



**UNITED NATION GLOBAL COMPACT
ANNUAL COMMUNICATION ON
PROGRESS 2017-18**

Company Name:	International Industries Limited	Date:	01.11.2016
Address:	101 Beaumont Plaza 10 Beaumont Road, Karachi, 75530	Membership date:	22.06.2006
Country:	Pakistan	Number of employees:	Over 1000
Contact Name:	Khalid Junejo	Sector:	Construction & Engineering
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Introduction to International Industries Limited

International Industries Limited (IIL) is Pakistan's largest manufacturer of steel, stainless steel and plastic pipes with an annual manufacturing capacity of 741,200 tons and annual revenues of almost Rs. 25 billion.

IIL was incorporated in Pakistan in 1948, is quoted on the Pakistan Stock Exchange, has an equity of over Rs. 8.8 billion and has featured on the Pakistan Stock Exchange's listing of the Top 25 Companies consecutively for more than 10 years.

IIL is part of a group of Companies that includes:

- **International Steels Limited (ISL):** Pakistan's largest manufacturer of galvanized, cold rolled and color coated steel sheets and coils. ISL has an annual manufacturing capacity of 1,000,000 tons and annual revenues of over Rs. 47 billion.
- **Pakistan Cables Limited (PCL):** is Pakistan's premium manufacturer of electrical cables, wires, copper rod, PVC compound and aluminum sections with annual revenues of over 9.5 billion.
- **IIL Australia Pty Limited:** IIL's wholly owned Australian subsidiary which represents the Group's interest in the Asia Pacific region.

IIL is a proud recipient of numerous accolades including the Management Association of Pakistan's "Corporate Excellence Award" for the Industrial Metals & Mining Sector, the National Forum for Environment & Health's "Environment Excellence Award" and the Employers Federation of Pakistan's "OHSE award".

IIL also has a credible export pedigree with an ever-expanding footprint in 60 countries across 6 continents. As a result, IIL has been awarded the "FPCCI Export Performance Award" consecutively for 18 years.

With an unshakeable focus on health, safety & environment, IIL is a reputable corporate citizen and signatory to the United Nations Global Compact. The Company is ISO 9001, ISO 14001, ISO 45001, API 5L, API 15LE, PSQCA, UL, PNAC/ILAC and CE certified and manufactures its products according to the highest international standards and specifications. IIL is the first company in Pakistan to achieve ISO 45001 certified by Lloyds Register Quality Assurance.

For further information, please visit our website, www.iil.com.pk

Statement of Support

International Industries Limited (IIL) became a signatory to the United Nations Global Compact in 2006 and remains committed to upholding the Ten Principles on human and labor rights, the environment and anti-corruption. This is reflected in our strategy, policies and standards ensuring we continue to deliver long term commercial success, whilst simultaneously responding to the evolving expectations of society.

In this annual Communication on Progress, we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders through our website and our annual Sustainability Review. We are committed to carry our business in an environmentally sound and sustainable manner and promote preservation and sustainability of the environment.

Starting from our products and the way we treat our employees & other stakeholders to the manner in which we serve the communities we work in, we are committed to create an environment that not only advances our business goals, but also serves the greater interest of the country and nation. We have 'sustainable development' at the core of our values and business activities. We believe our enterprise should grow up with society, for the greater benefit of all. Our CSR programs, in this regard, are aimed at those who are impacted by our operations directly - our employees, consumers of our products, all other stakeholders, the locality in which we operate, or the environment. This allows us to be socially and environmentally sustainable.

We take great pride in being responsible corporate citizens. By aligning with and measuring our activities against Global Compact Principles, we reaffirm our commitment to adopting sustainable practices and providing multi-faceted, positive contributions to the communities in which we operate and to the society at large.

IIL continues to be committed to supporting and driving forward the process of applying the ten principles over the coming years.



RIYAZ. T. CHINOY
Chief Executive Officer
International Industries Ltd.
Pakistan

PRINCIPLE 1: BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

PRINCIPLE 2: BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Policy:

IIL's adherence to fundamental human rights is enshrined in its Code of Conduct. This policy is available on the Company's website and confirms that "IIL supports and respects the protection of internationally proclaimed human and employment rights" and confirms its commitment to respecting fundamental human rights and treating employees, customers and all internal & external stakeholders with fairness, equality and respect in order to foster an open, transparent, and trusting environment which is free from prejudice, discrimination, bias, harassment and/or violation.

IIL is a quality conscious company committed to economies of scale. It continually enhances effectiveness of its quality, environmental, occupational health and safety management systems. IIL is committed to be an ethical company and conforms to all applicable legal requirements while fulfilling and exceeding the needs and expectations of all stakeholders.

Team work; continuous improvement; prevention of pollution; waste reduction; protection of environment; care for health and safety of people and equipment; safe practices; a fair return to shareholders; and fulfillment of social responsibility are the hallmarks of all activities of the Company.

System:

IIL's business strategy is based on emphasizing the value of respect for human rights. This value is captured effectively in the systems of the following policies and standards:

- Policy for Code of Conduct (IIL-CG-PO-01)
- Occupational Health & Safety Management System (ISO 45001:2018)
- Environmental Management System (ISO 14001:2015)

Activities:

- The policy on Code of Conduct and Ethical Practices is reviewed and acknowledged each year by all Directors, Managers and staff of the Company. This ensures that respect for human rights remains fully integrated into their business activities. The Code of Conduct covers business ethics, respect for rights of stakeholders, conflicts of interests, accounting records, controls and statements, environment, regulatory compliance and personal conduct.
- IIL had got the certification for Occupational Health & Safety Assessment Series (OHSAS-18001) in 2007. Thereafter, IIL has achieved the certification of newly established standard on occupational health and safety management system i.e. ISO 45001 as this standard was published to replace (OHSAS-18001). The reviewed, revised and implemented OHS procedures & manual are followed strictly.
- To manage OHSE hazards and risks effectively, IIL has been divided into zones, based on administrative grounds. Each Zone has an OHSE Team and an OHSE Team Leader. This structure has increased both

ownership of the OHSE system and responsiveness to risk situations amongst zonal team leaders and production managers.

- The OHSE functions are governed and managed by a dedicated OHSE Section. The OHSE status of the Company is monitored by an OHSE Committee, comprising General Managers and Department Heads and chaired by the CEO. This Committee meets on a monthly basis to analyze OHSE related issues, agree on interventions and thereby achieve and maintain a safe work environment.
- During the year, 716 trainings related to safety and health, were conducted and attended by 7837 employees. The trainings included Safe Crane Operations, Hands Safety, Fire Fighting Operations, permit to Work System, Industrial Hazards, First Aid & Rescue, Defensive Driving, Electrical Safety, LOTO system and Working at Heights, Industrial and Office Ergonomics, Slip Trip & Fall, Electrical Safety, Hoist Lift & Bar, Importance of Personal Protective Equipment and Defensive Driving.
- Periodic mock drills are conducted to check effectiveness and adequacy of emergency preparedness & response. Monthly inspections and checks of life-saving & firefighting gadgets are also carried out to ensure their proper working conditions.
- Also, OHSE department evaluates and assesses safety performance of service contractors on defined criteria each month. Contractors with excellent to good performance are rewarded while those with unsatisfactory and unacceptable ratings are counseled and trained.
- To ensure public safety, safety cones are provided to dealers to be used during unloading activities. Proper use of these cones reduces the chances of passing vehicles accidentally colliding with parked trucks being unloaded.
- Monthly Safety Walkthroughs are conducted by senior management and observations of unsafe acts and conditions are sent to respective department heads for analysis, corrective, and preventive actions at their earliest.
- IIL provides medical facilities to all employees through the Social Security Scheme and the Health Insurance Scheme. In addition, a Doctor along with paramedical staff, are present in the factory 6 days a week on a part time basis to facilitate the employees.
- An equipped ambulance is available 24/7 at the Factory.
- OHSE Guidelines in the local language, in the shape of booklets, is given to all employees and visitors. This booklet categorizes and covers the hazards existing and the safety measures required.
- For drivers, safety sign boards have been installed in the factory. Drivers are given in house trainings on safe driving because of their frequent visits at factories and to promote defensive driving culture.
- In order to encourage the safe work practices, IIL had revised its Stop Work Authority procedures and extended it, to shift in charges. In which, our shift in charges are able to exercise stop work authority procedure if they observe any unsafe activity. For the same purpose, fresh eye observation system had been developed and implemented so as to motivate safety culture.
- Use of safety belts while driving has been made mandatory for all employees and visitors.
- Use of personal protective equipment (PPE) at work is mandatory, including safety harnesses while working at heights. Freshly designed and worded safety message boards have been installed at plants, where required PPEs are listed and displayed pictorially.
- Fully chilled mess has been established at IIL's manufacturing unit for comfort of employees.

Measurable Results or Outcomes:

- At the beginning of the year, the Code of Conduct was circulated to all staff and acknowledgements of having re-read and understood it, was taken. Similarly, acknowledgements were taken from newly hired staff at their times of joining.
- Two surveillance audits, conducted by M/S Lloyds (a UK-based certification body), conducted during the year, provided assurance that IIL's QA&HSE Management System complies with ISO 9001, ISO-14001 & ISO 45001 global standards.
- In July 2016, the newly established large diameter pipes production unit was certified for ISO 9001, ISO 14001 and ISO 45001 global standards.
- For administrative ease and improved focus, the company facilities, for OHSE purposes, are divided into administrative zones and each zone is led by a nominated zonal team leader. These leaders are changed on an annual basis and, such a change has increased the significance of OHSE while working.
- Achieved Lost Time Injury Frequency Rate (LTIFR), was 1.67 per one million worked.
- The safe work monitoring mechanisms worked well throughout the year and the Stop Work Authority procedure was applied 257 times during this last year.
- OHSE performance criteria of Service contractor had been reviewed by IIL and evaluated all service providers' performance on monthly basis.
- Monthly safety walkthroughs by senior management were conducted at all manufacturing facilities.
- Golden safety rules were developed and posted on boards at prominent locations.
- In all, OHSE staff recorded 6463 unsafe acts and work conditions during the last year.
- No complaints related to violation of human rights / gender insensitivity was raised.

PRINCIPLE 3: BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

Our Commitment or Policy:

ILL realizes that the collective strength of employees contributes towards the goal of achieving continuous sustainable growth. We provide freedom of association and effective recognition to the right to collective bargaining. We, at ILL, believe in harmonious relationships with our employees, and ensure fair and transparent HR Policies, leading towards a healthy and productive work culture.

System:

- Every two years, Management and Union enter into bilateral negotiations on Charters of Demands raised by either party and arrive at a mutually acceptable agreement in a mutually supportive environment.
- Workers participation in Management and decision-making is ensured through Workers Management Council, Workers Participation in Management, and Canteen Committee as per law.
- Line managers have been empowered to manage the affairs of their workers and address any concerns in coordination with the Industrial Relations Section.
- There is a dedicated Industrial Relations Manager leading an Industrial Relations Section which is the first port of call for the CBA / Union in case any matters that need to be addressed.
- Information relevant to activities or plans that may affect work timings or environment is shared with the workers' representatives and their advice is taken on merit.

Activities:

- Terms and conditions of employment (Wages, Working Environment, Compensation & Benefits) of workers are mutually agreed upon through collective bargaining settlement every two years.
- Collective Bargaining Agent elections are conducted after every two years as per the local legal requirement.
- Union office bearers are encouraged to participate in trainings / workshops whenever required, and given full opportunity to express their views freely on all fora.

Measurable Results or Outcomes:

- Last bilateral negotiation settlement pertaining to the period October 2017 to September 2019 had been achieved on January 31, 2018
- All employees, including unionized workers, received performance related variable pay.
- There have been no complaints related to medical benefits or welfare benefits. Facilitation has been provided to workers to get social security and other medical benefits.
- There have been no incidences of work slowdowns or work environment complaints.

PRINCIPLE 4: BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

Our Commitment or Policy:

IIL trusts in conducting its business following not only all concerned local and international legislations, but also while adhering to its own ethical practices. As such, we abide by the local legislation on forced / compulsory labor and also willingly follow ILO conventions on labor, including Article 2 (1) of the ILO Forced Labor Convention, 1930 (C 29) ratified by Pakistan, and have built human resource systems to ensure abolition of unwanted work or service from any employee.

System:

- **Placement of Offer.** Job offers to the selected candidates are made through official letters.
- **Appointment letter.** Appointment letter containing terms and conditions of employment are given to every employee.
- **Job Descriptions and Communication.** Job descriptions are defined and communicated to employees and updated regularly incorporating change, if any.
- **Exit Interview.** Employees leaving the company's employment are encouraged in an exit interview to elaborate their experiences with the company so that any deviation from defined company policies may be detected and pursued for further improvement.

Activities:

- Every candidate is explained the job requirements in detail, well before placement at the job. If desired by the candidate, 2 to 3 days are also given to them to carefully go through the job offer before accepting it.
- Care is taken to ensure that any change in jobs as a result of process change, transfers or promotions, are understood including performance expectations and work conditions.
- Job Descriptions / Work Instructions are live documents at IIL which are not only made available for all employees but are also continuously being updated to match changing roles.
- Exit interview report is shared with senior management by the Head of Human Resources. Suggestions / grievances, if any, are forwarded to concerned managers for required action. Separating employees are also requested to openly discuss drawbacks of HR policies and procedures and the same are assessed and revised, if required.

Measurable Results or Outcomes:

- All new employees formally accepted job offer, terms and conditions of the job and Job Descriptions. These records are maintained by the Human Resources Department.

PRINCIPLE 5: BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

Our Commitment or Policy

IIL supports effective abolition of child labor. This principle is also a local legislation whereby a minimum age of employment is defined. This principle is also enshrined in ILO's Convention 59 on Minimum Age (Industry) Requirement ratified by Pakistan. IIL adheres strictly to the minimum age requirement and also ensures this is maintained by our Direct and Indirect Contractors.

System:

- IIL follows a stringent policy condemning Child Labor in all its forums. To avoid risk of any mishap, no minor is allowed to enter our factory premises.
- Employment / Trainings in all its forms (including Apprenticeship Trainings) require candidates to submit their National Identity Card proving their age is at least 18 years.

Activities:

- Diligent checks and monitoring of job applicants' age through our procedures is made to ensure that we comply with all legal age requirements.
- Notices are prominently displayed at all gates stating the restriction on child labor and announcing that no employment is offered to persons below 18 years of age.

Measurable Results or Outcomes:

There are no employees below the legally employable age working in any of IIL's premises.

**PRINCIPLE 6: BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION
IN RESPECT OF EMPLOYMENT AND OCCUPATION**

Our Commitment or Policy

ILL continues to support the elimination of discrimination in respect of employment and occupation. This commitment is strongly embodied in our explicitly written human resource policies on Recruitment and Code of Conduct. Our adoption of the “Code of Conduct for Good Governance”, and practices at IIL demonstrate our support for the elimination of discriminatory behavior in respect of employment.

System:

- As demonstrated in our Recruitment Policy:
 - The Company operates as an equal opportunity employer and does not give any preference on the basis of gender, religious or ethnic background when employing or promoting employees. All employment and promotions is purely on merit and suitability for the position.
- Our policy on Code of Conduct for Good Corporate Governance clearly states:
 - Employees shall not discriminate against any other employee, especially with regard to origin, religion, gender or language.
 - Sexual harassment shall result in serious disciplinary action and charges may be raised against any employee (irrespective of gender) if found guilty by the Management after full investigation of the matter.

Activities:

We purposefully recruit, hire, develop and promote employees. These values are inculcated in our employees through training and other awareness campaigns.

Measurable Results or Outcomes

ILL has taken conscious efforts to eliminate discrimination by following its policy guidelines. We have employees not only of both genders, but also from various religions, casts and origins and they are accorded fair treatment at all levels.

PRINCIPLE 7: BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

Our Commitment or Policy

IIL fully supports a precautionary approach to environmental challenges. Our Quality, Environmental Health & Safety policy and our Mission statement clearly state that:

“IIL is a quality conscious company committed to economies of scale. It shall continually enhance the effectiveness of its quality, environmental, occupational health and safety management systems. IIL is committed to be an ethical company and shall conform to all applicable legal requirements, as well as fulfill and exceed the needs and expectations of all stake holders.

Team work, continuous improvement, prevention of pollution, waste reduction, protection of environment, care for health and safety of people and equipment, safe practices, a fair return to shareholders and fulfillment of social responsibility shall be the hallmark of all activities.”

System

- IIL has achieved certification of ISO-14001 in year 2000, and became the first company in Pakistan’s Steel Sector to achieve this Certification.
- IIL has implemented the ISO 14001 Environment Management System and environmental protection remains one of the major priorities of the Company.
- IIL’s environmental performance is managed through the implementation of its business planning process, compliance systems, risk management practices, governance programs and management review.
- The company is committed to carry out its business in an environmentally sound and sustainable manner and promote preservation and sustainability of the environment.
- All employees are required to adhere strictly to all applicable environmental laws and regulations that impact the company’s operations.

Activities:

- Occupational Health, Safety and Environment issues are addressed at the highest level. The OHSE Committee is composed of senior operational managers and chaired by the CEO. It is scheduled to meet once a month, at least.
- IIL is dedicated to reducing the impact of its operations to sustainable levels and in line with acceptable standards. It neutralizes its emissions prior to discharge by using 100 feet high fume scrubbers; all effluent waste is treated at its Effluent Treatment Plant (ETP) prior to discharge; whereas sludge generated from the ETP is transferred responsibly to designated landfill sites for environment-friendly disposal.
- Waste heat is utilized through a waste heat recovery boiler which feeds a turbine that generated electricity. Our hot water goes through an absorption chiller resulting in chilled water & air-conditioning while minimizing any impact on the environment.
- IIL is registered with the Ministry of Environment under the Self-Monitoring and Report Tool (SMART) program.

- IIL has documented, implemented and maintained the procedure of “Emergency Preparedness and Response” to handle any safety and environmental emergencies.
- IIL has developed, established and maintained procedures for identification of Environmental Aspects, Occupational Health, Safety and Environment Legal and Regulatory requirements, in which detailed mechanism and responsibilities are assigned to identify the environmental aspects and their impacts related to the activities / processes and products of IIL.
- IIL has maintained the “Register of Aspect and Impact” for its activities, processes and products and conducts “Environmental Reviews” at prescribed frequency. The higher rated aspects are inducted in the main objectives of the Company for which plans are made in order to achieve targets.
- IIL has also developed and implemented a procedure for “Incident Investigation, Non Conformance, Corrective and Preventive Action”. Incidents are comprehensively investigated and appropriate corrective and preventive actions have been taken as per procedure.

With our EMS system we conduct various regular, planned activities such as periodic environmental reviews, environmental risk assessment, internal and external audits, self-assessments, training and awareness programs and campaigns - all in compliance with the local environmental standards like National Environmental Quality Standards and Environmental Protection Agency.

- Moving towards a paperless environment optimal use of scanner and minimal use of printer was planned thereby targeting a 25% reduction in paper consumption and printer ink consumption.
- IIL has engaged third party environment management audit of its manufacturing facility to ascertain that all pre-requisite environmental effluents, emissions, noise and waste disposal is carried out as per law and to determine any gaps in its EMS system.
- Designated green spaces have been established at all IIL production facilities with ‘green belts’ consisting of trees and plants at the front of each IIL factory. Where possible, treated effluent discharge is used to water IIL’s green spaces.

Measurable Results

- The OHSE Committee comprising of the CEO as Chairman; and Director Human Resources, General Manager Operations, General Manager Engineering & Projects; Divisional Manager Supply Chain; Senior Manager OHSE, Senior Manager Industrial Relation & Administration, Senior Manager HRTMs and Senior Manager Projects as members. This committee met each month to monitor the OHSE environment in the Company.
- Pursuing its commitment to the efficient use of resources, the Company utilizes all waste heat to generate chilled water, which in turn, fulfills the factory’s water-cooling and air-conditioning requirements. Furthermore, its Reverse Osmosis Plant helps meet additional water requirements at the factory premises.
- IIL generates electricity through co-generation. Its own needs are met through this generation and excess electricity is transported to the K-Electric grid. Hence, there is full utilization of installed generation capacity and generation of additional revenues, whilst contributing to the alleviation of the chronic power shortage faced by the country.
- Monthly testing of IIL’s effluents, factory and vehicular emissions and noise level were carried out through third parties and recognized laboratories for compliance with the National Environmental Quality Standards (NEQS). All results were within normal ranges.

- Daily (6 times / day) in-house effluent testing and monitoring of various parameters are carried out before discharge.
- 104 mock drills have been conducted during the year at all locations.
- Safety alerts on OHSE issues, such as heat stroke, rains, cyclones, earth quake, Dengue virus & Congo virus etc., circulated amongst all staff.
- Ensuring anti-mosquito spray is conducted twice daily.
- IIL conducts monthly meeting with team leaders and service contractors on OHSE issues
- Register of Aspect and Impact assessment of Steel Factory, Plastic Plant, Stainless Steel Plant, Head Office & North Office was updated during the month of December 2016.
- Electricity, water and natural gas consumption were monitored on a monthly basis in various sections of the plant. Then actions have been taken accordingly.
- As a result of its efforts, IIL was awarded the 2015 Environment Excellence Award by the National Forum for Environment & Health
- IIL participated in a nationwide contest to determine best OHSE practices arranged and organized by Employers Federation of Pakistan and was awarded the second position.
- Another landmark has been achieved by IIL and won the First prize in the Processing & Allied Sector in OHSE best practices award. IIL took part in an OHSE Best Practices 2016 competition organized by the Employers Federation of Pakistan in association with the International Labour Organization and won the first prize in the Processing & Allied Sector.
- With the hundreds percent compliance of all legal environmental quality standards and laws, IIL has received the No Objection Certificate from the provincial environmental regulatory authority.
- To reduce the percentage of carbon dioxide from atmosphere, IIL has planted 1000 saplings in the vicinity of Factories 1 & 2; the older plants are being taken care of by repeated training, trimming and watering.
- For environmental point of view, all asbestos roof sheets have been replaced with GI and Fiber sheets at IIL manufacturing locations.

- PRINCIPLE 8: BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**
- PRINCIPLE 9: BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

Our Commitment or Policy

Our support to the environmental challenges is further affirmed through initiatives promoting greater environmental responsibility. This affirmation is re-demonstrated through our Corporate Social Responsibility (CSR) activities and company's code of conduct; some related points are mentioned below:

- i. The company is committed to carry its business in an environmentally sound and sustainable manner and promote preservation and sustainability of the environment.
- ii. All employees are required to adhere strictly to all applicable environmental laws and regulations that impact the company's operations.

System

ILL's Quality and Environmental Policy ensures its commitment towards its environmental responsibilities.

Activities:

- We have laid the foundation of a sustainable business. All aspects of sustainability including efficient operational procedures, effective internal controls, ethical behavior and energy conservation are an integral part of our business model.
- IIL contributes approximately 2.5% of its Profit after Tax towards CSR activities. The primary focus of IIL's CSR activities center around the arena of education and health for the underprivileged.
- Each month a presentation is given to the OHSE Committee on the month's incident trend and a brain storming session ensues for improvement and avoidance of similar incidents. Different statistical tools & parameters are used for better analysis of OHSE performance.
- As required by our OHSE Management system, we prepare annual Environment, Health & Safety Objectives and Targets along with the Plan of Action to achieve these targets. The status is reviewed on a monthly basis.
- IIL appreciates employee suggestions for improvement of health, safety and environment procedures in production plants and other possible areas. On review, when an employee's suggestion is thought to be feasible, he is given a cash award and is recognized for his suggestion and initiative.
- Internal/external environmental audits are carried out as per planned intervals.
- Sludge being generated from Effluent Treatment Plant is disposed-off at a dedicated land fill site for environment friendly disposal.
- IIL has taken shareholder approval to circulate its Corporate Annual Reports via in electronic form – thereby significantly reducing its annual paper consumption by and impact on the environment in terms of waste generated and reduction in the consumption of non-recycled paper.

- Although our primary raw materials, steel and zinc, do not have a direct impact on our environment, we strongly believe in minimizing environmental damage that might result from any of our production processes. Most of the technologies and equipment in our operations are environmentally efficient and compliant with international and national norms. Environmental aspects are taken into consideration by us and included in all our project costing and purchase process. Furthermore, all future investments are preceded by an environmental impact assessment.

Measurable Results or Outcomes

- Due to our regular monitoring, self-assessments and compliance with environmental regulatory standards, IIL has not ever been notified by environment governing agencies for any non-compliance and has received no complaints from its neighbors.
- IIL contributes approximately 2.5% of its Profit after Tax towards CSR activities. It continues to fund all operating expenses for the TCF primary school IIL Campus located in Landhi next to the IIL funded mosque opposite Factory 1.
- IIL also sponsored the Amir Sultan Chinoy (ASC) amphitheater at the Institute of Business Administration (IBA) main campus.
- On CSR, IIL has linked up with The Citizens Foundation (TCF) and continues to support all operating expenses for a TCF primary school in the vicinity of the IIL factory. The TCF-IIL Campus provides free/affordable education to almost 400 students. IIL has also funded the construction and operating expenses of a mosque in the Landhi area.
- In order to provide superior and more learning environment to the students of TCF-IIL Campus. IIL's senior management visits the school and mosque on monthly basis to trace out maintenance activity and areas of improvement will be required in the campus social environment and motivated students to focus on your studies. Because education will create difference between you and other peoples.
- In keeping with its legacy of being a responsible corporate citizen and contributing to society at large as well as the community in which it operates, IIL has funded the land purchase and construction costs of a primary healthcare clinic in the low income area of Majid Colony, Landhi in Karachi. On September 3, 2016, the IIL-SINA Clinic was formally inaugurated by the Chairman of IIL, Mr. Zaffar A. Khan
- IIL's recently commissioned Reverse Osmosis Plant helps meet additional water requirements at the factory premises and maintained it by high proficient professionals.
- IIL generates electricity through co-generation. Its own needs are met through this generation and excess electricity is transmitted to the K Electric grid. Hence, there is full utilization of installed generation capacity and generation of additional revenues, whilst contributing to alleviate the chronic power shortage faced by the country.
- During the year two teams comprising of five employees were declared Employees of the Month for their suggestions on improvement of health, safety and environment procedures in production plants and other areas.
- Sludge being generated from Effluent Treatment plant is transferred to Landfill site for its accurate disposal on twice a month basis by third party and acknowledgment slip is issued by District Government after receiving the sludge.

- Installation of LED lights have also helped us to reduce its burden on external sources of energy, thus allowing minimize our burden on the environment and communities in which we operate.
- IIL had modified its galvanizing plant and made it environmentally friendly, for workers' health and reduce acid fumes concentration and zinc dust in working environment.

Environmental Impacts

Achievement	IIL	Benefit
In-house power plant Electricity Generation	IIL has installed a natural gas burning power plant with 4 generators that creates 4 MW of energy by co-generation	Increase in self-sufficiency. Reduction on dependence on local electricity providers.
Excess Energy Production	Any excess electricity produced is constantly sold to local electric providers through the integrated electric grid system.	Assist in the reduction of energy crisis of Pakistan. Ensure optimum energy consumption by ensuring stable and constant generation.
Excess Heat Waste Utilization	We utilize all waste heat from the gas burning process by redirecting it to our chilling facilities. Furthermore, the steam created is used in our galvanizing process, thus eliminating the need for the gas fired burner that was used before.	Reduction in external energy demands as air-conditioning and operational processes are powered without additional cost or the dependence on local electricity and gas.
Effluent Water Treatment Plant	Treats contaminated water waste during our production stage. The water is treated and released into the sewage system.	Treated water that is released into the local sewage systems is not harmful to local water bodies or biodiversity.
Fume Scrubbers	IIL has installed five fume scrubbers in the factory for acid fume exhaust chimneys.	Fume Scrubbers are pollution control devices designed for the removal of industrial fumes and odors, particularly acid fumes, chemical fumes and toxic gasses. This ensures that we have decreased impacts from our industrial fumes.
Reverse Osmosis Plant	All water used for internal processes is filtered.	There is reduction in reliance on municipal water systems, thereby assisting in the reduction of water scarcity in Pakistan. Our employees benefit from higher water quality.

Waste Management:

- As part of our belief in the circular economy, we intend to minimize our waste and maximize the recycling of our steel. Any by-products created as a result of the manufacturing process are also disposed of in a responsible manner. The table below illustrates the types and amounts of wastes produced in the last fiscal year for both organizations. Furthermore, this table identifies when the waste is produced and how it is disposed of.

Recycled Item	Action Taken
Steel	<p>Steel scrap remnants are collected throughout the production process and are recycled in multiple ways.</p> <ul style="list-style-type: none"> • Certain types of steel scrap are collected, compacted and sold to steel recyclers to make iron bars. • Steel side cuttings are reused as bailing hoops in pipe bundles. • Steel edge side cuttings are compacted & auctioned as steel scrap.
Zinc	<ul style="list-style-type: none"> • IIL has installed a Zinc Reclamation Unit through which all zinc by product is processed and recycled after ensuring zero generation of smoke and dust during the zinc recovery process, hence decreasing the emission impact on the environment. • Zinc dross after filtering is sold to international and local parties for further recycling. Zinc Oxide is sold as a raw material for manufacture of Zinc Phosphate fertilizer.
Hydrochloric Acid	<ul style="list-style-type: none"> • IIL has set up effluent treatment plants that treat and neutralize hydrochloric acid before it is released into the drainage system. This ensures that we avoid the contamination of water, prevention of diseases, and maintain the biodiversity in downstream waters.
Used Oil	<ul style="list-style-type: none"> • Used oil is sold to re-cyclers and contractors
Solid Waste	<ul style="list-style-type: none"> • Solid Waste sent to landfill site at Jam Chakro for disposal
Effluent Treatment Plant Sludge Waste	<ul style="list-style-type: none"> • ETP sludge sent to landfill site at Jam Chakro for disposal

Environmental Compliance

Checks and Balance	Purpose	IIL
Quality Management Team	Internal IIL department that ensures that the organization follows international standardization, benchmarks of the production process, along with product quality.	IIL adopts the precautionary approach to environmental or engineering issues by encouraging the use of corrective and preventative notification process.
OHSE Team	Internal IIL department that ensures that the organization follows international and local standards of safety guidelines for employees whilst on factory floors. Furthermore, the HSE teams constantly monitor internal environmental impacts to ensure compliance with the requirements of Governmental bodies such as the EPA Punjab and Sindh.	IIL conducts regular environmental audits of the factories and submits findings to regulatory governing body.
Pakistan Environmental Protection Agency	Local government authority that has defined acceptable limitations, the National Environmental Quality Standards (NEQS), on factory water quality, emissions discharged and waste from its production process.	IIL is compliant with all listed quality standards. Tests conducted in an in-house lab facility.

M/S Lloyds	International, United Kingdom based certification body that assures that the QA&HSE Management System complies with ISO 9001, ISO-14001 & ISO 45001 global standards.	IIL certification has been renewed therefore illustrating that no major non conformities were observed.
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Environmental Goals:

1. Maximize our environmentally safe and compliant company operations including the conservation of natural resources and improving waste management.
2. Achieve OHSE Excellence by continuing to increase interdepartmental communication of learning's and best practices. Our goal is to create a permanent cultural shift throughout all the tiers of our organization.
3. To increase safety measures on our factory floors by developing & installing new safety signs and boards in multiple languages to further assist in the reduction of injuries.
4. To reduce the level of noise pollution at our factories through various precautionary measures.
5. To increase our environmental and technological efficiencies to further reduce our quality standards.
6. Introduction and continual improvement in the reporting process of the 'near miss culture'.
7. Improvement and efficiency of reporting of minor incidents and accidents.

PRINCIPLE 10: BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Our Commitment or Policy

We are fully committed to this UNGC principle against corruption and strive to work against corruption, extortion and bribery in all its forms. This commitment is communicated clearly to all employees through our policy on Code of Conduct (Refer: IIL-CG-PO-01 version 3 revised on 26.06.2016)

System

IIL has developed and implemented a dedicated policy for Code of Conduct with the objectives to familiarize all employees of the company with well-defined way of doing business and to conduct themselves as employees of good corporate citizen.

Some relevant extracts with specific focus on elimination of corruption and bribery are indicated as under:

- All employees should conduct themselves with the highest degree of integrity and professionalism in the workplace of any other location while on company business.
- All employees should avoid any kind of bribe, extortion and all other forms of corruption.
- In case an employee is offered or receives something of value which he / she believes may be impermissible under this code, he/she is required to disclose the matter.
- Any legally prohibited or controlled substances if found in the possession of any employee will be confiscated and where appropriate, turned over to the authorities.
- The employees shall be careful while dealing with personal or business associates and not disclose, divulge or provide any information regarding the company to anyone except where the same is used as a part of his / her official obligations and as required for official purpose and shall abide by the Closed period announced by the company from time to time and also sign a Non- Disclosure Agreement if the need arises.
- Employees should always be cognizant of the need to adhere strictly to all safety policies and regulations.
- All employees are required to comply with this code of conduct and are personally responsible for doing so. Employees must comply with any rules set out in this code of conduct. Breach of any principles within the code may result in disciplinary action and a serious breach – such as if any employee is found to be in wanton abuse of the code and their action cause reputational risk or damage or financial loss to the business – may amount to gross misconduct which may result in summary dismissal. Further, the company reserves the right to seek redress and damages from such individuals.
- The company has in place a confidential “Speak Up” policy and process to encourage the reporting of any non-compliance with this code of conduct.




How do you intend to make this COP available to your stakeholders?


This COP is also available to our stakeholders at our company website www.iil.com.pk and will be circulated to all employees and Directors via email.

UNITED NATIONS DEVELOPMENT PROGRAM SUSTAINABLE GOALS


IIL takes great pride in being a responsible corporate citizen. By aligning with and measuring our activities against the 17 Sustainable Development Goals (SDG's) outlined in the United National Global Compact (UNGC), IIL reaffirms its commitment to adopting sustainable practices and providing multi-faceted, positive contributions to the communities in which we operate and society at large.



Below is a look at the UNGC SDG's and a summary of the activities we have undertaken in support of these goals.


UNGC SDG's	Activities undertaken
	<ul style="list-style-type: none"> ➤ IIL contributes 2.5% of its Profit after Tax (PAT) towards CSR activities, which focus on education, health and welfare for the underprivileged particularly in the area around our factories. ➤ IIL recently contributed a structure to the Hunar Foundation (one of Pakistan's foremost technical & vocational training institutes) ➤ IIL recently completed an entirely free of cost structure for a 'school under the bridge' for underprivileged children in Karachi ➤ IIL employs over 1000 people, none of which receive below minimum wage ➤ IIL's workforce has 17 special people in various positions ➤ IIL hires the majority of factory workers from low-income, local neighborhoods near our factories to contribute to poverty alleviation in these areas.
	<ul style="list-style-type: none"> ➤ IIL recognizes that poverty underlies hunger & malnutrition. Therefore, IIL strives to ensure commensurate compensation to all employees & workers. ➤ IIL ensures that none of our service providers pay their employees less than minimum wage. ➤ Subsidized food is provided to IIL workers at the factories. ➤ Food & water wastage is discouraged through on-site signage. ➤ A fish farm was established at IIL Factory 3 which provided affordable fish to the market
	<p>IIL has a legacy of donating to medical & health facilities such as: SIUT, LRBT, Baitul Sukoon Cancer Hospital, LHWS, Indus Hospital, MALC, Al Rehmat Hospital in Pasrur & SINA Health Education amongst others.</p> <ul style="list-style-type: none"> ➤ IIL provides medical facilities to all employees through the Social Security Scheme and the Health Insurance Scheme. ➤ IIL has established the IIL-SINA Child life clinic near Factory 1 where over 30,000 patients are given free or heavily subsidized medical care on an annual basis ➤ IIL donated a water hand pump in a water deficient village in Tharparkar. ➤ IIL facilitated the establishment of two ambulance stations and donated 10 ambulances in an industrial area where there was a need for immediate health care and where work injuries have a high probability to occur ➤ IIL provides 10 medical leaves, 10 casual leaves and 30 earned annual leaves ➤ There have been no complaints related to medical or welfare benefits ➤ LTFIR during the year recorded as 1.67 per one million worked hours ➤ Seven lost time incidents witnessed during the year and no road or infectious disease reported ➤ During the year, 716 OHSE trainings (class room & tool box talks) were organized by OHSE Department for 7837 employees at all locations




	<ul style="list-style-type: none"> ➤ A doctor and a paramedical assistant are present in the factory 6 days a week on a part time basis to facilitate the employees. ➤ An equipped ambulance is available at all times at all the Factory locations. ➤ Anti-mosquito spray conducted twice daily to reduce the chance of mosquito borne diseases at all factories. ➤ To mark IIL's 70th year and promote road safety, motorcycle helmets were distributed to all permanent, service provider and junior management staff ➤ Long service awards are distributed on an on-going basis ➤ Well equipped gym is available for employees use at IIL Factory 1. ➤ IIL has contributed completely free of cost structures to: <ul style="list-style-type: none"> ➤ The Indus hospital ➤ Jinnah Medical Center ➤ The Society for Rehabilitation of Special Children ➤ A mental illness rehab centre for the Caravan of Life Trust ➤ Various recreational activities are conducted on an annual basis: <ul style="list-style-type: none"> ➤ Growth Celebration Dinner ➤ Long Service Awards ➤ Managers Dinner ➤ Employees Theatre Nights & picnics ➤ Corporate Family Days Out ➤ Participation in Group Cricket Tournament
	<ul style="list-style-type: none"> ➤ IIL has linked up with The Citizens Foundation (TCF) and continues to support all operating expenses for a TCF primary school in the vicinity of IIL Factory 1. The TCF-IIL Campus provides free/affordable education to almost 400 students. ➤ IIL made a substantial contribution towards the "Amir Sultan Chinoy Chair" at the Aga Khan University Hospital in Karachi - a permanent endowment fund. ➤ IIL sponsors a scholarship at NED University of Engineering & Technology. In the last 5 years, approximately 50 students have benefited from this scholarship. ➤ Group donations to the Amir Sultan Chinoy Foundation have been used to support various educational causes ➤ IIL regularly sponsors student seminars for NED Architectural Students ➤ IIL recently completed an entirely free of cost structure for a 'school under the bridge' for underprivileged children in Karachi ➤ IIL collaborated with the NGO 'Literate Pakistan' to provide free education to older members of society that are not literate. Through this program, 100 workers have increased their literacy proficiency at varying degrees. ➤ IIL's adult education program assists in improving the reading and writing skills of employees. ➤ IIL has an apprentice training program at its factory locations ➤ At IIL, during 2017-2018, over 25 in-house sessions were conducted for 357 employees on various topics and IIL 51 employees attended external (local & foreign) programs arranged by various well-reputed institutes ➤ In 2016-17 one of IIL's General Managers attended the Advanced Management Program at Harvard University.


	<ul style="list-style-type: none"> ➤ IIL is an equal opportunity employer ➤ 17 females employed; 4% ratio of total management ➤ Female employees in IIL are given maternity leaves ➤ Zero gender based cases reported during the year ➤ Special facilities have been provided for the comfort of female staff at the head office ➤ The IIL TCF campus has 41% female enrolment
	<ul style="list-style-type: none"> ➤ IIL's recently commissioned Reverse Osmosis (RO) Plant helps meet water requirements at the factory premises while reducing reliance on municipal water systems, thereby assisting in the reduction of water scarcity in Pakistan. Our employees benefit from higher water quality. ➤ Clean, filtered water is available to all employees ➤ IIL donated a water hand pump in a water deficient village in Tharparkar. ➤ Periodic, 3rd party testing of all drinking water ➤ All effluent waste is neutralized through treatment at our Effluent Treatment Plant (ETP) prior to discharge into the drains ➤ All solid waste that is not recycled and sludge is responsibly transferred to designated landfill sites
	<ul style="list-style-type: none"> ➤ Energy efficiency Monitoring: IIL is continuously monitoring the usage of Electricity, Natural Gas and air. We have installed energy meters, gas analyzers and recorders to see the efficiency. By doing this we have also controlled misuses and shutdown the auxiliary load when plant is not in operation. ➤ Utilization of energy efficient instruments: We have a considerable lighting load. Initially all lights were 400W SON high pressure sodium bulbs. We have started to replace these with LED 160W, this helped us to save energy with increased illumination. ➤ We are constantly monitoring the power consumption on each machine and have recently replaced oversized DC motors with smaller, more efficient AC motors. ➤ We are utilizing waste heat of our gas engines to operate the hot water absorption chiller and boiler and a steam turbine to generate more electricity. ➤ Electricity consumption (kWh/Ton of production): 13.7% decrease ➤ IIL generates electricity through co-generation. The generation is synchronized with the National Grid which allows us to operate the generators very efficiently at full output as any excess electricity generated is sold to the grid whereas our own needs are met through this generation. Hence, there is full utilization of installed generation capacity and generation of additional revenues, whilst contributing to alleviate the chronic power shortage faced by the country.
	<ul style="list-style-type: none"> ➤ IIL provide equal opportunity to all employees ➤ IIL provides employment to over 1000 people thereby contributing to economic growth ➤ Regular skill development trainings are undertaken at IIL in order to enhance overall productivity ➤ Expansion at IIL has contributed to the creation of additional employment opportunities ➤ IIL provides secure workplace with canteen, parking facilities, medical and incidental insurance cover and freedom for people to express their concerns and/or grievances ➤ Human resources policies are available on intranet and are regularly reviewed, updated and circulated to employees

	<ul style="list-style-type: none"> ➤ Group contributions to the National Exchequer during the year were Rs. 16.2 billion ➤ IIL sales volume grew by 30% YoY in 2017-18. The increase in domestic sales volume is a testament that economic growth and sustainability comes by keeping the product affordable and striving for increased volumes at lower margins.
	<ul style="list-style-type: none"> ➤ Water consumption during production (Gallons/Ton): 12.2% decrease ➤ Electricity consumption production (kWh/Ton): 13.7% decrease ➤ Paper consumption: 7.1% decrease ➤ LPG (Kitchen use): 20 % increase. ➤ Diesel consumption: 43% decrease ➤ ETP sludge wastage: 3% increase* ➤ Solid waste: 2% increase* ➤ Skimmed oil: 19% decrease ➤ Oil dust: 108% increase* <p>* Note: production volume increased by 30% during this period</p> <ul style="list-style-type: none"> ➤ IIL has modified one its galvanizing plants during the year to control HCL fumes and zinc powder in the environment and secure the health of workers. By making this modification, zinc powder collection has already been increased by 2%. The Company has planned to upgrade Galvanizing another galvanizing plant for better environment and fumes Control in 2018-19. ➤ IIL's Hollow Structural Sections (HSS) were used in infrastructure projects across Pakistan including Orange Line & Green Line bus stations. These products lower environmental impact through quicker construction and 100% salvage value ➤ IIL's HSS have been used to build Pakistan's first ever steel structure residence as we strive to revolutionize the construction industry by not only speeding up the speed of construction but also by ensuing greater flexibility in allowing modifications. ➤ IIL has also constructed Warehouses with HSS in spans as large as 120 ft. both with and without overhead travelling cranes. These are not only cheaper but faster to construct then pre-engineered steel buildings. ➤ IIL is currently in the process of constructing model low income houses as it strives to assist the government in its mission to build cheap houses quickly.

	<p>IIL's adherence to human rights is enshrined in its Code of Conduct and reaffirms IIL's commitment to respecting fundamental human rights and treating employees, customers and all internal & external stakeholders with fairness, equality and respect in order to foster an open, transparent, and trusting environment which is free from prejudice, discrimination, bias, harassment and/or violation.</p> <ul style="list-style-type: none"> ➤ Grievance Policies are in place for all employees to raise concerns so that these can be addressed accordingly. ➤ Low income populations in the vicinity of IIL factories are the major suppliers of labour, thereby contributing to their income growth. ➤ IIL has constructed a mosque, school & health clinic in a low income neighbourhood near its factory. ➤ IIL constructed a shed for The Society for Rehabilitation of Special Children. This shed was built using IIL Hollow Structural Sections (HSS) and provides the children with a safe play and learning area ➤ IIL constructed a free-of-cost office administration and patient area for the 'Recovery House' (a mental illness rehab center of Caravan of Life Trust Pakistan) ➤ No complaints of gender insensitivity or other inequalities have been raised ➤ IIL's female employment ratio is 4% of total management staff, and has been steadily increasing in recent years. ➤ IIL and ISL are merit based organizations where no preference or special treatment is given to one individual over another
	<ul style="list-style-type: none"> ➤ IIL factories & offices entail more than adequate basic services such as well-managed water and sanitation services, safe work environments, separate dining & prayer areas and recreational facilities. ➤ IIL maintains strong links with surrounding communities to ensure that production activities do not cause discomfort or harm. ➤ IIL products naturally lend themselves to sustainable communities in the form of pre-fabricated, affordable & durable housing. ➤ The Group has been supporting two different TCF schools. The IIL Campus since 2004 and The Chinoy Campus since 1998 ➤ IIL HSS allows for quicker construction which will aid with Pakistan's increasing urbanization. ➤ Waste heat is utilized through a waste heat recovery boiler which feeds a turbine that generates electricity. ➤ Our hot water goes through an absorption chiller resulting in chilled water & air-conditioning while minimizing any impact on the environment. ➤ IIL has constructed and covers the running costs of a mosque, school & health clinic in Majid Colony, a low income neighborhood near its factor ➤ In 2000, IIL constructed numerous bus stops in Landhi and Korangi to provide relief to local residents and travelers which it continues to maintain ➤ IIL funded and helped install a water hand pump in a deserted part of Tharparkar, Sindh which provides clean water to approximately 150 people in an underprivileged community with limited access to clean water.
	<ul style="list-style-type: none"> ➤ Steel, by nature, is one of the most aggressively recycled materials in the world. All of IIL's steel scrap can be and is recycled ➤ IIL's polymer division used polyethylene & polypropylene. Both these materials are 100% recycled in house. ➤ IIL has dedicated forecasting and production planning departments that work to optimize production & storage & minimize wastage of any kind. ➤ Installation of a zinc reclamation unit in 2008 ensures zero generation of smoke and dust during the zinc recovery process, hence decreasing the emission impact on environment.

	<ul style="list-style-type: none"> ➤ The Group has targeted a 25% reduction in paper and printer ink consumption via reduction of excess paper usage, double sided printing, paperless BoD meetings & annual reports. ➤ Waste heat is utilized through a waste heat recovery boiler which feeds a turbine that generated electricity. Our hot water goes through an absorption chiller resulting in chilled water & air-conditioning while minimizing any impact on the environment. ➤ All water is sourced through tube wells, thereby minimizing pressure on municipal water distribution system ➤ RO Plant helps meet additional water requirements at the factory premises ➤ Water consumption (Gallons/Ton of production): 12.2% decrease ➤ Electricity consumption (kWh/Ton of production): 13.7% decrease
	<p>IIL is dedicated to reducing the impact of its operations to sustainable levels and in line with acceptable standards.</p> <ul style="list-style-type: none"> ➤ Moving towards a paperless environment optimal use of scanner and minimal use of printer was planned thereby targeting a 25% reduction in paper consumption and printer ink consumption. ➤ IIL now circulates its annual & quarterly reports in electronic form thereby significantly reducing its paper consumption and impact on the environment in terms of waste generated and reduction in the consumption of non-recycled paper. ➤ IIL Board members have been provided with digital tablets so as to eliminate the need for printed Board papers, thereby reducing paper usage & wastage. ➤ Waste heat is utilized through a waste heat recovery boiler which feeds a turbine that generates electricity. ➤ Our hot water goes through an absorption chiller resulting in chilled water & air-conditioning while minimizing environmental impact. ➤ Fume scrubbers are in-place at IIL factories for acid fume exhaust chimneys which neutralize emissions prior to discharge. ➤ IIL has modified one its galvanizing plants during the year to control HCL fumes and zinc powder in the environment and secure the health of workers. By making this modification, zinc powder collection has already been increased by 2%. ➤ Testing of factory and vehicular emissions carried out through 3rd parties recognized laboratories for compliance with the National Environmental Quality Standards (NEQS). ➤ Boiler & Generator emissions undergo regular testing to ensure compliance with NEQS ➤ Annual targets to reduce electricity and natural gas consumption in line with international standards ➤ Water consumption during production (Gallons/Ton): 12.2% decrease ➤ Electricity consumption production (kWh/Ton): 13.7% decrease ➤ Optimizing our supply chain process also reduces our impact on the environment ➤ All IIL factories have dedicated green belts with trees & plants ➤ Tree plantations: <ul style="list-style-type: none"> ○ Planted 1000 saplings in the vicinity of IIL Factories 1 & 2 and 117 tree saplings at Factory 3 ○ Donated funds to LAFCO (Lahore Faisalabad Dual Carriage Way) authorities for plantation of 1000 tree saplings. ○ Regular maintenance of plants by manuring, trimming & watering

	<ul style="list-style-type: none"> ➤ All effluent waste is treated at Effluent Treatment Plant (ETP) prior to discharge. Any resultant sludge is responsibly transferred to designated landfill sites. ➤ Daily (6 times / day) in-house effluent testing. ➤ Testing of factory effluents through 3rd parties and recognized laboratories for compliance with the National Environmental Quality Standards (NEQS).
	<ul style="list-style-type: none"> ➤ Designated 'green spaces' have been established at all IIL facilities. ➤ Where possible, treated effluent discharge is used to water IIL & ISL green spaces, thereby reducing dependence on fresh water. ➤ IIL has engaged third party environment management audit of its manufacturing facility to ascertain that all pre-requisite environmental effluents, emissions, noise and waste disposal is carried out as per law and to determine any gaps in its EMS system. ➤ IIL is the first company in Pakistan certified by Lloyds to be ISO 45001 compliant for its Environmental Management systems ➤ Sludge generated from the effluent treatment plant (ETP) is transferred responsibly to designated landfill sites for environment-friendly disposal. ➤ Tree plantations: <ul style="list-style-type: none"> ○ Planted 1000 saplings in the vicinity of IIL Factories 1 & 2 and 117 tree saplings at Factory 3 ○ Donated funds to LAFCO (Lahore Faisalabad Dual Carriage Way) authorities for plantation of 1000 tree saplings. ○ Regular maintenance of plants by manuring, trimming & watering
	<ul style="list-style-type: none"> ➤ IIL's policy on Code of Conduct and Ethical Practices is reviewed and acknowledged each year by all Directors, Managers and staff. This ensures that respect for human rights remains fully integrated into their business activities. ➤ The Code of Conduct covers business ethics, respect for rights of stakeholders, conflicts of interests, accounting records, controls and statements, environment, regulatory compliance and personal conduct. ➤ 'Whistle-Blowing' policies are in place to report any corrupt or unethical behavior – if employees feel that they are not able to use the normal management routes. This policy is reviewed and refreshed on a periodic basis. ➤ The CEO also meets the Managing Committee & Executive Committee at least once per quarter to provide an opportunity to express concerns and suggestions. These meeting is aimed at capturing free and first hand suggestions. ➤ IIL employees are encouraged to express their views and forward their suggestions. IIL follows an open door policy and employees are free to send emails, phone or talk directly to the CEO. The employees can give suggestions, grievances and concerns or raise any matter related to the Company. In case the matter is of significant nature it addressed in meetings of the Executive Committee, Managing Committee, the Board of Directors or the relevant Board Committees. ➤ Once every two years, IIL's Management and CBA enter bilateral negotiations on Charters of Demands raised by both parties. IIL's Industrial Relations Department is dedicated to address worker related issues and is in constant communication with the CBA and Unions with the objective to maintain industrial peace. ➤ Good relations were maintained with CBA and no strike or unrest took place during the year. ➤ IIL is certified for Occupational Health & Safety Assessment Series (OHSAS-18001) since 2007. The reviewed, revised and implemented OHS procedures & manual are followed strictly. IIL is also ISO 45001 certified

	<ul style="list-style-type: none"> ➤ Turnover rate of employees in IIL was 4.46 % ➤ No case of tax evasion/corruption during the year for IIL or ISL ➤ Over 25 in-house sessions were conducted for 357 employees. ➤ 51 employees attended external (local & foreign) programs arranged by various well-reputed institute
	<ul style="list-style-type: none"> ➤ IIL partners with The Citizens Foundation (TCF) to provide education to underprivileged children ➤ IIL is partnered with the SINA-Child life Fund initiative to provide free or heavily subsidized healthcare in a low income community near its factory. ➤ IIL is a signatory to the UNGC ➤ IIL is a founder member of The Pakistan Business Council which strives to work with the government to propagate industrial growth. ➤ IIL is registered with the Ministry of Environment under the Self-Monitoring and Report Tool (SMART) program. ➤ IIL is partnered with local utility Companies to co-scrutinize electricity generation ➤ The Group partners with NED University for the provision of a scholarship ➤ IIL has engaged third party environment management audit of its manufacturing facility to ascertain that all pre-requisite environmental effluents, emissions, noise and waste disposal is carried out as per law and to determine any gaps in its EMS system.

