provide the technical passion and input required to provide fishermen with insulated catch holds. This will help sustain the quality of their catch. And, meet export standards that the community currently cannot meet, given the lack of a climate conducive for their catch to remain fit for human consumption - as defined by various international authorities.

In 2009 we're also going to launch the next phase of our partnership with the Pakistan Center for Philanthropy (PCP): A company-managed donation program. Employees have the option to donate any percentage of their salary to 'approved' non-profit organizations through PCP's Give2Pakistan program - of which we are the first corporate partners. This is to facilitate our employees donating to high impact, credible and transparent NPOs. (Non Profit Organizations).

To find out how these initiatives turn out, you will have to wait for our next sustainability report.



Assurance Statement

To the Stakeholders of ICI Pakistan Ltd.

ICI Pakistan Limited's Sustainability Report 2008 (the Report) has been prepared by the management of ICI Pakistan Limited, who retain responsibility for its content. URS has been engaged by ICI Pakistan Limited to conduct an assurance engagement on information reported in ICI Pakistan Limited's Sustainability Report 2008 (the Report), to carry out a reasonable assurance engagement on the full Report.

Intended Audience

This assurance report is made solely to the management of ICI Pakistan Limited in accordance with the terms of our engagement. This statement may not be relied upon by individuals or organizations external to ICI Pakistan Limited.

Disclaimer

URS advises stakeholders not to rely on the assurance statement in the course of financial or other critical decision making about the client company.

Declaration of Independence

This is the first year URS has provided independent assurance services in relation to ICI Pakistan's sustainability reporting. With the exception of this assurance work and ISO 9001/14001 certification services, URS have provided no other services relating to ICI Pakistan's approach to sustainability or any of the business processes relating to the management of the issues discussed in the Report.

Our Assurance Team

Our assurance team has been drawn from our verification and assessment team. All members of the team are experienced in social, ethical and environmental assurance having worked on similar engagements for a number of significant local and international businesses.

Scope & Level of Assurance

- In The Report, ICI Pakistan Limited describes its efforts and progress in relation to sustainability in 2008.
- Our engagement was designed to provide limited assurance on whether the information in The Report is fairly stated.

- 'Fairly stated' means that the reported information properly reflects the information contained in the underlying sources such that it is consistent with the source information.
- We do not provide any assurance on the achievability of future information (such as targets, expectations and ambitions).

Basis for Assurance

There are currently no statutory requirements in Pakistan in relation to the independent review of corporate responsibility reports. The AccountAbility AA1000 Assurance Standard sets out principles for social and environmental report assurance and we have used this standard to set out our conclusions by reference to the assurance principles described in the AA1000 Assurance Standard.

We have also reviewed the Report against the Global Reporting Initiative's G3 Sustainability Reporting Guidelines (GRI).

Limitations

Our review did not include:

- Testing the processes for gathering or reporting the various data presented in the Report. Therefore, we provide no assurance on the completeness, quality and accuracy of the data included in the Report.
- Conducting stakeholder dialogue activities. Therefore, our conclusions on materiality and responsiveness are based on the review of outputs of stakeholder dialogue provided to us by ICI Pakistan.

Methodology

We conducted the following activities in order to assure The Report:

- Review of the systems and processes used to generate the information in the report;
- Review of the systems used for generating, validating and aggregating the data at corporate level;
- Visited five ICI Pakistan sites in Karachi, Lahore, Sheikhpura and Khewra to assess the quality of the local data management systems and the reliability of the reported data;
- Interviews with staff and management;
- Review of internal and external documentation;



Assurance Statement

- Media analysis and internet search on the selected issues, to obtain independent information and context for these issues in the reporting period.

During our investigation we discussed the necessary improvements in The Report with ICI Pakistan Limited and determined that these changes have been adequately incorporated in the final version.

Our conclusions

In our opinion, the report provides a fair representation of the progress ICI Pakistan is making in living out its commitments to managing its sustainability and environmental performance. The main findings are identified below

Materiality

Has ICI Pakistan provided a balanced representation of material issues concerning ICI Pakistan's corporate responsibility performance?

- The Report provides a balanced representation of material aspects concerning ICI Pakistan's corporate responsibility performance.
- ICI Pakistan has not undertaken engagement activities with key stakeholders in order to determine the selection of issues reported. We understand from ICI Pakistan that this process will be used in determining the content of future corporate responsibility reports.
- The Report does not cover the core GRI indicators, nor does it explain the reasons for any omissions.

Completeness

Does ICI Pakistan have complete information on which to base a judgement of what is material for inclusion in the Report?

- We are not aware of any material issues excluded or misstatements made in relation to the information provided to the Corporate Communications & Public Affairs office on which judgements are made in respect of progress against corporate responsibility and the content of the Report.
- Corporate responsibility/Sustainability key performance indicators have yet to be implemented against which each

operating business unit should report progress.

- We have tested claims and statements made in the Report regarding ICI Pakistan's Sustainability performance by obtaining supporting evidence from ICI Pakistan.

Responsiveness

Has ICI Pakistan responded to stakeholder concerns?

- We consider that the Report's scope and content addresses issues expressed in the stakeholder dialogue outputs provided to us by ICI Pakistan.
- ICI Pakistan is developing a method to track the identification, management and mitigation of sustainability issues in response to stakeholder dialogue. We understand from ICI Pakistan, that this method will be implemented in the financial year 2009 and it has therefore not been included in our review.

Recommendations

- The Report does not include stakeholder views of the accuracy and usefulness of information included in The Report. The reporting process would benefit from the inclusion of external stakeholder views and to include in future reports feedback from stakeholders on the usefulness, clarity and content of this report.
- Future reporting would benefit from a more comprehensive picture of targets and progress for all areas of the business in order that readers can obtain a clear picture of the progress and/or failures for comparison.
- The Report includes coverage given to stakeholder engagement and channels for stakeholder feedback. The challenge now is for ICI Pakistan to show how it has taken account of the feedback received, difficulties and dilemmas it has encountered and the difference made as a result of its sustainability engagements.
- Use of the Global Reporting Initiative Guidelines to benchmark the report is recommended.

We have provided our detailed observations and areas for improvement in a separate report to the ICI Pakistan's management.

On behalf of United Registrar of Systems
Ali Khan, Feb 2009

About this document

This is our first year of Sustainability reporting. We've worked hard and tried our best, but we have deeper ambitions for our 2009 Sustainability Report. We will be looking more formally at the Global Reporting Initiatives Guidelines and also hope to include more comparative target analyses with our annual sustainability-related targets.

Credits

Sustainability Report written by:
Khadeeja Balkhi, Sustainability Consultant.

Report designed by:
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