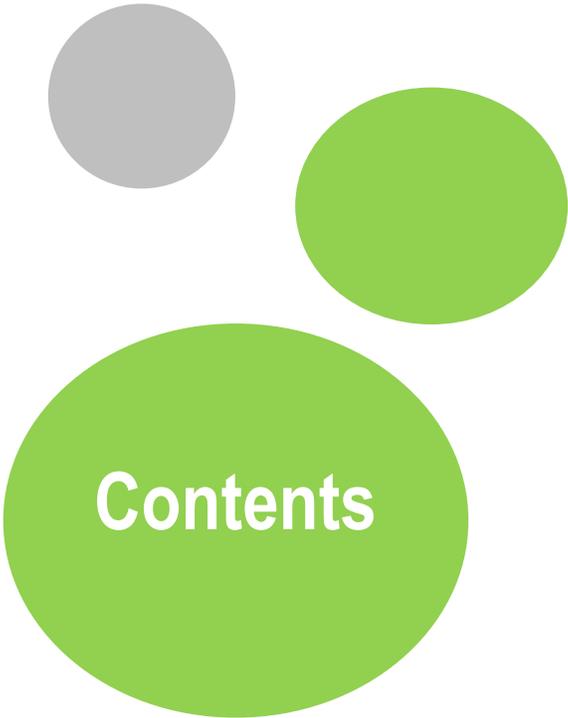




Sadaqat Limited
Sustainability Report 2014

About this Report

Reporting period	Financial year 2014 (July 01, 2013 to June 30, 2014)
Reporting cycle	Annual
Date of publication	January 18, 2016
Report scope and boundary	<p>The information, data and financial information related to Sadaqat Limited for the year 2014 is included. The report does not contain information on the sustainability impacts of subsidiary companies.</p>
Report content	<p>The contents of this report are based on the results of our dialogue with stakeholders and the Global Reporting Initiative G4 guidelines requirements for core level report. All material aspects, which are of interest to Sadaqat Limited and its stakeholders are included in this report.</p>
Report level and Index	<p>The report is GRI-G4 In accordance – core level report. The GRI content index is available on page 26.</p>
Report Assurance	<p>This report is not externally assured. The Company has plans to get external assurance in future.</p>
Available versions	<p>Portable Document Format (pdf) and printed versions are available in English. Pdf version can be accessed from http://sadaqatgroup.net/</p>
Contact for feedback	<p>You can send your feedback, questions or suggestions at below mentioned address; Mr. Nadeem Baig Manager Finance Sadaqat Limited 2 Km, Sahianwala Road, Khurrianwala, Faisalabad. Email: nadeem.baig@sadaqatgroup.net</p>



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Vision, Mission and Values

Vision

To make available our stakeholders with just the one spot to meet Planet, People and Profit purposes.

Mission

Sadaqat's mission is to become the best nation-wide in meeting highest standards of excellence and stakeholders' satisfaction by our commitment towards all the three pillars of triple bottom line i.e. People, Profit and Planet.

Values

Reliability
Team Management
Excellence
Change management
Professional Corporate Culture
Customer Focused Approach
Environmental Friendly Operations
Safe and Healthy Practices
Continual Improvement

1.0 Chairman's Message

I am pleased to share the Board's vision and commitment towards sustainable development. Sustainable development requires organizations to create a balance between profitability, environmental care and socio economic development of the communities. Sustainable development entails that organizations develop eco-friendly products, reduce the environmental load of its operations and meet stakeholder expectations through inclusive growth and offering equitable opportunities.

Sadaqat Limited is committed to move forward by providing sustainable returns to shareholders, quality products to customers, employment opportunities to society, and socio economic development in the area around plant site, while remaining vigilant on environmental impacts of its activities.

During the year, the Company's growth remained remarkable in terms of revenues, profitability, and payout to supply chain partners and employees. Sadaqat Limited actively participated in community development initiatives around its factory site as well as in Faisalabad city. To further enhance the understanding and adaptability of inclusive growth and tell our story in a better way, we have followed the world's most widely used guidelines for the preparation of this sustainability report.

I congratulate the management and employees on beginning of this new journey. I am hopeful that this initiative will help the company to become more focused and deliver inclusive growth for all stakeholders. Your input is vital to our success and will guide us to deliver to the expectations of our stakeholders.



Sheikh Mukhtar Ahmed
Chairman

2.0 Chief Executive's Message

Corporate social responsibility is centric for long term success of our business. We decided to identify, measure and manage economic, environmental and social impacts of our business and share our performance with our stakeholders to gain their valuable insights.

Despite of continuous challenges of energy shortage, changing economic conditions, and growing competition, faced by the industry in Pakistan, we continued to grow through effective management of risks and challenges to provide healthy returns not only to our shareholders but our other stakeholders. During the year, we have achieved a new milestone, the revenue increased to Rs. 10.249 billion with a growth rate of 12.65 % over the previous year and the net profit for the year reached Rs. 330.66 million.

Sadaqat Limited has always been a socially responsible company. Sadaqat Limited has a history of 27 years of contribution to the wellbeing of the community and contribution to the national exchequer. Sadaqat Limited is aware of its responsibilities of environmental protection, safe operations and economic betterment of the local communities. We are fully compliant with the quality standards and our operations are certified against all leading quality standards, environmental protection initiatives and social accountability standards i.e. ISO 9001:2008, 14001:2004, OHSAS 18000:2007 and SA 8000. In order to further strengthen our commitment and effective implementation of our environmental and social initiatives, we have formed a dedicated Environment, Health and Safety Committee with mandate to envision, initiate, monitor implementation of health, safety, environment, and social initiatives.

Our contribution to the social uplift of the community for last 27 years benefited not only institutions but thousands at grass root level. Our continuous support to educational institutions, hospitals and infrastructure development ensured availability of quality education and better health facilities to the masses of local community.

This is our second sustainability report to our stakeholders. This report is compiled in accordance to Global Reporting Initiative (GRI) Guidelines (G4) at core level.

We are thankful to our stakeholders for their continued trust and we invite you all for your valuable feedback.

Khurram Mukhtar
Chief Executive Officer



3.0 Governance

Corporate governance defines organizational structure, policies, and procedures for efficient management to deliver guaranteed returns and long-term success. Sadaqat Limited has a strong corporate governance system in place comprising of internally developed code of conduct, policies, and procedures in line with industry best available governance practices. Sadaqat Limited complies with the applicable laws, code of conduct and ensures that conflict of interest is avoided among its board members and employees.

Management Structure

The highest management body is the Board of Directors. The Board of Directors consists of seven directors. Five of the directors including chairman and chief executive are executive directors and hold shares in the company. All of directors of the company are male and above age of 30 years. Sadaqat Limited has not in place any specific quotas for women, ethnic minorities or special age group for its Board of Directors. The directors are elected every three years through an election at general meeting. The applicable legal and regulatory framework regarding directors' qualification is followed. The Company is an equal opportunity employer and the members of the highest governance body are selected on merit. The Board of Directors has qualified and competent directors having vast experience and strong sense of responsibility.

The Chairman of the Board and Chief Executive are executive directors. The Chief Executive is responsible for executive management of company and is governed by the Board of Directors. The Board of Directors selects the chairman and members of the Board Committees from the members of the Board. The Board has formed various Committees of Directors with adequate powers for efficient and expedient resolution of different issues. The Committees have their charter with goals and responsibilities. The Committees report on their activities to the Board of Directors. The Committees also prepare the agenda items of the Board meeting relating to their respective areas. The Board Committees are Audit Committee, Human Resource and Remuneration Committees, and Management Committees.

The Board of Directors meetings are held on quarterly basis to review and discuss the performance and take strategic decisions. Sadaqat Limited has formal code of conduct and anti-corruption measures in place to avoid conflict of interest at Board and executive level. The code of conduct requires to avoid conflict of interest at first place. However, where it 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.

The Environment, Health and Safety (EHS) Committee

Sadaqat Limited is strongly committed to act ethically and support sustainability in 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. The EHS Committee is responsible to shape the company CSR activities in line with its policy. The Committee is responsible to plan and set direction of CSR activities from donations and welfare activities to main-stream activities in line with international standards and supply chain requirements. The EHS committee is also mandated to evaluate the financial impacts, identify the opportunities and risks for the Company business due to the climate change. The committee evaluates the risks of the climate change with reference to Company business and devises strategy to tackle the impacts in line with best available practices. Climate change impacts are increasing prices of cotton and deterioration in the supply chain due to floods and droughts, scarcity of water, and rising temperatures, as witnessed during recent years.

The Committee, which is responsible for all decisions relating to economic, environmental and social issues, also includes individuals from key business functions including finance, compliance, human resources and safety department. This ensures that all relevant strategic CSR initiatives and activities are discussed and approved in line with business objectives and CSR policy.

4.0 The Company

Sadaqat Limited is vertically integrated unit in the home textiles industry. The Company is unlisted public limited company head quartered at Faisalabad, Pakistan. The production facilities are also located in Faisalabad. The Company produces and markets home textile products to its customers located in UK, Germany, Spain, France, South Africa, Australia and USA. The major customers are retailers, wholesaler, buying agents and departmental stores.

The net sales for the year 2014 were Rs. 10.24 billion while total number of employees at year end were 4,713. The total capitalization stands at Rs. 4.12 billion comprising of equity of 2.71 billion and long-term liabilities of Rs. 1.40 billion. During the year, the Company produced total 12,913,350 units consisting of its flagship products. There were no changes in the structure and ownership of the Company during the year.

Products

The main products are home textile products and fabrics.

Fabric

- White
- Dyed
- Printed (Rotary & Panel)
- Special finishes
- Embroidery
- Machine and hand embroidery
- Appliqué

Home Textile

Bedding



Filled Products



Curtains



Table Linen



Hotel Collections



Kids Collection



Bath Accessories



Kitchen Accessories



Supply Chain

An efficient and reliable supply chain is essential for sustained performance and good customer relations. Our relationship with suppliers goes beyond commercial relations to promote good practices in the supply chain for collective benefit of our supply chain partners and our Company.

Being part of the global supply chain, supplying products to the leading stores in UK, Germany, Spain, France, South Africa, Australia and USA, efficient supply chain management methods are required to limit the exposure to supply disruption and meet the customers' criteria on sustainable supply chain. The responsibility of supply chain management rests with the procurement department which manages the function in line with Company policies and the best available guidelines. The Company's approach to supply chain management is evaluated through independent evaluation reports submitted by the suppliers.

Sadaqat Limited produces and markets textile products to its customers. To produce and market the products, it requires raw materials, process materials, capital equipment, packaging, services and other inputs. The Company's supply chain is mainly labor intensive. Sadaqat Limited procures most of the required products and services from local suppliers. The Company purchases comprise of 80% purchases from local suppliers and 20 % purchases from foreign suppliers. The products which are not available locally are purchased from abroad. The Company ships the products directly to its customers located in different countries. During the year, there were no major changes in the structure of the supply chain.

External Initiatives

The Company is aware of precautionary principle of Article 15 of Rio Principles and is committed to take necessary actions to fulfill its responsibility towards risk management in operational planning and product development. The Company is focused to take actions for reducing environmental impacts of its operations through research and development, modernization of its equipment and adoption of cleaner technologies to reduce the emissions.

The Company supports the following initiatives either through membership or certification of its systems.

- International Standards Organization (ISO) - ISO 9001:2008, ISO 14001:2004
- OSHAS 18001:2007
- Social Accountability International - SA 8000
- Worldwide Responsible Accredited Production (WRAP)
- Ethical Trading Initiative
- British Retail Consortium (BRC)

- Fair Trade
- Textile Exchange (TE) - Organic Textile Standard (OCS) and Global Recycled Standard (GRS)
- Global Organic Textile Standard (GOTS)
- Oeko-Tex Association
- Supima
- Better Cotton Initiative (BCI)
- Taflon Fabric Protocol
- Faisalabad Chamber of Commerce and Industry

The Company does not provide funds to these organizations except the membership and certification fees.

5.0 Stakeholder Engagement

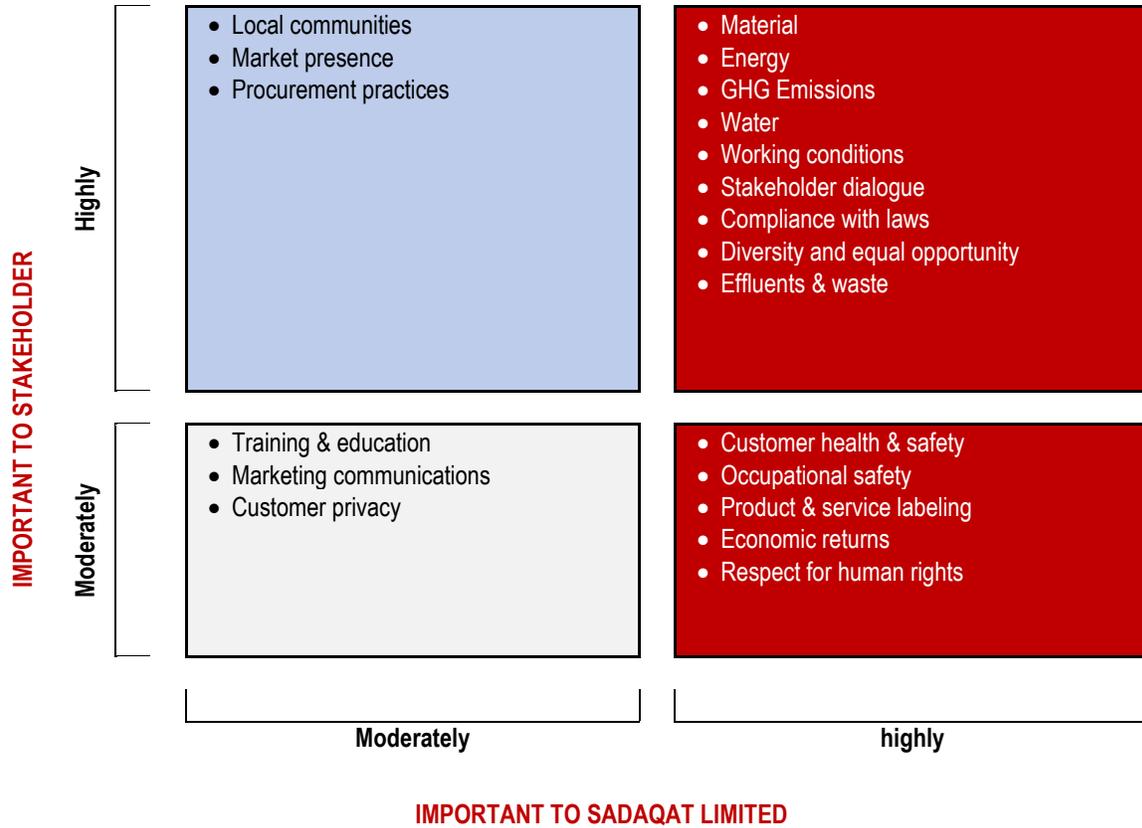
Stakeholders' engagement is an important process through which the Company engages with its various stakeholders to understand their concerns for improving decision making process and devise its strategy towards sustainability. The stakeholder engagement is a continuous process throughout the year. The stakeholder groups include employees, customers, suppliers, banks, local community, government, and media.

Sadaqat Limited values the stakeholder input and interacts with all interest groups which have direct impact on the Company business or are affected by the Company activities. During the year, we have carried out dialogue with following important stakeholder on different issues to determine material topics for the sustainability report 2014.

Stakeholder Group	Stakeholder Interest	Mode of Consultation	Frequency
Shareholders and providers of capital 	Sustained rate of return, business growth, good corporate governance	The corporate relations department carries out engagement activities with shareholders and providers of capital throughout the year on financial and operational performance of the Company. The stakeholders can give their input in general meetings as well as through corporate relations department or company secretary.	Ongoing
Employees 	Fair wages, training and education, and health and safety	The Company interacts with employees through meetings and employee representative groups to gain insight on company HR policies and employee health and safety related issues.	Annually Quarterly
Customers 	Product quality, cost and timely delivery	Customers are engaged through marketing department which collects customer feedback on continuous basis to timely identify the customer concerns and take corrective actions.	Ongoing
Local Community 	Interventions for social uplift, environmental impact of operations	Local community is engaged through Environment Health, and Safety (EHS) department, which is primarily responsible for interventions in the field of education, health and uplift of the community.	Ongoing
Govt. and other regulatory bodies 	Compliance of laws and regulations	Engagement is carried out on continuous basis on topics affecting company business and textile industry in general. The Company also engages with Government for community development programs on need basis.	Ongoing
Suppliers 	Reasonable term and conditions, timely payments	Suppliers are engaged through procurement department to identify the issues affecting suppliers. Supplier are also encouraged to share their concerns/feedback in supplier meetings.	Ongoing
Media 	Wider range of issues concerning different stakeholders	The Company engages media on an on-going basis to disseminate information on development relating to Company business and textile industry.	Annually Quarterly

Based on the stakeholder dialogue and feedback received during the year, we carried out a materiality analysis to determine the material issues for the sustainability report 2014. The materiality analysis helped us to identify the most important and relevant economic, environmental and social impacts which affects the stakeholder decisions. The materiality analysis includes identification, prioritization of identified topics and review in line with Company objectives, risk management system, and stakeholder expectations. The prioritization is based on the materiality analysis as per sustainability reporting guidelines. The materiality matrix presents the result of materiality determination exercise.

Materiality Matrix



The materiality matrix is divided in the areas to show topics which are highly relevant and those which are moderately relevant to the Company business and its stakeholders. The content and scope of this report are also derived from this matrix. (G4-18). The report only covers the impacts of Sadaqat Limited operations and does not include any impact of subsidiaries or supply chain.

6.0 Economic Performance

Management Approach

Sadaqat Limited's vision, mission and corporate objectives guide the Company to deliver exceptional economic performance 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 producing a healthy returns to the investors.

Sadaqat Limited is aware that its operations have major direct and indirect economic impacts. The major direct impacts includes shareholder returns in shape of dividend, payment to investors in shape of return on loans, payment of taxes and duties to the government, payment of salaries and benefits to employees, payments to suppliers, and local hiring. The indirect economic impacts are economic development around factory site, investment in infrastructure projects, and provision of support for health and education. The Company aims to increase the 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 company. 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. The performance is reviewed quarterly and actions taken according to the requirement.

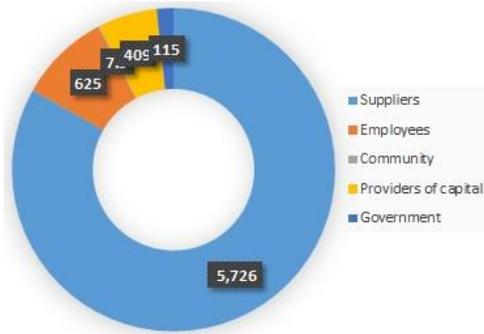
The financial results of Sadaqat Limited for the year 2014 reflects growth in revenues and net profit despite of electricity crises coupled with slow economic development in the country. The Company revenue increased by 12.65 % as compared to previous year while net profit after tax increased by 6.47 % year on year basis. The spending on education and health facilities for local communities remained 7.50 million, during the year.

G4 Performance Indicators

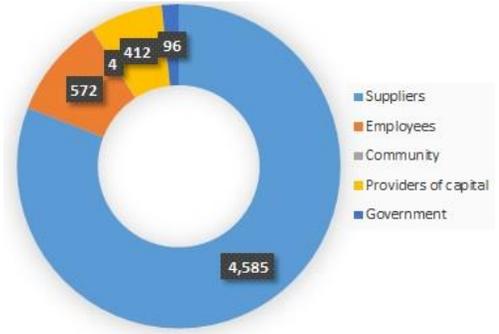
Economic performance

Economic value generated and distributed	Unit (PKR)	2014 (Million)	2013 (Million)
Direct economic value generated			
Revenues		10,253	9,098
Economic value distributed			
Operating costs		5,726	4,585
Employee wages and benefits		625	572
Payments to providers of capital		409	412
Payments to government		115	96
Community investment		7.5	4
Economic value retained		3,370	3,429

Year 2014
Breakdown of economic value distribution



Year 2013
Breakdown of economic value distribution



Organization’s defined benefits

The Company provide 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. Alternatively, it can be transferred to other provident fund at the option of employee. During the year, Company spent Rs. 13.01 million on defined benefit plans.

Financial assistance received from government

The Company receives financial assistance in shape of duty drawback, tax refunds on export and tax credits on balancing and modernization of machinery. Rs. 406 million are receivable from government at the end of year. During the year, no financial assistance received from government.

Market presence

Ratio of standard entry level wages compared to local minimum wages

The Company strictly complies with applicable regulation for minimum wages and the ratio of minimum entry level wages compared to local minimum wages is well above of the minimum wage level.

Senior management hired from local community

All employment in the Company is made strictly on merit and no preference whatsoever is granted. However, while employing production staff preference is given to the local community residents. Approximately 60-70 % senior management is hired from the local community.

Procurement practices

Proportion of spending on local suppliers

The Company makes 80% purchases from local supplier while 20 % purchases are made from international suppliers.

7.0 Environmental Performance

Environmental Management Approach

Sadaqat Limited is committed to protect environment, reduce the negative environmental impacts of its operations through continuous adoption of new technologies and processes. The Company has an environment policy in place which serve as a guidance for new investments and improvement in existing operations.

The Company has identified material environmental impacts of its operations based on the stakeholder engagement, interaction of its business activities with the external environment and severity of impacts. The material environmental impacts are listed in materiality matrix.

The Company has integrated environment, health and safety policy in place along with Environment, Health, and Safety Committee headed by the Chairman of Board of Directors. The EHS Committee has mandate to formulate guidelines, take decisions, review performance and fix responsibility for environment, health and safety related matters. The Company's management approach is leading to cautious raw material usage, energy and water efficiency and reduced emissions and waste generation.

The General Manager EHS is responsible for performance, regulatory affairs and monitors the compliance for Environment, Health, and Safety (EHS). The Company regularly sends its key staff for trainings on health, safety and environment to equip them with the latest knowledge on the subject. The monitoring of the systems is carried out on a continuous basis to check compliance with the internal polices, targets, applicable laws, and customer requirements. The 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 identify the risk and opportunities, bring improvements in the management system and build stakeholder confidence. The evaluation of management approach is carried out on annual basis to identify the effectiveness of management approach resulting improvements against the targets and to check the corrective action where required.

As a result of these efforts, Sadaqat Limited has not been accused of not having acted in compliance with laws, voluntary codes concerning nature and environment. Moreover, the Company has not paid any substantial fine or subject to non-monetary sanctions for non-compliance with environmental laws and regulations during the year.

G4 Performance Indicators

Material

Material used	Unit	2014	2013
Yarn	Bags	46,434	10,001
Grey	Mtr	36,755,590	32,621,531
Knitting	Kg	-	160,481
Dyes and Chemical	Kg	2,296,453	2,166,362
Packing Material	Nos	68,891,570	60,008,765
Stitching Material	Nos	14,680,456	12,430,189
Store supplies	Nos	1,752,902	2,484,172

Energy

Energy consumption	Unit	2014	2013
Energy consumed within organization	GJ	169,442	205,339
Energy consumed outside organization	GJ	30,000	18,820
Energy intensity	Unit	2014	2013
Energy used per unit	GJ/per meter	0.0043	0.0053

Energy savings	Unit	2014	2013
Energy savings per year	GJ	35,897	-

Reduction in energy requirements of products and services

The Company products does not use energy directly. However, the energy is used during washing and ironing of the products. The Company is striving to reduce the energy requirement of Company's products during these two processes. No quantification of energy reduction is available for the year.

Water

Water consumption	Unit	2014	2013
Total water withdrawal per year	M ³	1,103,160	912,960

Water resources affected by withdrawal of water

The Company withdraws water from the ground wells, which does not significantly affect the water level around plant site.

% of water recycled and reused	2014	2013
% age of water recycled and reused	4 %	-

Emissions

Greenhouse Gas (GHG) emissions	Unit	2014	2013
Direct emissions (Scope I)	MT	355,059	349,441
Indirect emissions (Scope II)	MT	-	-
Other indirect emissions (Scope III)	MT	734	734

Scope III emission contains waste water treatment related emissions which are not accounted in Scope I. The Company have identified that the other indirect greenhouse gas emissions caused by its operations are not significant in the overall context. Therefore the Company has not produced a complete response to this indicator. The Company uses 2012 year as a base year.

Emissions intensity	2014	2013	
Emission per unit of production	MT/per meter	0.0090	0.0091

Scope I emissions were used for calculation.

Emissions reduction

The company used coal for power and steam generation and as a result, no reductions in emission were achieved during the year.

Emissions of Ozone-Depleting Substances (ODS)	Unit	2014	2013
Emissions	Ton	Nil	Nil

No _x , So _x and other significant emissions	Unit	2014	2013
Emissions	Ton	Nil	Nil

Waste and effluents

Water discharge by quality and destination	Unit	2014	2013
Water discharge by quality and destination	M ³	1,042,296	-

The waste water is discharged in drain and measured by flow meters. EPA approved waste water treatment plant at Sadaqat Limited ensures proper treatment of waste water to reduce harmful elements to meet the NEQS limits.

Waste by type and disposal method	Unit	2014	2013
Reuse	Ton	30,768	21,108
Recovery (steam generated from waste heat boiler)	Ton	6,864	7,893
Incineration	Ton	104	85
Landfill	Ton	Nil	Nil
Onsite storage	Ton	1,338	1,250

Significant spills

No significant spill occurred during the year.

Hazardous waste disposal	Unit	2014	2013
Total weight of hazardous waste transported	Ton	101	57

The Company does not transport hazardous waste internationally.

Biodiversity impact of waste disposal

The Company treats waste handling very carefully and according to NEQS standards. No incidents were reported where waste was not disposed properly, leading to adverse impact on the biodiversity and habitats around plant sites.

Compliance and overall environmental management

Non-compliance and impacts

There were no incidents of non-compliance with laws and regulation during the year.

Environmental protection expenditures	Unit (PKR)	2014	2013
Waste disposal, emissions treatment, and remediation costs		80 million	124 million
Prevention and environmental management costs		4.8 million	3.2 million

8.0 Social Performance

Management Approach

Sadaqat Limited is aware of its responsibility for reasonable working conditions, respect for human rights, local community development and fair business transactions. The Company voluntarily committed to ensure that its business activities and strategic decisions, follow, protect and respect labor standard, human rights declarations, anti-corruption regulations, responsible production, and marketing practices. In order to further strengthen commitment and improve management processes, Sadaqat Limited got its systems certified against Social Accountability International Standard, SA 8000. The material aspects of Company operations on social front have been identified on the basis of stakeholder consultation and business strategy.

The Company operations are mainly labor intensive and Company employs more than 4,000 workers at its factory in Faisalabad. The labor intensive operations require good human resource policies, safe working conditions, ongoing training, and education for better productivity. The highest officer responsible for labor practices is General Manager Human Resources/Admin and Compliance. The Company regularly evaluates the labor practices to take corrective actions, if required.

Sadaqat Limited is committed to protect human rights within sphere of its influence, encourage workers right to form unions, eliminate discrimination, child labor, forced, and compulsory labor. The highest officer for human rights practices is General Manager Human Resources/Admin and Compliance. The Company policies and practices relating to human rights management are reviewed on annual basis for their effectiveness and necessary revisions.

The Company believes that the economic, environmental and social sustainability of the communities around its factory is essential for long-term growth of the Company. The Company has an environment, health, and safety committee in place, which formulates Company policies and procedure, and programs for implementation for the betterment of local community. 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.

Sadaqat Limited aims to produce quality products which can be used safely with minimum environmental impact. The Company has quality policy in place which guides the Company to strive for the best in class products. The manufacturing unit is responsible for product responsibility. The Chief Executive is responsible for the product impacts and marketing practices. The Company is aware that any deviation may result in damage to brand reputation, alienation of customers and financial loss. Thus Company continuously invests in production facilities, provides guidance, and training to production staff to ensure quality production. The Company has dedicated staff trained on labeling as per applicable laws and regulations. The management approach is reviewed on the basis of customer feedback and improvements carried out to meet customer demands.

G4 Performance Indicators

Labor practices and decent work

Employment practices

Full time employees as on June 30, 2014

2014		4713
2013		4826

Workforce structure

Structure	Total	% age
Employees		
Male	4,538	96%
Female	175	4%

Employee category	Total	% age
Management		
Male	205	99%
Female	2	1%
Staff		
Male	4,333	96%
Female	173	4%

Employment contract	Total	% age
Regular		
Male	4,538	96%
Female	175	4%

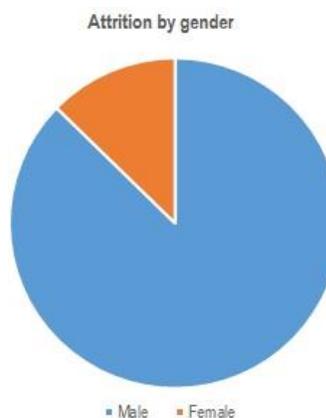
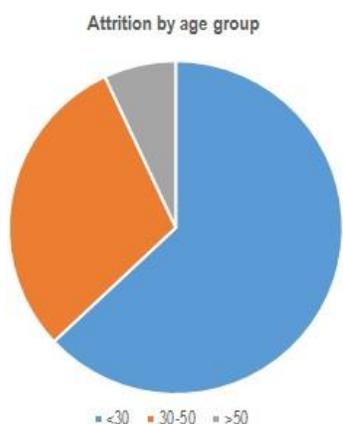
Employee type	Total	% age
Full time		
Male	4,538	96%
Female	175	4%
Part time	-	

No contract employment is offered at Sadaqat Limited.

Employees or supervised workers	Total	% age
Employees		
Male	4,538	96%
Female	175	4%
Supervised workers	-	-

Region	Total	% age
Faisalabad		
Male	2,922	97%
Female	90	3%
Other regions		
Male	1,616	95%
Female	85	5%

Attrition by age group and gender



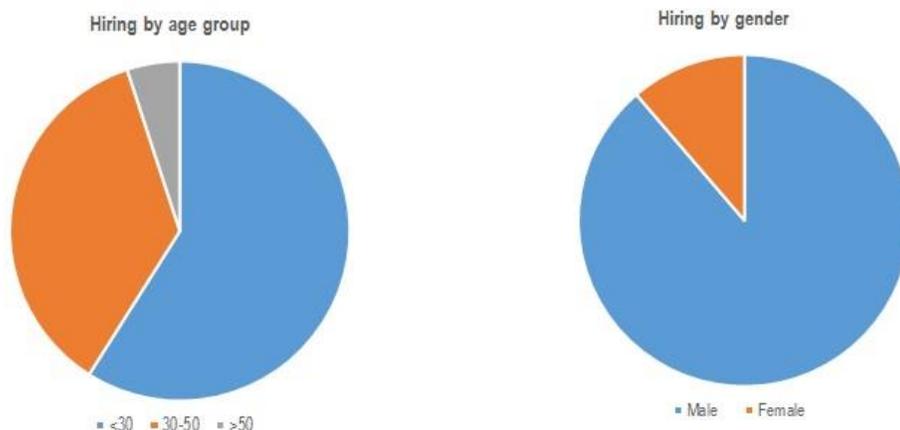
Attrition by age group

<30	804
30-50	383
>50	89

Attrition by gender

Male	1114
Female	162

Hiring by age group and gender



Hiring by age group

<30	1140
30-50	696
>50	97

Hiring by gender

Male	1715
Female	218

Employee benefits

Benefits provided to full time employees

The Company provide following benefits to full time employees including management and staff. These benefits are not offered to part time employees.

Benefits	Management	Staff
Life Insurance	Yes	Yes
Health Care	100%	100%
Disability/invalidity Coverage	Yes	Yes
Parental leave	Only females	Only females
Retirement provision	No	No
Stock Ownership	No	No

Only female employees are eligible for parental leave. No employee took parental leave during the year.

Labor relations and health & safety

The Company gives four weeks' notice to labor representative for any operational changes, which will affect them. However, the minimum notice period is not mentioned in the agreement with labor union.

Occupational health and safety

3.1 % of the workforce is represented in formal join management –worker health and safety committees which work at department level.

The company accounts first aid injury in the injury rate and the lost days means schedule work days, lost day count begins the day after the incident.

Rate of Injury by region and gender				
	Organization		Contractor	
	Male	Female	Male	Female
Khurrianwala factory	0.04%	0 %	Not recorded	Not applicable

Occupation disease rate by region and gender				
	Organization		Contractor	
	Male	Female	Male	Female
Khurrianwala factory	Nil	Nil	Not recorded	Not applicable

Lost days rate by region and gender				
	Organization		Contractor	
	Male	Female	Male	Female
Khurrianwala factory	Not recorded	Not recorded	Not recorded	Not applicable

The health and safety topics are covered in the agreements with labor union. The workers involved in fluff related work may have risk of lung cancer. However, the Company is committed to reduce the risks of any occupational disease and strictly complies with its health and safety policy, which requires workers to comply with the safety measures during execution of work.

Training and education

	2014		2013	
	Male	Female	Male	Female
Average hours of training by gender	48	32	48	32

The Company also provides opportunities for lifelong learning through provision of in house trainings for enhancing the skill sets and employability of the workforce. The employees are also encouraged to increase their qualifications in respective areas while working in the Company. 10-15 % of male employees and 3-5 % of female employees received performance appraisal and career development reviews during the year.

Diversity and equal opportunity

Employee per employee category, by gender, minority group and age

Employee Category	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Management	205	2	207	-	85	103	19
Staff	4,333	173	4241	265	3109	1127	270

Individuals in governance bodies by gender, minority, and age group

Governing body	Gender		Minority Group		Age Group		
	Male	Female	Muslim	Non-Muslim	<30	30-50	>50
Board of directors	7	0	7	0	0	6	1

Human Rights

Non-discrimination

No incident of discrimination reported during the year.

Freedom of association and collective bargaining

The Company supports the workers right to form unions as per applicable laws and international conventions. All eligible workers were covered under the collective bargaining agreement. No operations identified where worker's right to exercise freedom of association and collective bargaining may be violated or at risks. The Company does not screen its suppliers on this criteria, however, the Company encourages its suppliers to follow the applicable laws regarding workers' rights.

Child labor and forced and compulsory labor

The Company strictly complies with the regulations regarding child labor, forced and compulsory labor. During the year, no cases of child labor or forced and compulsory labor reported in the Company operations. The Company does not screen its supplier on these criteria but encourages them to follow the regulations and international conventions on child labor and forced and compulsory labor.

Society

Local communities

The Company is aware of its responsibility of taking steps to uplift the education, health and infrastructure in the vicinity of its operations. All of the operations have implemented local community engagements, impact assessment and planned development programs in different areas. The Company has a EHS Committee in place, which is mandated to devise strategies and programs for development around plant site. The Company engages community on a continuous basis to get insights and suggestion for better community service. During the year, the Company spent an amount of Rs. 7.5 million on implementation of programs in the areas of health, education, and infrastructure developments around the factory.

No actual or potential negative impacts of operations, except negative environmental impacts, were identified during the year.

Combating corruption

All operations were assessed for the risks related to corruption. Five incidents of corruptions identified during the year. As a result, three employees were dismissed from job while business relationship with two business partners were terminated during the year.

The Company has a dedicated internal audit department which continuously reviews the operation 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 policy on anti-corruption.

Product Responsibility

Customer health and safety

60% of the Company products were assessed for health and safety impacts during the year, while 45 % of the products were assessed for health and safety impacts during the year 2013. No incident of non-compliance with regulations and voluntary codes concerning health and safety impacts of products identified during the year. The Company production systems are certified for leading systems relating to health, safety and environment.

Product and service labeling

The Company products are subject to labeling requirements as per applicable regulations and voluntary codes followed by the Company. These regulations and voluntary codes requires 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 labeling 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.

Marketing communication, customer privacy and compliance

During the year, 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.

There was no loss or theft of customer data, nor did any compliant regarding breach of data protection laws recorded during the year. Moreover, during the year, the Company was not subject to any fine for non-compliance with laws and regulations concerning the provision and use of products.

9.0 The Way Forward

The Company aims to increase the adoption of sustainability practices in its operations while working on following major areas.

1. **Economic:** Sustainable rate of return is an important factor for moving forward on the path of sustainability and making efforts in other areas. Keeping in view the increasing cost of doing business and electricity shortage in the sector, the Company is focused to work more efficiently and cost effective way to provide sustained returns to the shareholders and augment Company's efforts on sustainability.
2. **Environment:** The Company is well aware of environmental impact of its operations and focused to reduce the environmental footprint of its operations. The Company aims to invest in more efficient and green technologies for reducing emissions and waste of its operations.
3. **People management:** Employees are an important capital and play an effective role in the success of business. To cope the high turnover, the Company aims to hire, nourish and retain a high quality workforce through encouragement support and reward.
4. **Governance & stakeholder engagements:** The Company aims to adopt the best available corporate governance practices to become more transparent and enhance stakeholder confidence. The Company also plans to carry on stakeholder engagement being an important tool for collective decision making for effective management of sustainability issues.
5. **Voluntary initiatives:** Sadqat Limited is dedicated to contribute and support;
 - Local communities around factory site as per its CSR policy;
 - Provision of assistance in case of natural calamities;
 - Corporate Social Responsibility Voluntary Guidelines 2012 by Securities & Exchange commission of Pakistan (SECP).

10.0 Annexures

Definition and Methodology

This section deals with the definition and methodology guide for this 2nd edition of sustainability report.

Unless otherwise specified or required;

- The term “the Company” refers to Sadaqat Limited for accounting and sustainability reporting purpose;
- The term “marketing region” refers to the distinct areas/countries where company sells products;
- The information and data contained in the Sustainability Report 2014 relates to financial year July 01, 2013 – June 30, 2014;
- The GRI principles for defining report content and quality were applied during identification of material topics and compilation of information presented in the Sustainability Report 2014;

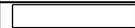
The contents of the report have been defined through materiality analysis and applying report content principles of the GRI guidelines. The Company has not identified the aspect boundaries in this report, however, the aspect boundaries for identified material aspects will be provided in the next year’s report. The data compilation has been carried out on using scientific measurement on actual basis. However, where actual data is not available estimation has been used, which is mentioned at respective places in the report. There were no changes in the measurement techniques, reporting period, scope, boundary applied during the year. Moreover, there were no changes in the organization’s size, structure and ownership and supply chain that can significantly affect the comparability from period to period in the sustainability reports.

The sustainability report preparation is an annual reporting process. Sadaqat Limited makes every effort to ensure the accuracy of the reported information. Sadaqat Limited has engaged Corporate Social Responsibility Centre Pakistan (CSRCP) to prepare Sadaqat Limited’s sustainability report. CSRCP was supported by the sustainability reporting team that has coordinated with relevant departments to compile data. The report is reviewed by management and approved by EHS Committee, the highest decision making body on CSR issues. The report is freely available for download from the Company website (www.sadaqatgroup.net). The last Sustainability Report published in printed form was made available in September 2013.

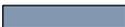
GRI-G4 Content Index

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 2014 sustainability report or other publicly available sources.

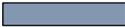
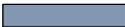
Key

SR	Sustainability report
	Fully disclosed
	Partially disclosed
	Not disclosed

General standard disclosure

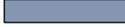
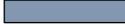
DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Strategy & Analysis				
G 4-1	Statement from the Chairman and the CEO	SR	6	
Organizational profile				
G 4-3	Name of the organization	SR	8	
G 4-4	Primary brands, products, and/or services	SR	8	
G 4-5	Location of the organization's headquarters	SR	8	
G 4-6	Countries where the organization operates	SR	8	
G 4-7	Nature of ownership and legal form	SR	8	
G 4-8	Markets served	SR	8	
G 4-9	Scale of the reporting organization	SR	8	
G 4-10	Workforce characteristic	SR	18-19	
G 4-11	Employees covered by collective bargaining agreements	SR	22	
G 4-12	Organization's supply chain	SR	9	
G 4-13	Changes in organization's size, structure, ownership or its supply chain	SR	8	
G 4-14	Precautionary approach to risk management	SR	9	
G 4-15	Externally developed charters, principles or initiatives to which the organization subscribes	SR	9	
G 4-16	Membership in associations or organizations	SR	9	

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Identified material aspects and boundaries				
G 4-17	Entities included in the organization reports	SR	25	
G 4-18	Reporting principles for defining report content	SR	25	
G 4-19	Material aspects identified in defining report content	SR	12	
G 4-20	Material aspects within the organization	SR	12	
G 4-21	Material aspects outside the organization	SR	12	
G 4-22	Restatements of information provided in earlier reports	SR	25	
G 4-23	Significant changes from previous reporting periods in scope and aspect boundaries	SR	25	
Stakeholder engagement				
G 4-24	Stakeholder groups engaged by the organization	SR	11	
G 4-25	Identification and selection of stakeholders to engage	SR	11	
G 4-26	Organization's approach to stakeholder engagement	SR	11	
G 4-27	Key topics collected through stakeholder engagement	SR	11	
Report profile				
G 4-28	Reporting period	SR	2	
G 4-29	Date of the last report	SR	2	
G 4-30	Reporting cycle	SR	2	
G 4-31	Contact point for questions regarding the report	SR	2	
G 4-32	GRI Content Index	SR	2	
G 4-33	External assurance	SR	2	
Governance				
G 4-34	Governance structure	SR	7	
G 4-35	Delegating authority for economic, environmental and social topics	SR	7	
G 4-36	Positions with responsibility for economic, environmental and social topics	SR	7	
G 4-38	Composition of highest governance bodies and its committees	SR	7	
G 4-39	Executive powers of the Chairman	SR	7	
G 4-40	Qualification and expertise of highest governance bodies	SR	7	

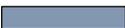
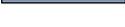
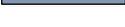
DMA and Indicators	Publications	Page	Omission and reason	External Assurance
G 4-41 Processes to avoid conflicts of interest	SR	7		
G 4-42 Highest governance bodies and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	SR	7		
G 4-45 Highest governance bodies' role in the identification and management of economic, environmental and social impacts, risks, and opportunities	SR	7		
G 4-47 Frequency of the highest governance bodies' review of economic, environmental and social impacts, risks, and opportunities	SR	7		
Ethics and integrity				
G 4-56 Organization's values, principles, standards and norms of behavior	SR	4		

Specific standard disclosures

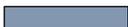
Economic

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: economic performance				
G4-DMA Generic Disclosures on Management Approach	SR	13		
G4-EC1 Direct economic value generated and distributed	SR	13		
G4-EC3 Coverage of the organization's defined benefit plan obligations	SR	14		
G4-EC4 Financial assistance received from government	SR	14		
Material aspect: market presence				
G4-DMA Generic Disclosures on Management Approach	SR	13		
G4-EC5 Ratios of standard entry level wage by gender compared to local minimum wage	SR	14		
G4-EC6 Proportion of senior management hired from the local community	SR	14		
Material aspect: procurement practices				
G4-DMA Generic Disclosures on Management Approach	SR	13		
G4-EC9 Proportion of spending on local suppliers	SR	14		

Environment

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: materials				
G4-DMA	Generic Disclosures on Management Approach	SR	15	
G4-EN1	Materials used	SR	15	
Material aspect: energy				
G4-DMA	Generic Disclosures on Management Approach	SR	15	
G4-EN3	Energy consumption within the organization	SR	15	
G4-EN4	Energy consumption outside of the organization	SR	15	
G4-EN5	Energy intensity	SR	15	
G4-EN6	Reduction of energy consumption	SR	16	
G4-EN7	Reductions in energy requirements of products and services	SR	16	
Material aspect: water				
G4-DMA	Generic Disclosures on Management Approach	SR	15	
G4-EN8	Water withdrawal	SR	16	
G4-EN9	Water sources significantly affected by withdrawal	SR	16	
G4-EN10	Water recycled and reused	SR	16	
Material aspect: emissions				
G4-DMA	Generic Disclosures on Management Approach	SR	15	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	SR	16	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	SR	16	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	SR	16	
G4-EN18	Greenhouse gas (GHG) emissions intensity	SR	16	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	SR	16	
G4-EN20	Emissions of ozone-depleting substances (ODS)	SR	16	
G4-EN21	NOX, SOX, and other significant air emissions	SR	16	

DMA and Indicators		Publications	Page	Omission and reason	External Assurance
Material aspect: effluents and waste					
G4-DMA	Generic Disclosures on Management Approach	SR	15		
G4-EN22	Water discharge	SR	17		
G4-EN23	Waste disposal	SR	17		
G4-EN24	Significant spills	SR	17		
G4-EN25	Hazardous waste	SR	17		
G4-EN26	Biodiversity and habitats affected by the organization's discharges	SR	17		
Material aspect: compliance					
G4-DMA	Generic Disclosures on Management Approach	SR	15		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	SR	17		
Material aspect: overall					
G4-DMA	Generic Disclosures on Management Approach	SR	15		
G4-EN31	Environmental protection expenditures and investments	SR	17		
Social					
Labor practices and decent work					
Material aspect: employment					
G4-DMA	Generic Disclosures on Management Approach	SR	18		
G4-LA1	Number and rates of new employee hires and employee turnover	SR	18		
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	20		
G4-LA3	Return to work and retention rates after parental leave	SR	20		
Material aspect: labor/management relations					
G4-DMA	Generic Disclosures on Management Approach	SR	18		
G4-LA4	Minimum notice periods regarding operational changes	SR	20		
Material aspect: occupational health and safety					
G4-DMA	Generic Disclosures on Management Approach	SR	18		

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
G4-LA5	Workforce represented in health and safety committees	SR	20	
G4-LA6	Injuries, occupational diseases, lost days, absenteeism and total number of work-related fatalities	SR	21	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	SR	21	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR	21	

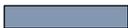
Material aspect: training and education

G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-LA9	Training per employee	SR	21	
G4-LA10	Programs for skills management and lifelong learning of employees	SR	21	
G4-LA11	Employees receiving regular performance and career development reviews	SR	21	

Material aspect: diversity and equal opportunity

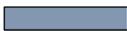
G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-LA12	Composition of governance bodies and breakdown of employees per indicators of diversity	SR	21	

Human rights

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
Material aspect: non-discrimination				
G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-HR3	Incidents of discrimination and corrective actions taken	SR	22	
Material aspect: freedom of association and collective bargaining				
G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-HR4	Risks to the right to exercise freedom of association and collective bargaining	SR	22	
Material aspect: child labor				
G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-HR5	Operations identified as having significant risk for incidents of child labor	SR	22	

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
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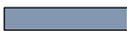
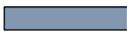
Material aspect: forced or compulsory labor

G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-HR6	Operations identified as having significant risk for incidents of forced or compulsory labor	SR	22	

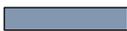
Society

DMA and Indicators	Publications	Page	Omission and reason	External Assurance
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Material aspect: local communities

G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	SR	22	
G4-SO2	Operations with significant actual and potential negative impacts on local communities	SR	22	

Material aspect: anti-corruption

G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-SO3	Operations assessed for risks related to corruption	SR	22	
G4-SO4	Communication and training on anti-corruption policies and procedures	SR	22	
G4-SO5	Confirmed incidents of corruption and actions taken	SR	22	

Product responsibility

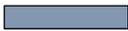
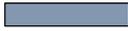
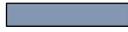
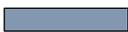
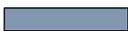
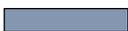
DMA and Indicators	Publications	Page	Omission and reason	External Assurance
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Material aspect: customer health and safety

G4-DMA	Generic Disclosures on Management Approach	SR	18	
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement	SR	23	
G4-PR2	Incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle	SR	23	

Material aspect: product and service labeling

G4-DMA	Generic Disclosures on Management Approach	SR	18	
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DMA and Indicators		Publications	Page	Omission and reason	External Assurance
G4-PR3	Product and service information	SR	23		
G4-PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	SR	23		
Material aspect: marketing communications					
G4-DMA	Generic Disclosures on Management Approach	SR	18		
G4-PR6	Sale of banned or disputed products	SR	23		
G4-PR7	Incidents of non-compliance with regulations concerning marketing communications	SR	23		
Material aspect: customer privacy					
G4-DMA	Generic Disclosures on Management Approach	SR	18		
G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	SR	23		
Material aspect: compliance					
G4-DMA	Generic Disclosures on Management Approach	SR	18		
G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	SR	23		

Feed Back Form

Sustainability Report 2014

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 :

Please mail your feedback to:

Mr. Nadeem Baig,
Manager Finance
Sadaqat Limited,
2 Km, Sahianwala Road, Khurrianwala, Faisalabad.
Email: nadeem.baig@sadaqatgroup.net

Sadaqat Limited
2KM, Sahianwala Road, Khurrianwala, Faisalabad Pakistan
+92 41 111-010-111
+92 41 850-7511-12
www.sadaqatgroup.net
sadaqat.limited@sadaqatgroup.net