

Sustainability Report 2016



ADDING QUALITY TO LIFE

Embedding Sustainability
Creating Value

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2016 Highlights

2016 was another successful year with highest sales and earnings coupled with reduced environmental footprint, and enhanced local community impacts.

NET SALES REVENUE

In million rupees

11,584

Sales revenue increased by 26% over previous year.

NET PROFIT

In million rupees

763

Net profit increased by 226% over previous year.

FABRIC PROCESSED

In million meters

56

Production increased by 23% over previous year .

WATER TREATED

In m³/per year

117,921

Water treatment improved by 1% over previous year.

COMMUNITY INVESTMENT

In million rupees

50

Increased contribution for community investment.

Goals

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

MATERIAL ISSUE	TARGET 2017
 <p>Business performance</p>	<ul style="list-style-type: none"> • Increase sales by 5-7% • Reduce average raw material cost by 5-10%
 <p>Energy and climate change</p>	<ul style="list-style-type: none"> • 5-10% reduction in GHG emissions • Plan to enhance renewable energy to 35 KWH
 <p>Water</p>	<ul style="list-style-type: none"> • Better water management to reduce fresh water intake and separation of waste water streams
 <p>Waste and effluents</p>	<ul style="list-style-type: none"> • 35% hazardous solid waste management through incineration
 <p>Material</p>	<ul style="list-style-type: none"> • 10-20% reduction in paper rims

About this Report

Welcome to our third sustainability report. We aim to share information about our sustainable practices and value created for our shareholders, employees and the communities where we operate.

This report is based on GRI G4 guidelines and Integrated Reporting (IR) framework. We adopted IR framework this year to better communicate value created through our activities and impacts on our key stakeholders.

Scope of the report

The data, information, and financial information related to Sadaqat Limited for the financial year 2016 is included. The report does not contain information on the sustainability impacts of subsidiary companies. The contents of this report are based on the results of our dialogue with stakeholders, Global Reporting Initiative (GRI) G4 guidelines requirements for core level report, and IR framework. All aspects having significant economic, environmental and social impacts and influence on stakeholder decisions are identified, prioritized and validated during materiality analysis for defining report content. GRI Guidelines principles for report content have been applied during materiality analysis. The aspect boundaries are identified for each material aspect based on the occurrence of impacts and Sadaqat Limited's involvement with impacts.

GRI Guidelines principles for report quality were consistently applied during compilation of information for sustainability report 2016. The data compilation has been carried out 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, and boundary applied during the year. Moreover, there were no major 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. Sadaqat Limited makes every effort to ensure the accuracy of information in the sustainability reports. However, figures may be updated/ revised to correct calculation mistakes in data compilation or conversion. The restatements/revision of data wherever carried out is clearly mentioned in the report.

The report is GRI-G4 In accordance – core level report. The GRI content index is available on page 41. This report is not externally assured. However, we have plans to get external assurance in future. Sadaqat Limited makes every effort to ensure accuracy of the reported information. Sadaqat Limited has engaged Corporate Social Responsibility Centre Pakistan (CSRCP) to prepare Sadaqat Limited's sustainability report for third consecutive year. CSRCP was supported by sustainability reporting team of Sadaqat Limited that has coordinated with relevant departments to compile sustainability data. The report is reviewed by management and approved by EHS Committee, the highest decision making body on CSR issues. The report is published in Portable Document Format (pdf) and printed versions and can be download from Company website (www.sadaqatgroup.net). Sustainability report is published on annual basis and last report was published on January 30th 2016.

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

Mr. Osman Mukhtar
General Manager
Health & Safety
Sadaqat Limited
2 Km, Sahianwala Road, Khurrianwala, Faisalabad.
Email: osman.mukhtar@sadaqatgroup.net



Overview

In this section

Chairman's letter
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Chairman's Letter

Dear stakeholders,

It gives me immense pleasure to share our sustainability report. In addition to information on our performance on economic, environmental and social fronts, the report covers our initiatives for embedding sustainability in day to day operations to create and share value with our stakeholders.

Sustainability is important not only to gain competitive edge in the global market but also to maintain social license to operate. We are focused to produce quality products with reduced environmental burden of our operations, engaging with our key stakeholders to get their insights for strategy development to deliver shared value. We are dedicated to deliver sustainable returns to our shareholders and financing partners, provide safe working conditions to our workforce, enhance indirect impacts of operations and contribute to the socio economic development in our communities.

During the year, our revenues and profitability increased to new milestone due to better market prices, reduced input costs and improved product mix. This also resulted in increased payout to our suppliers and employees. In 2016, we proactively participated in initiatives to increase skill set in textile industry, provide support for education and health facilities in the vicinity of the factory and in Faisalabad.

This is our 3rd sustainability report according to Global Reporting Initiative (GRI) Guidelines for preparation of sustainability reports. This year we also adopted Integrated Reporting (IR) Framework of International Integrated Reporting Council to better communicate use of capitals and our value creation process to our stakeholders.

We value your input which is vital to our success and would guide us to deliver to the expectations of our stakeholders.



A handwritten signature in black ink, appearing to read 'Sheikh Mukhtar Ahmed'.

Sheikh Mukhtar Ahmed
Chairman



Chief Executive Officer's Review

Dear stakeholders,

Sustainability remained high on our agenda and we worked hard to fulfil our commitment to deliver sustainable returns. Managing our operations through sustainability lens helped us to identify the most critical economic, environmental and social topics having material impacts of our operations, devise strategy and policies for better management of identified impacts, and sharing our approach, output and outcomes with our stakeholders to get their valuable feedback.

During the year, we achieved new milestone despite of challenging global economic conditions, prevailing low commodity prices, volatile exchange rate and uncertain economic policies. The revenue increased to Rs. 11.6 billion with 26% growth while net profit reached Rs. 763 million with tremendous 226% growth over previous year. The reduction in cost of sales and improved pricing strategy resulted in increased gross profit and net profit ratio from 15.8% to 18.7% and 2.5% to 6.6% respectively. To deliver sustainable returns over the years, we are committed to further diversify our products and market for attaining strategic fit and achieving synergy by complementary marketing, financial, operating, or management efforts.

We are aware of environmental and social impacts of our economic activities and focused to reduce negative impacts. Our production facilities are certified for leading quality management, environmental protection and social compliance standards. We are also certified for all leading textile industry specific certifications, memberships and licenses which demonstrates our commitment to become environmentally and socially compliant corporate citizen. During the year, water treatment increased by 1% over previous year while energy consumption and Green House Gases (GHG) emissions increased as compared to previous year as a result of higher production levels. We are committed to reduce environmental footprint of our operations by working to reduce GHG emissions, paper usage and increase the share of renewable energy in total energy mix.

We continued to effectively manage our social impacts by supporting educational institutions, hospitals around factory site and Faisalabad City for provision of quality education and better health facilities to the masses of local community and spur the socio economic development. During the year, we contributed Rs. 49.9 million through donations and welfare funds for community uplift.

We are now member of United Nations Global Compact (UNGC) in line with our commitment to protect environment, provide safe working conditions, respect human rights and combat corruption. We support UNGC ten principles and commit to work for better environmental management, decent labor practices, respect for human rights and combatting corruption in our operations and in our supply chain.

During the year, we continued to use Global Reporting Initiative (GRI) G4 guidelines for sustainability reporting to produce our in accordance core level report for the year 2016. We also adopted Integrated Reporting (IR) framework to demonstrate our commitment to become more transparent in the process of creating and delivering value to our stakeholders.

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

Khurram Mukhtar
Chief Executive Officer



About Sadaqat Limited

Sadaqat Limited is a vertically integrated unit in 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 Europe, UK, USA, Asia, Far East, Middle East, North America, Canada, South Africa, Australia and New Zealand. The major customers are retailers, wholesaler, buying agents and departmental stores.

The net sales for the year 2016 were Rs. 11.6 billion while total number of employees at year end were 4,712. The total capitalization stands at Rs. 6.1 billion comprising of equity of 5.3 billion and long-term liabilities of Rs. 0.8 billion. There were no changes in the structure of the Company during the year.

Supply chain

Supply chain and its effective management in textile industry is critical for business success, delivering commitment to customers and to meet the ultimate goal of sustainable development. In line with our commitment to sustainability, our relationships with suppliers are enlarged to promote good practices in their operations for collective benefit of our supply chain partners, our business and communities where we operate.

Sadaqat Limited is part of global supply chain, supplying products to leading stores in Europe, UK, USA, Asia, Far East, Middle East, North America, Canada, South Africa, Australia and New Zealand and buying raw materials from local factories, vendors, international suppliers of machinery and equipment and local and international service providers. This requires efficient supply chain management methods for mitigating the risks of supply disruption, non-compliance and negative practices, to meet customers' criteria on sustainable supply chain. Procurement department is responsible for supply chain management 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 international 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 91% purchases from local suppliers and 9% purchases from foreign suppliers. The products which are not available locally are purchased from abroad. The Company ships products directly to its customers located in different countries. During the year, there were no major changes in the structure of the supply chain.

Products

The main products are home textile products and fabric.

Bedding



Curtains



Cushions



Kids Range



Kitchen Accessories



External Initiatives

Sadaqat Limited is cognizant of its responsibility in line with 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 has strong risk management system to identify potential risks covering financial and non-financial risks, allocate responsibilities for risk management, and take necessary actions to mitigate or avoid the risks. The risk management system identifies and analyzes risks in line with Company's approach of avoidance of possible risks and all significance risks are communicated to Board Committees through respective management level. The Company is dedicated to reduce environmental footprint of its operations through continuous monitoring of operations, modernization of its machinery and adoption of new technologies to reduce energy consumption and greenhouse gases emissions. In addition to precautionary principle, the company also supports initiatives focused on product quality, social justice and uplifting of human rights. The Company's involvement in these initiatives is either through membership, license or certification of systems. The Company is involved in the below mentioned initiatives;

- United Nation Global Compact (UNGC)
- Global Reporting Initiative (GRI)
- World Wild Fund (WWF) – Green Office Diploma
- Better Cotton Initiative (BCI)
- Global Organic Textile Standard (GOTS)
- Organic Content Standard (OCS) and Global Recycle Standard (GRS)
- International Standards Organization (ISO) – Quality Management System (QMS) 9001:2008,
- Environmental Management System (EMS) 14001:2004, Occupational Health & Safety (OSHAS) 18001:2007
- British Retail Consortium (BRC)
- OEKO-TEX Standard 100 - Product Class 1
- SUPIMA
- Teflon Fabric Protector
- Social Accountability International - SA 8000:2008
- Worldwide Responsible Accredited Production (WRAP)
- SEDEX Ethical Trading Initiative
- C-TPAT
- Supplier Compliance Audit Network (SCAN)
- Faisalabad Chamber of Commerce and Industry
- Pakistan National Accreditation Council

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

Logos of our Certifications, Associations, Memberships & Licences



External Environment

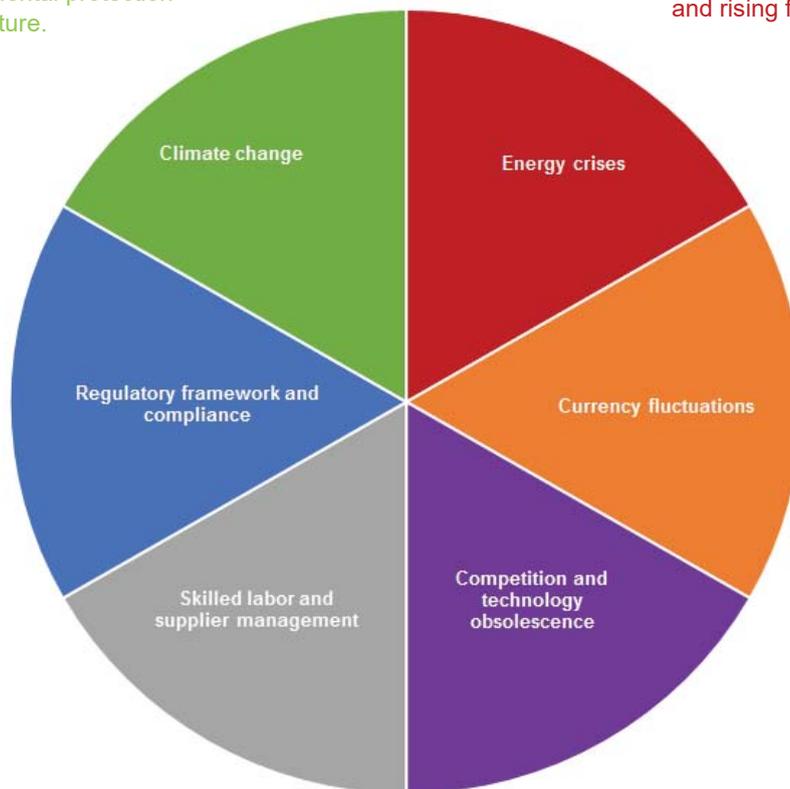
The risk and opportunities faced by our business and the broader political and macroeconomic environment where we operate.

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

Persistent energy crises, inadequate power supply and rising fuel prices.

Unfavorable and uncertain regulatory environment coupled with compliance burden.

Frequent currency fluctuation affecting pricing, costing and business planning.



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

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

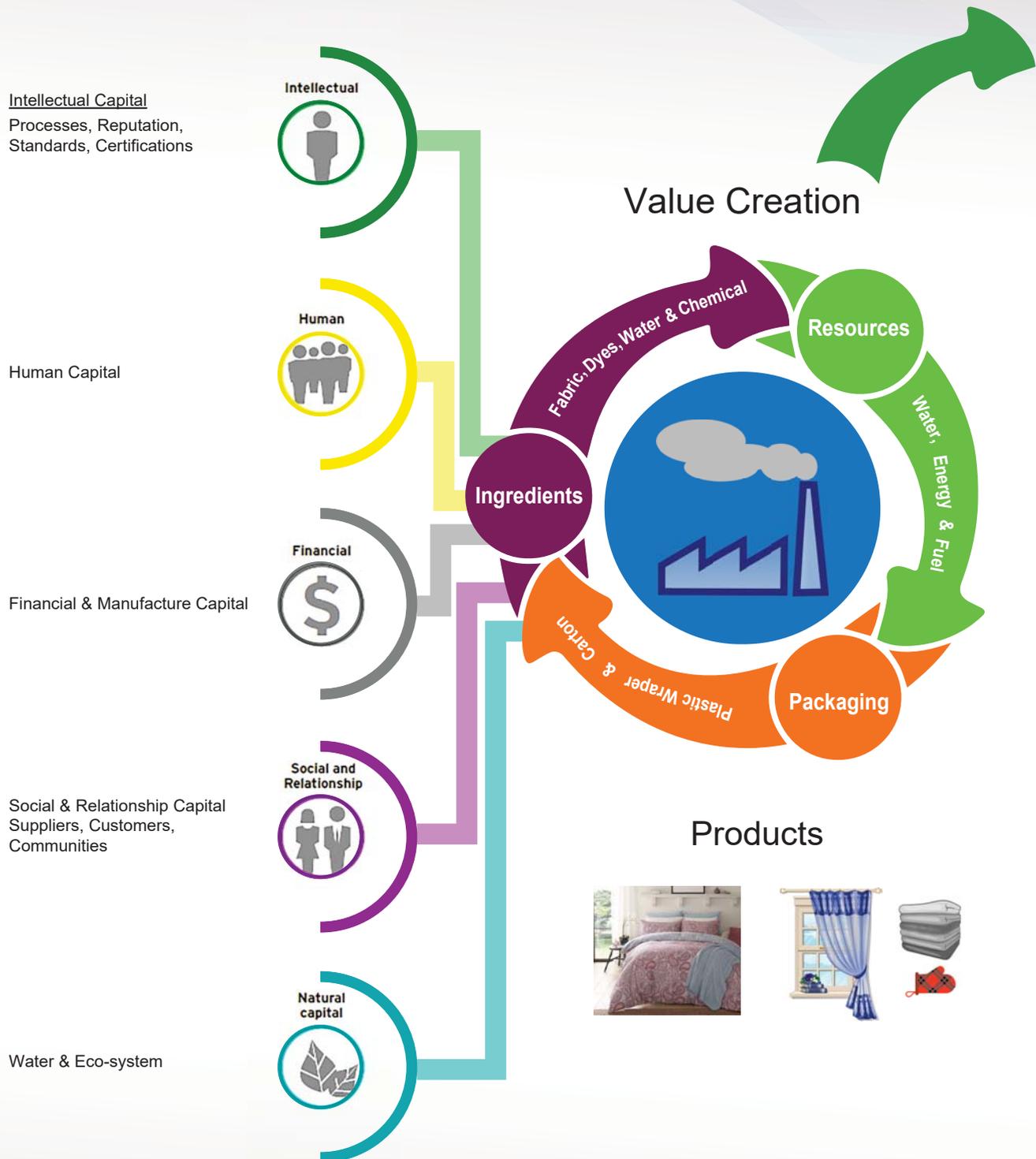


Business Model & Value Creation

In this section

Business model & value creation

Nature & Model of Business



Our business model is central to our ability of creating and sharing value with our stakeholder through use of different capitals

Value Addition

Sales

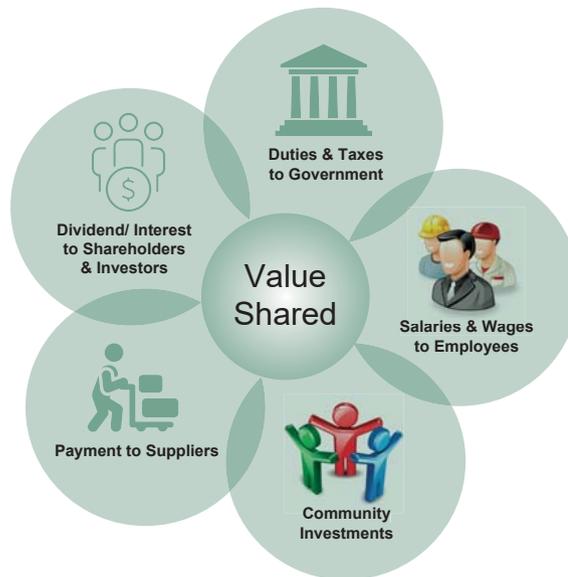
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Distribution

Customers



Value Distribution





Governance

In this section

Vision, mission and values
Corporate governance
Stakeholder engagement

Vision, mission and values





Corporate Governance

Our well-defined governance structure is evident of our success over the years both on financial and sustainability fronts.

Sustainable returns and long term success requires a well-defined corporate governance structure comprising of organizational structure, policies, and procedures. 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 applicable laws, code of conduct and ensures that conflict of interest is avoided among its board members and employees.

The highest management body is the Board of Directors. The Board of Directors consists of seven directors. Two of the directors including chief executive are executive directors and hold shares in the company. All of directors of the company are male and above age of 40 years. Sadaqat Limited has not defined 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 is non-executive director while Chief Executive is executive director. 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, Procurement Committee and other management committees.

The Board of Directors' meetings are held on quarterly basis to review and discuss the performance and take strategic decisions. The Board is supported by corporate planning and control department which is responsible for review and finalization of budgets, accounts, utilization of organization resources and preparation and analysis of feasibilities of new projects. 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.

Sustainability framework

Sadaqat Limited is strongly committed to act ethically and support sustainability in all 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 Company's 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 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 varying weather patterns affecting cotton productivity and quality leading to increased prices of cotton, deterioration in the supply chain due to floods and droughts, scarcity of water, and rising temperatures, as witnessed globally and nationally during recent years.

The EHS Committee 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.

Stakeholder Engagement

We value our stakeholders' input which help us to formulate our business strategy to create and share value for all of our stakeholders.

Stakeholders' are significant contributors for our business success and require active consultation to understand their concerns, identifying risks and opportunities and incorporating the inputs for improving decision making process to devise our strategy towards sustainability. The stakeholder engagement is continuously carried out throughout the year by respective departments as a normal business process. The stakeholder groups include shareholders and providers of capital, employees, customers, suppliers, local community, government, and media.

Sadaqat Limited values stakeholder's input and interacts with all interest group/ entities or individuals that can significantly affected by our activities, products, and services; and whose actions can affect our ability to successfully implement our strategies and achieve our objectives. The details of our engagement activities with different stakeholders are mentioned hereunder.

Stakeholder Group	Stakeholder Interest	Mode of Consultation	Frequency
Shareholders and providers of capital 	Increased rate of return, business growth, good corporate governance	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/ Annual
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.	Ongoing
Customers 	Product quality, cost and timely delivery	Customers are engaged through marketing department which collects customer feedback on continuous basis to timely identify customer's 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 environment, education, health and uplift of the community.	Ongoing/ Annual
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/ Need
Suppliers 	Reasonable terms and conditions, timely payments	Suppliers are engaged through procurement department to identify issues affecting suppliers. Suppliers are also encouraged to share their concerns/feedback in supplier meetings.	Ongoing
Media 	Wider range of issues concerning different stakeholders	The Company engages media to disseminate information on development relating to Company business and textile industry.	Annually/ Quarterly

During the year, we have carried out sustainability specific consultation with important stakeholder to determine material topics for sustainability report 2016.

Meeting with local community



Meeting with suppliers



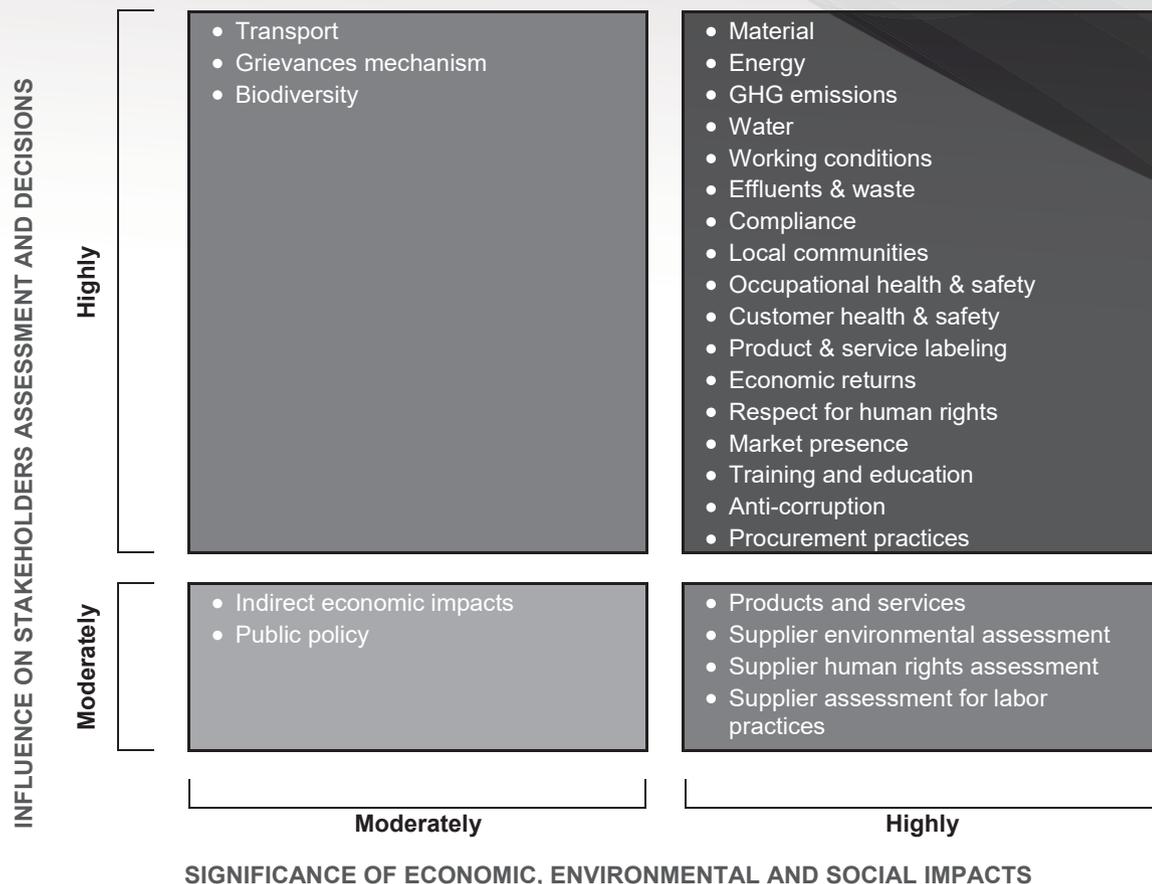
Meeting with CBA



Based on the stakeholder dialogue and feedback, we carried out materiality analysis to determine the material issues for sustainability report 2016. The materiality analysis helped us to identify the most important and relevant economic, environmental and social impacts which have significant impacts on stakeholders' decisions. The materiality analysis includes identification, prioritization of identified topics and review in line with Company objectives, risk management system, severity of impacts and stakeholder expectations. The materiality matrix presents the result of materiality determination exercise.

The materiality matrix is divided into areas to show topics which have moderate or high influence on stakeholders' decisions and moderate or high significance economic, environmental and social impacts. 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.

Materiality Matrix



Boundary of material topics

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



Operational and financial sustainability

In this section

Economic performance
Environmental performance
Social performance

Economic Performance

We have strategies and tools in place to help win business in global competitive markets and deliver strong financial performance year on year basis.

Management Approach

Our vision, mission and corporate objectives guide us 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 sustainable returns to investors.

Sadaqat Limited is aware that its operations have major direct and indirect economic impacts. The material topics are identified through stakeholder engagement and materiality analysis which takes into account the severity of impacts and influence on stakeholder decision. The process of determination of material topics and their boundaries is defined in stakeholder engagement section of the report. The major direct impacts include 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, and payments to suppliers. The indirect economic impacts are economic development around factory site, skill enhancement in textile industry, investment in infrastructure projects, and provision of support for health and education. The Company aims to increase positive impacts and work for inclusive growth by engaging local suppliers, and employing local workforce.

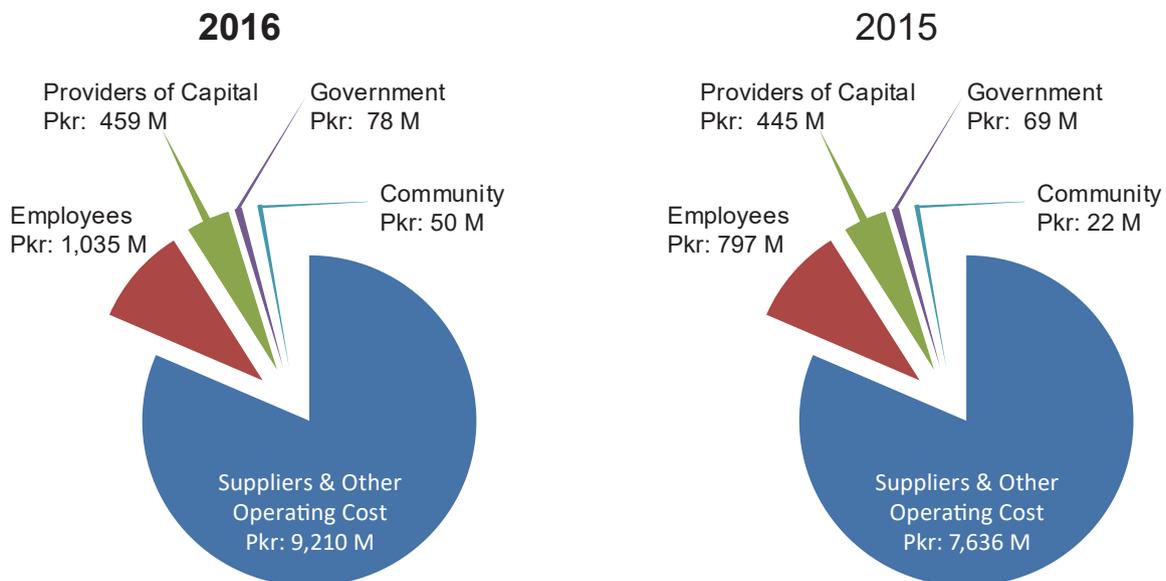
The Chief Executive is the highest officer responsible for economic impacts of the company. The economic objectives and policies are formulated and approved by the Board of Directors. The day to day affairs and implementation of policy is delegated to Chief Executive. The management approach and the performance is reviewed quarterly and actions taken according to the requirement.

The financial results of Sadaqat Limited for the year 2016 reflects a robust financial performance despite of local and global economic challenges. The Company revenue increased by 26% as compared to previous year while net profit increased by massive 226% year on year basis mainly due to improved pricing strategy and decreased cost of sales. The highest level of sales is achieved through adoption of dynamic diversification strategy to add more products and markets despite of declining exports of the country. The Company has successfully captured new markets while at the same time retained existing market share by launching market oriented product mix. In order to bring efficiency in operations, support timely decision making and reap the benefits of information technology, the Company has successfully implemented SAP which has gone live in FY 2017.

Economic performance

Economic value generated and distributed	Unit (PKR)	2016 (Million)	2015 (Million)	2014 (Million)	2013 (Million)
Direct economic value generated					
Revenues		11,595	9,203	10,256	9,101
Economic value distributed					
Suppliers and Operating costs		9,210	7,636	8,736	7,696
Employee wages and benefits		1,035	797	649	591
Payments to providers of capital		459	445	426	407
Payments to government		78	69	88	65
Community investment		50	22	26	32
Economic value retained		763	234	331	310

The figures for the previous years have been restated to correct calculation mistakes.



Organization's defined benefits

The Company provides provident fund, where 8.5% is contributed by employees and same proportionate amount is contributed by the Company on monthly basis. The provident fund contribution is payable when the employee leaves the organization. During the year, Company spent Rs. 24.89 million as contribution to provident fund plan on defined benefit plans. In addition to Company defined benefit plans, Sadaqat Limited also contributes to Employees Old Age Benefit Institution (EOBI) and Workers' Profit Participation Fund (WPPF). During the year, the Company contributed 5% of minimum wage of employees in EOBI and allocated Rs. 43.8 million to WPPF.

Financial support available from Government

The Company receives financial support in shape of duty drawback on export, drawback of local taxes and levies, tax credits on balancing and modernization of machinery and LTFF / ERF loans at subsidized rates. Rs. 812 million are receivable from government at the end of FY 2015-16.

Market presence

The Company strictly complies with applicable regulations for minimum wages and the ratio of minimum entry level wages compared to local minimum wages is well above of the minimum wage level. 76% employees are subject to minimum wages regulations, out of which 70% are male while 6% are female.

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 local community residents. Approximately 68-80% senior management is hired from local community.

Procurement practices

The Company is aware that procuring locally not only reduces cost but also results in economic growth and development of local industry. During the year, the company made 91% purchases from local supplier while 9% purchases from international suppliers.

Environmental Performance

We are committed to protect environment, reduce negative environmental impacts of our operations through continuous adoption of new technologies and processes.

Management Approach

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 policy serve as a guidance for new investments and improvement in existing operations. The EHS Committee has mandate to formulate guidelines, take decisions, review performance and fix responsibility for environment, health and safety related matters.

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

The General Manager HR & Compliance 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 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 effectiveness of management approach, resulting improvements against the targets and take 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 neither paid any substantial fine nor subject to non-monetary sanctions for non-compliance with environmental laws and regulations during the year.

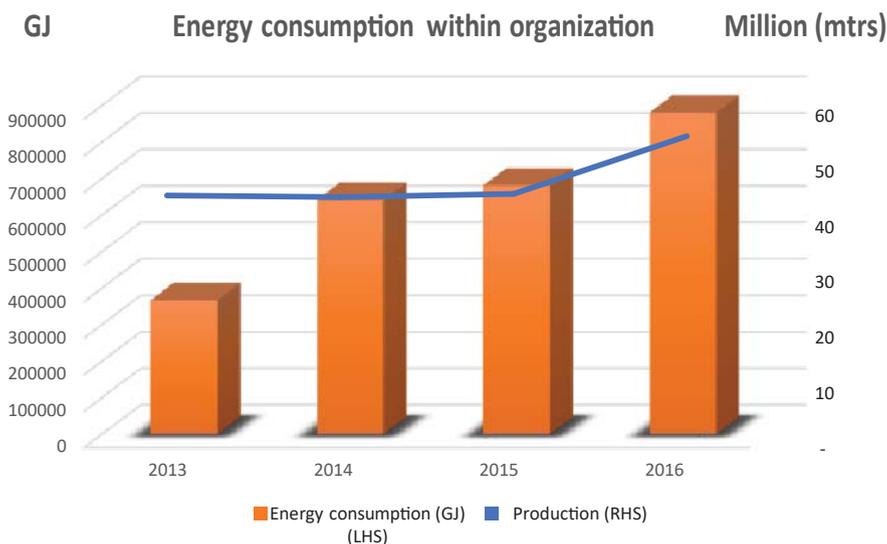
Material consumption

Material used	Unit	2016	2015	2014	2013
Yarn	Bags	10,531	17,554	46,434	10,001
Grey (approx)	Mtr	55,866,736	45,399,838	44,985,145	45,189,489
Knitting	Kg	173,227	239,518	1,559	160,480
Dyes and Chemical	Kg	3,847,739	2,862,401	2,667,222	2,166,362
Packing Material	Nos	127,219,664	78,263,912	82,411,851	60,008,765
Stitching Material	Nos	103,817,098	51,449,303	48,713,965	12,430,189
Store supplies	Nos	24,187,848	20,287,406	5,462,505	4,648,580

Energy

Energy consumption	Unit	2016	2015	2014	2013
Energy consumed within organization from non renewable sources	GJ	881,160	681,656	642,442	367,346

Sadaqat Limited operations are energy intensive. The energy requirements are mainly met through non-renewable sources. However, the Company is making efforts to explore renewable sources for meeting energy requirements.

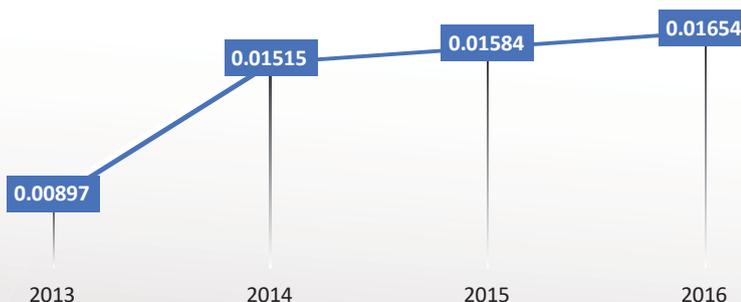


	Unit	2016	2015	2014	2013
Energy consumed outside organization	GJ	43,034	36,755	39,158	38,132

Energy intensity	Unit	2016	2015	2014	2013
Energy used per meter fabric	GJ/per meter	0.01654	0.01584	0.01515	0.00897

The energy intensity figures for the year 2015 have been restated to correct the calculation mistake. The energy intensity figures are calculated by including total energy consumption during the year.

Energy Intensity (GJ/meter fabric)



Energy savings	Unit	2016	2015	2014	2013
Energy savings per year	GJ	10,308	1,315	35,897	-
Energy savings (cumulative)	GJ	47,514	37,212	35,897	-

Energy consumption increased during the year. However, Company replaced tube lights with LED lights and used renewable energy sources which resulted in some energy savings. Moreover, the Company has state of the art heat recovery plant to capture energy wastage and reduce resultant emissions.

Efforts being made to conserve energy

Renewable Energy

We have currently installed Renewable Energy through 25 KWH Solar System resulting in saving of 674 GJs of energy however we plan to enhance it to 35 KWH by Financial Year 2016-17.



Heat Recovery

- i. In FY 2016, we installed heat exchangers in mercerizing, and pad steam, which helped us to save 29 GJs of energy.
- ii. We have also replaced exhaust fans with energy efficient latest motor fans which helped save 378 GJs of energy.
- iii. After close of FY 2016, we also invested in Waste Heat Recovery Plant that would potentially help us to achieve significant energy saving for upcoming financial year.

Condensate Recovery System

We have installed condensate recovery system at our cylinder dryers allowing us to avoid extraction of new water and consumption of energy utilized in its treatment. This helped us to save 156 GJs of energy per annum.

Valve Insulation

We have valve insulation in place and helps to maintain temperature within steam pipelines installed in our processing facilities and enhance steam efficiency resulting in energy savings of 3221 GJs in FY 2016.

Replacement of Air Conditioners with Chiller Plant

In FY 2016, we replaced our Air Conditioners with Chiller Plant in our head office and certain other areas within our premises which resulted in 3,469 GJs of energy.

Replacement of Tube Lights with LED lights certain areas

In FY 2016, we replaced 5000 Tube Lights with 5000 LED lights in certain areas within our premises which resulted in 1891 GJs of energy.

Replacement of existing lifter motors with energy efficient ones

In FY 2016, we also replaced existing lifter motors with energy efficient ones which helped save 14 GJs of energy.

Installation of Rotary Filters

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

Installation of Automatic Colour Kitchen

After close of FY 2016, we have invested Euros 600,000 in Automatic Colour Kitchen technology which shall conserve energy and would result in restricted chemical spillage helping us to protect aquatic life.

Green office Initiative

In line with our commitment to reduce environmental burden of our operations, we have partnered with World Wide Fund (WWF) on green office initiative which will help us to reduce our environmental impacts, result in saving through changed processes and will slow down climate change.



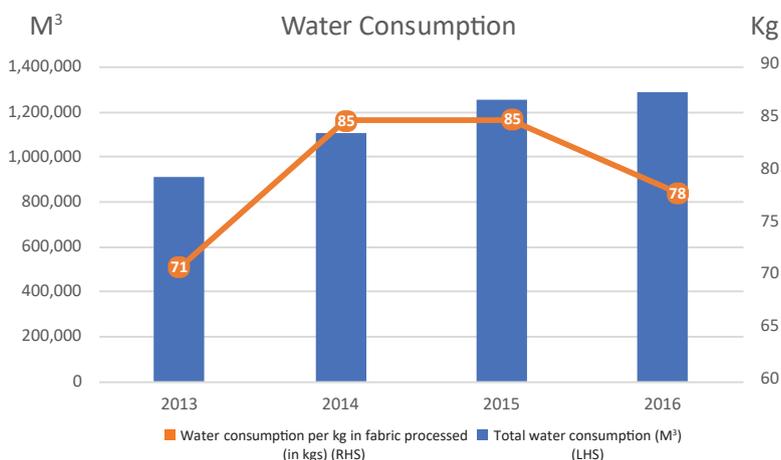
Reduction in energy requirements of products and services

The Company products do 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 its products during these two processes. No quantification of energy reduction is available for the year.

Water

Water consumption	Unit	2016	2015	2014	2013
Total water withdrawal per year	M ³	1,286,218	1,255,320	1,103,160	912,960
Water consumption per kg fabric	Kgs	78	85	85	71

Water withdrawal is recorded with the help of flow meters.



Water resources affected by withdrawal of water

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

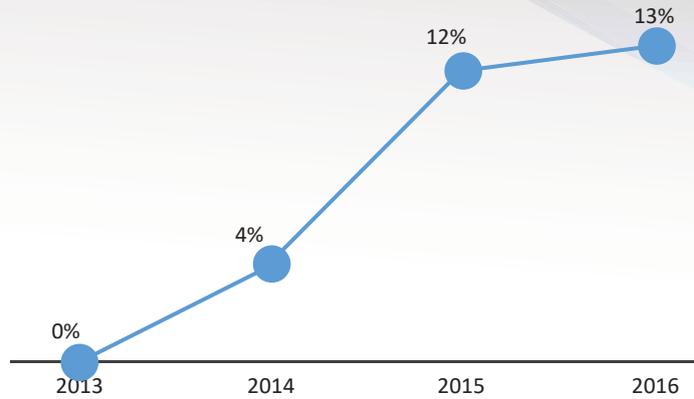
Our Water Saving Initiatives

In FY 2016, we invested significant amount and installed Automatic Screen Washing Machine & Water Jet Screen Stripping which resulted in reduced water consumption by reusing water for screen washing purposes. This also resulted in saving of energy and indirectly reducing carbon footprints.

Note: International water consumption norm for 1kg of fabric is 100 kgs of water whereas owing to above installation and other initiatives, we have been able to reduce our water consumption from 85 kgs to 78 kgs per 1 kg of fabric.

% of water reused	2016	2015	2014	2013
% age of water reused	13%	12%	4%	-

Water Reused



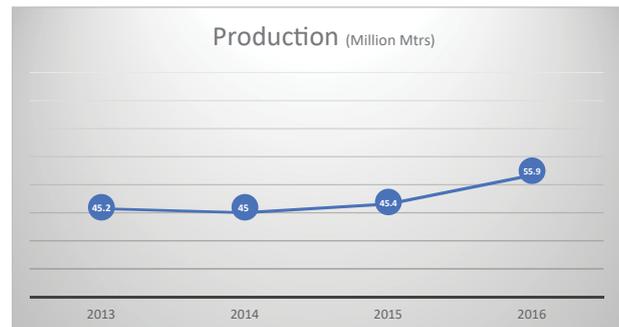
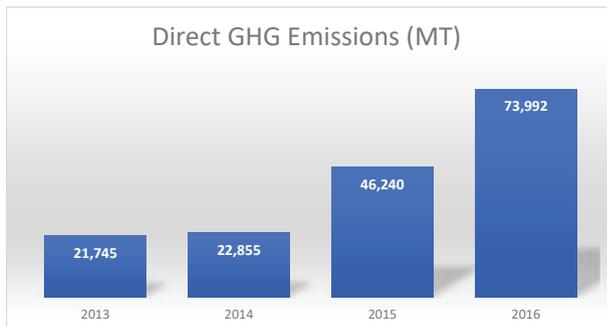
However 100% of waste water is being treated through our EPA approved waste water treatment plant.

Emissions

Greenhouse Gas (GHG) emissions	Unit	2016	2015	2014	2013
Direct emissions (Scope I)	MT	73,992	46,240	22,855	21,745
Indirect emissions (Scope II)	MT	3,499	2,837	2,637	1,596
Other indirect emissions (Scope III)	MT	734	734	734	734

Scope III emission contains waste water treatment related emissions which are not accounted in Scope I. The Company has 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.

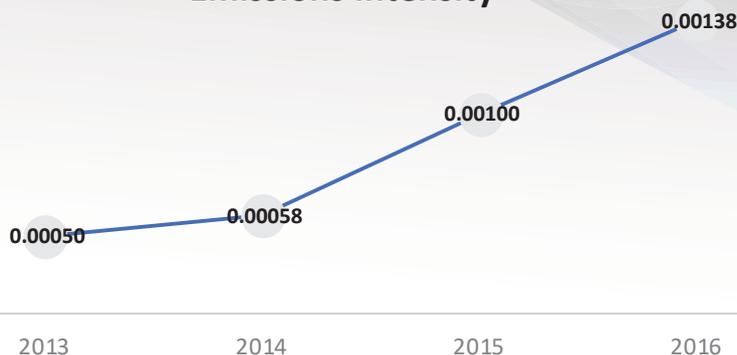
The Direct emissions (Scope I) have been restated to correct the calculation mistake in conversion of GHG emissions from use of petrol and diesel in company vehicles.



Emissions intensity	Unit	2016	2015	2014	2013
Emission per unit of production	MT/per meter	0.00138	0.0010	0.00058	0.0005

Scope I GHG emissions were used for calculation of emission intensity. The figures are restated in line with restatement in direct GHG emissions.

Emissions Intensity



Initiatives for Reduction GHG Emissions

We have cyclone system in place to control particulate matters (PM) which has helped us in reduction of SOX and NOX.

In upcoming financial year 2017, we are planning to install wet scrubbers (effective air pollution control devices) for removing particles and/or gases from industrial exhaust streams which shall significantly reduce GHG emissions.

Emissions of Ozone-Depleting Substances (ODS)	Unit	2016	2015	2014	2013
Emissions	Ton	Nil	Nil	Nil	Nil

No _x , So _x and other significant emissions	Unit	2016	2015	2014	2013
Emissions	Ton	350	372	480	504

Flue gas analyzer was used to record emissions.

Waste and effluents

Water discharge by quality and destination	Unit	2016	2015	2014	2013
Water discharge by quality and destination	M ³	1,211,522	1,156,416	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	2016	2015	2014	2013
Reuse	Ton	37.16	35.38	30.79	21.11
Recovery (steam generated from waste heat boiler)	Ton	5,110	5,616	6,864	7,893
Incineration	Ton	4	4	104	85
Landfill	Ton	Nil	Nil	Nil	Nil
Onsite storage	Ton	32	30	1,338	1,250



Significant spills

No significant spill occurred during the year.

Hazardous waste disposal	Unit	2016	2015	2014	2013
Total weight of hazardous waste transported	Ton	4	4	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)	2016	2015	2014	2013
Waste disposal, emissions treatment, and remediation costs	Million	70.40	68.51	80	124
Prevention and environmental management costs	Million	8.12	7.52	4.8	3.2

Social Performance

Our strong commitment to inclusive growth coupled with policies and procedures help us to deliver robust social performance over the years.

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, influence of social impacts on stakeholder decisions, severity of impacts and business strategy.

The Company operations are mainly labor intensive and Company employs more than 4,700 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 has well defined policies and procedure in place to ensure productive and safe workplace for its workforce. The Company regularly evaluates 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.

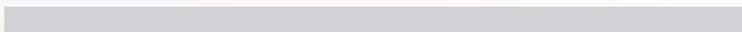
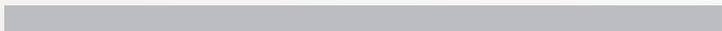
The Company believes that the economic, environmental and social sustainability of the communities around its factory is essential for long-term growth of the Company. The Company has an environment, health, and safety committee in place, which formulates Company policies, procedure, and programs for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

Labor practices and decent work

Employment practices

Full time employees as on June 30, 2016

2016		4,712
2015		4,235
2014		4,082

Workforce structure

Structure	Total	%age
Employees		
Male	4,467	95%
Female	245	5%

Employee category	Total	%age
Management		
Male	260	96%
Female	11	4%
Staff		
Male	4,207	95%
Female	234	5%

Employment contract	Total	%age
Regular		
Male	4,467	95%
Female	245	5%

Employee type	Total	%age
Full time		
Male	4,467	95%
Female	245	5%
Part time	-	

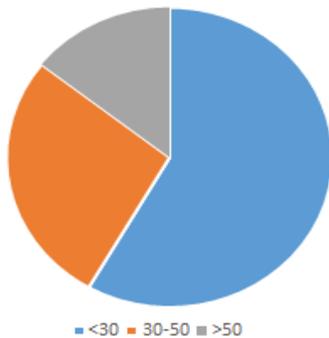
No contract employment is offered at Sadaqat Limited.

Employees or supervised workers	Total	%age
Employees		
Male	4,467	95%
Female	245	5%
Supervised workers	-	-

Region	Total	%age
Faisalabad		
Male	3,086	94%
Female	195	6%
Other regions		
Male	1,381	96%
Female	50	4%

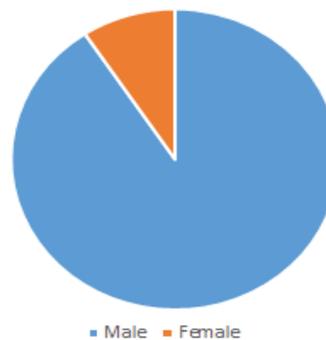
Attrition by age group and gender

Attrition by age-group



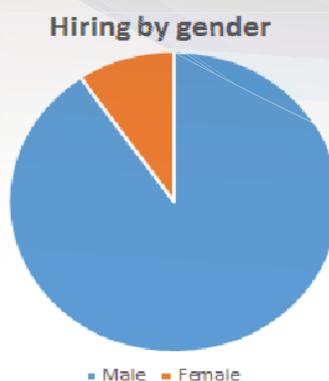
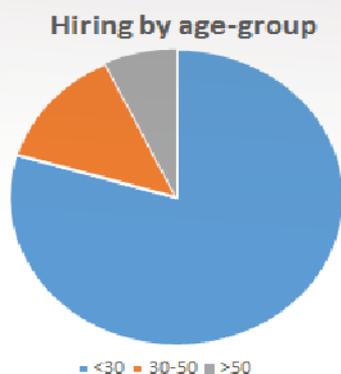
Attrition group	by age
<30	264
30-50	124
>50	65

Attrition by gender



Attrition by gender	
Male	411
Female	42

Hiring by age group and gender



Hiring by age group

<30	741
30-50	124
>50	65

Hiring by gender

Male	841
Female	89

The figures for number of employees for the year 2015 and 2014 have been restated to correct calculation mistake.

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	Yes	Yes
Stock Ownership	No	No

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

Labor relations

95% of the employees are covered by collective bargaining agreements. 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

4% of the workforce is represented in formal joint 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	0.02%	-	Not applicable	Not applicable

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

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

Internal Training	2016		2015		2014		2013	
	Male	Female	Male	Female	Male	Female	Male	Female
Average hours of training by gender	48	32	48	32	48	32	48	32

During the FY 2015-16, the Company also provided **technical external trainings** to its 13 employees from different departments ranging from 1 to 3 days time.

The Company 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	260	11	271	-	71	183	17
Staff	4,207	234	4,260	181	2,701	1,574	166

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	-	7	-	-	6	1

Human Rights

Non-discrimination

No incident of discrimination reported during the year. The Company has defined clear non-discrimination policy that has been communicated to all employees through different communication channels like electronic media, display at prominent places and through orientation training sessions. The policy clearly states zero tolerance on any discrimination case that is subject to disciplinary action.

Freedom of association and collective bargaining

The Company supports 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 forced and compulsory labour

The Company strictly complies with the regulations regarding child labour, forced and compulsory labour. During the year, no cases of child labour or forced and compulsory labour reported in Company operations.

Supplier human rights assessment

The Company does not screen its supplier on human rights criteria but encourages them to follow the universal regulations and international conventions on human rights. Moreover, the Company has not carried out any specific activity on identification of actual and potential negative human rights impacts in its supply chain. However, the Company is committed to carry out activity for identification of actual and potential negative impacts in the supply chain for devising its strategy to include human rights criteria in its supplier selection and manage negative impacts through briefings and trainings to supply chain partners.

Society

Local communities

The Company is aware of its responsibility to take part socio-economic development of local communities around factory site. The Company is taking steps to uplift education, health and infrastructure facilities 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 an 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. 49.9 million on implementation of programs in the areas of health, education, and infrastructure developments around the factory. The major spending was in areas of education and health.

During the year, the Company provided funds for construction of education complex and waiting lounge at Faisalabad Institute of Cardiology (FIC), construction and governance of school in nearby village and signed Memorandum of Understanding (MOU) with Lahore University of Management Sciences (LUMS) to provide scholarship for two deserving students. Moreover, the Company is implementing Industrial Training Program 2016 under the umbrella of Punjab Skill Development Fund (PSDF) in coordination with Government of Punjab to increase the skill set of youth for playing an important part in development.

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. No incident of corruption reported 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

80% of Company products were assessed for health and safety impacts during the year, while 75% of the products were assessed for health and safety impacts during the year 2015. The Company is continuously making investments in state of art technology for improving quality of products and bringing efficiency in operations. The Company has state of the art production systems having automatic color kitchen, automatic cutting and sewing, computerized quilting, multi-head embroideries, pin sonic techniques, smart MRT system and Texpa machines. The Company is planning to adopt lean manufacturing and making efforts for aggressive minimization of wastage leading to quality improvement. 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 quality management, health and safety, environment and textile industry related standards

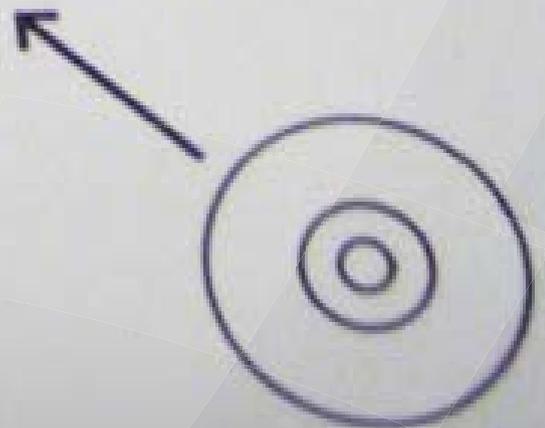
Product and service labeling

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.

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.



Supplementary information

In this section

GRI index
UNGC index
Feedback form
Glossary & acronyms

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 2016 sustainability report or other publicly available sources.

Key

SR	Sustainability report
	Fully disclosed
	Partially disclosed
	Not disclosed

General standard disclosure

General Standard Disclosures		Publications	Page
G 4-1	Statement from the Chairman and the CEO	SR	6-7
G 4-3	Name of the organization	SR	8
G 4-4	Primary brands, products, and/or services	SR	9
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	33-35
G 4-11	Employees covered by collective bargaining agreements	SR	31
G 4-12	Organization's supply chain	SR	8
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	10
G 4-15	Externally developed charters, principles or initiatives to which the organization subscribes	SR	10
G 4-16	Membership in associations or organizations	SR	10
Identified material aspects and boundaries			
G 4-17	Entities included in the organization reports	SR	4
G 4-18	Reporting principles for defining report content	SR	4

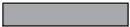
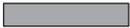
General Standard Disclosures		Publications	Page
G 4-19	Material aspects identified in defining report content	SR	21
G 4-20	Material aspects within the organization	SR	21
G 4-21	Material aspects outside the organization	SR	21
G 4-22	Restatements of information provided in earlier reports	SR	4
G 4-23	Significant changes from previous reporting periods in scope and aspect boundaries	SR	4
Stakeholder engagement			
G 4-24	Stakeholder groups engaged by the organization	SR	19-20
G 4-25	Identification and selection of stakeholders to engage	SR	19-20
G 4-26	Organization's approach to stakeholder engagement	SR	19
G 4-27	Key topics collected through stakeholder engagement	SR	21
Report profile			
G 4-28	Reporting period	SR	4
G 4-29	Date of the last report	SR	4
G 4-30	Reporting cycle	SR	4
G 4-31	Contact point for questions regarding the report	SR	4
G 4-32	GRI Content Index	SR	4
G 4-33	External assurance	SR	4
Governance			
G 4-34	Governance structure	SR	18
G 4-35	Delegating authority for economic, environmental and social topics	SR	18
G 4-36	Positions with responsibility for economic, environmental and social topics	SR	18
G 4-38	Composition of highest governance bodies and its committees	SR	18
G 4-39	Executive powers of the Chairman	SR	18
G 4-40	Qualification and expertise of highest governance bodies	SR	18
G 4-41	Processes to avoid conflicts of interest	SR	18
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	18
G 4-45	Highest governance bodies' role in the identification and management of economic, environmental and social impacts, risks, and opportunities	SR	18
G 4-47	Frequency of the highest governance bodies' review of economic, environmental and social impacts, risks, and opportunities	SR	18
Ethics and integrity			
G 4-56	Organization's values, principles, standards and norms of behavior	SR	17

Specific standard disclosures

Economic

DMA and Indicators	Publications	Page	Omission and reason
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Material aspect: economic performance

G4-DMA	Generic Disclosures on Management Approach	SR	23	
G4-EC1	Direct economic value generated and distributed	SR	23	
G4-EC3	Coverage of the organization's defined benefit plan obligations	SR	24	
G4-EC4	Financial assistance received from government	SR	25	

Material aspect: market presence

G4-DMA	Generic Disclosures on Management Approach	SR	23	
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	SR	25	
G4-EC6	Proportion of senior management hired from the local community	SR	25	

Material aspect: procurement practices

G4-DMA	Generic Disclosures on Management Approach	SR	23	
G4-EC9	Proportion of spending on local suppliers	SR	25	

Environment

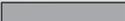
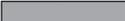
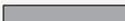
DMA and Indicators	Publications	Page	Omission and reason
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Material aspect: materials

G4-DMA	Generic Disclosures on Management Approach	SR	26	
G4-EN1	Materials used	SR	26	

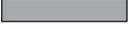
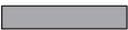
Material aspect: energy

G4-DMA	Generic Disclosures on Management Approach	SR	26	
G4-EN3	Energy consumption within the organization	SR	27	
G4-EN4	Energy consumption outside of the organization	SR	27	
G4-EN5	Energy intensity	SR	27	
G4-EN6	Reduction of energy consumption	SR	28	

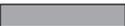
DMA and Indicators		Publications	Page	Omission and reason
G4-EN7	Reductions in energy requirements of products and services	SR	28	
Material aspect: water				
G4-DMA	Generic Disclosures on Management Approach	SR	26	
G4-EN8	Water withdrawal	SR	29	
G4-EN9	Water sources significantly affected by withdrawal	SR	29	
G4-EN10	Water recycled and reused	SR	29	
Material aspect: emissions				
G4-DMA	Generic Disclosures on Management Approach	SR	26	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	SR	30	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	SR	30	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	SR	30	
G4-EN18	Greenhouse gas (GHG) emissions intensity	SR	30-31	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	SR	31	
G4-EN20	Emissions of ozone-depleting substances (ODS)	SR	31	
G4-EN21	NOX, SOX, and other significant air emissions	SR	31	
Material aspect: effluents and waste				
G4-DMA	Generic Disclosures on Management Approach	SR	26	
G4-EN22	Water discharge	SR	31	
G4-EN23	Waste disposal	SR	31	
G4-EN24	Significant spills	SR	32	
G4-EN25	Hazardous waste	SR	32	
G4-EN26	Biodiversity and habitats affected by the organization's discharges	SR	32	
Material aspect: compliance				
G4-DMA	Generic Disclosures on Management Approach	SR	26	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	SR	32	
Material aspect: overall				
G4-DMA	Generic Disclosures on Management Approach	SR	26	
G4-EN31	Environmental protection expenditures and investments	SR	32	

Social

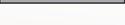
Labor practices and decent work

DMA and Indicators		Publications	Page	Omission and reason
Material aspect: employment				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-LA1	Number and rates of new employee hires and employee turnover	SR	34	
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	34	
G4-LA3	Return to work and retention rates after parental leave	SR	34	
Material aspect: labor/management relations				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-LA4	Minimum notice periods regarding operational changes	SR	35	
Material aspect: occupational health & safety				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-LA5	Workforce represented in health and safety committees	SR	36	
G4-LA6	Injuries, occupational diseases, lost days, absenteeism and total number of work-related fatalities	SR	36	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	SR	36	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR	36	
Material aspect: training and education				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-LA9	Training per employee	SR	36	
G4-LA10	Programs for skills management and lifelong learning of employees	SR	36	
G4-LA11	Employees receiving regular performance and career development reviews	SR	36	
Material aspect: diversity and equal opportunity				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-LA12	Composition of governance bodies and breakdown of employees per indicators of diversity	SR	36	

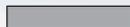
Human rights

DMA and Indicators	Publications	Page	Omission and reason	
Material aspect: non-discrimination				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-HR3	Incidents of discrimination and corrective actions taken	SR	37	
Material aspect: freedom of association and collective bargaining				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-HR4	Risks to the right to exercise freedom of association and collective bargaining	SR	37	
Material aspect: child labor				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-HR5	Operations identified as having significant risk for incidents of child labor	SR	37	
Material aspect: forced or compulsory labor				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-HR6	Operations identified as having significant risk for incidents of forced or compulsory labor	SR	37	
Material aspect: Supplier Human Rights Assessment				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	SR	37	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	SR	37	

Society

DMA and Indicators	Publications	Page	Omission and reason	
Material aspect: local communities				
G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	SR	37	
G4-SO2	Operations with significant actual and potential negative impacts on local communities	SR	37	

Material aspect: anti-corruption

G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-SO3	Operations assessed for risks related to corruption	SR	38	
G4-SO4	Communication and training on anti-corruption policies and procedures	SR	38	
G4-SO5	Confirmed incidents of corruption and actions taken	SR	38	

Product responsibility

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

G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement	SR	38	
G4-PR2	Incidents of non-compliance with regulations concerning the health and safety impacts of products and services during their life cycle	SR	38	

Material aspect: product and service labeling

G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-PR3	Product and service information	SR	38	
G4-PR4	Incidents of non-compliance with regulations concerning product and service information and labeling	SR	38	

Material aspect: marketing communications

G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-PR6	Sale of banned or disputed products	SR	38	
G4-PR7	Incidents of non-compliance with regulations concerning marketing communications	SR	38	

Material aspect: compliance

G4-DMA	Generic Disclosures on Management Approach	SR	33	
G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	SR	38	

UNGC – “The Ten Principles”



United Nations Global Compact

UNGC “The Ten Principles”

Principle	Statement	Page No.	GRI G 4 Indicator
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	37	SO 1, SO 2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	37	HR 10, HR 11
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	31, 37	G4-11, HR 4, LA 4,
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	37	HR 6
Principle 5	Businesses should uphold the effective abolition of child labor.	37	HR 5
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	25,33,34 35,36,37	G4-10, EC 5, EC 6, LA 1, LA 3, LA 9, LA 11, LA 12, HR 3
Principle 7	Businesses should support a precautionary approach to environmental challenges.	26,27,29 30,31,32	EN 1, EN 3, EN 8, EN 15, EN 16, EN 17, EN 20, EN 21, EN 31
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	26,27,28 29,30,31 32	EN 1, EN 2, EN 3, EN 4, EN 5, EN 6, EN 7, EN 8, EN 9, EN 10, EN 15, EN 16, EN 17, EN 18, EN 19, EN 20, EN 21, EN 22, EN 23, EN 24, EN 25, EN 26, EN 29, EN 31
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	28,31-32	EN 6, EN 7, EN 19, EN 31
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	17, 38	G 4-56, SO 3, SO 4

Feed Back Form

Sustainability Report 2016

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:
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Glossary and Acronyms

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

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