



naveenda[®]
DENIMIZE TOMORROW

UNGC Communication on Progress Report

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ABOUT THIS REPORT

This report sets out Naveena Exports Limited (NEL) efforts in support of UNGC's 10 guiding principles. This is the first time NEL is publishing its UNGC Global Compact Communication on Progress (CoP) Report after becoming a signatory in July 2019. This report highlights the basic structure and implementable guidelines that NEL as a vertically integrated entity strives to achieve as a responsible denim fabric manufacturer. It also signifies our continuous efforts in maximizing our sustainability footprint in dealing with Human Rights, Labour, Environment and Anti-Corruption. The reporting period of this report is from July 1, 2019 to June 30, 2020. All aspects of the CoP discussed in this report are from the NEL's denim fabric manufacturing facility in Karachi.

NAVEENA EXPORTS LIMITED AT A GLANCE

INTRODUCTION

Naveena Exports Limited (NEL) was established in Karachi, Pakistan in 1989. We take pride of being one of the leading denim production industries of Pakistan. Our aim is to deliver high quality yarn and denim fabrics satisfying all consumers' needs with a monthly production capacity of up to 1.8 million meters.

Over the years NEL has fully integrated state of the art facilities, covering the complete production cycle from spinning to indigo dyeing and from weaving to finishing. We strive to consistently deliver high-quality products to our clientele. We strive to push the boundaries of the industry by uniting tradition with innovation, technology with design, and form with function.

OUR VISION

To develop into a company whose diversified portfolios further enrich us to be a partner that adds value to businesses, associates and stakeholders through proven and sustainable growth.

OUR MISSION

We believe that authenticity, integrity and sustainability are the fibers which bind our organization into a dynamic that continuously aspires to identify with the infinite possibilities that surround us in ways that express the ideals of our people, our businesses and the environment through job creation, skills development and empowerment through education.

OUR VALUES

CUSTOMER FOCUS

We believe in earning our customers' trust by understanding their needs, while providing them with unique products and services.

INTEGRITY

We believe in honesty, transparency and rigorous compliance and regulatory benchmarks that set the highest bar for employee and consumer rights.

SUSTAINABILITY

We work tirelessly to preserve the health, safety and well-being of our employees and the community in which we operate – all the time minimizing our carbon footprint through recycling, water management and energy conservation.

ORIGINALITY

We believe in pursuing innovation to identify new opportunities and build an organization that values and is dedicated to diversity.

PASSION

We believe nothing is impossible and that true growth is an outcome of setting and achieving higher goals so that we are not only leaders in our markets but champions of industry.

OUR CONTINUOUS FOCUS

As Naveena Exports Limited (NEL), we have consistently maintained a strong relationship with our valued customers and other stakeholders since our establishment. This has been achieved by our 'state of the art' manufacturing facility, our prime focus on quality, customer satisfaction and most importantly through the dedicated efforts of our dynamic team of about 900 employees.

NEL stands out as one of the premium denim fabric products 'supplier' of choice for its valued customers and recognized by leading brands in the denim world. We take pride in exporting our products to over 40 countries globally across geographies such as Europe, USA and Latin America, dealing with major clients such as INDITEX, GAP, LEVIS, TARGET and MARK & SPENCER to name a few.

NEL is certified with International Standards Organization's Quality Management System, ISO 9001:2015, Environmental Management System ISO 14001:2015 and Occupational Health & Safety Management System ISO 45001:2018.

AWARDS / CERTIFICATIONS RECEIVED BY NAVEENA:

1. 7th Employer of the year Award 2018
2. National Forum for Environmental Management 2018 & 2019, Pakistan
3. Global Compact Pakistan 2019
4. Inditex RTM Category Green Award 2018, 2019
5. PacT GAP Best Mill Award 2019
6. Higg Index FEM 3 Bench Marking 2018
7. Fire Safety Award 2018, 2019
8. Certified Mill for GOTs, OCS, GRS, RCS 2018, 2019
9. Certified Mill for Social Compliance Category INDITEX A 2018, 2019
10. GTW Certified Mill Category INDITEX A 2019, 2020
11. Certified Mill for ZDHC 2018, 2019
12. Registered member Ellen McArthur Foundation (Jean Redesign) 2020

AFFILIATIONS / MEMBERSHIPS:

LOCAL	EFP FPCCI SESSI EOBI SEPA KATI CHAMBER OF COMMERCE
INTERNATIONAL	UNITED NATION GLOBAL COMPACT CEO WATER MANDATE ZDHC HIGG.INDEX FEM 2018-2020 ELLEN MCARTHUR FOUNDATION, SUSTAINABLE COALITION



Dear Stakeholders,

I am pleased to present our first Communication on Progress (CoP) report since becoming a signatory to the United Nations Global Compact 10 principles on July 24, 2019.

This report represents our endeavor and commitment towards being a transparent, ethical, responsible, innovative and dynamic denim fabric manufacturer that will always seek inclusive benefits for our workers and the communities in our area of operations. Our focus lies on protecting their human rights and providing them a healthy, clean and safe work environment that minimizes our environmental footprint occurring due to numerous environmental challenges originating from resource consumption in terms of energy and water, material processing with chemicals and dyes and subsequent emissions to air, water and land, as a consequence of the manufacturing processes.

We have also included our current progress on United Nations Sustainable Development Goals (SDGs) as part of this report to assure our stakeholders that Naveena Exports Limited has strategic commitment to these goals as part of our sustainability strategy.

Let me assure you that we have carefully crafted our Mission, Vision and Core values, to bring about a self-sustaining organizational culture that ensures and accommodates the UNGCs 10 on Human Rights, Labour, Environment and Anti-Corruption and reaffirm that Naveena Textiles Limited remains committed to support the these 10 UNGC principles. We have also become a signatory to the UNGC's CEO Water Mandate in 2019 and this report also contains communication our current progress.

The progress we have made since becoming a signatory in 2019, lends us a great opportunity to learn, focus, innovate and improve on our performance and set improved standards towards a sustainable future.

Mr. Asif Riaz Tata
Chairman



Dear Readers,

Naveena Exports Limited (NEL) is committed to the collective overarching sustainability drive by the denim industry to support the global cause of green planet. To fulfill this Naveena is continuously adopting and equipping its value chain with clean raw materials, efficient processes, renewable and clean energy and technology upgradation since many years. We truly believe, United Nations Global Compact (UNGC) is a material link of the same chain. After becoming a signatory partner with UNGC, Naveena Exports Limited took the audacious responsibility to adhere with United Nations Sustainable Development Goals (SDGs) in the long run for betterment of everyone. All stakeholders here at NEL experience gender equality, diversification, decent workplace, equal rights, justice, peace and mutual growth. The digital transformation of NEL is part of our sustainable drive towards lean management, zero carbon emission, responsive & smart manufacturing and responsible supply chains.

I hope with adopting and adhering to UNGC's ten principles we will ensure the protection of labor rights at workplace, discourage corruption in all its form and manifestations and build a sustainable environment within our value chain.

Mr. Masood Riaz Tata
Chief Executive Officer

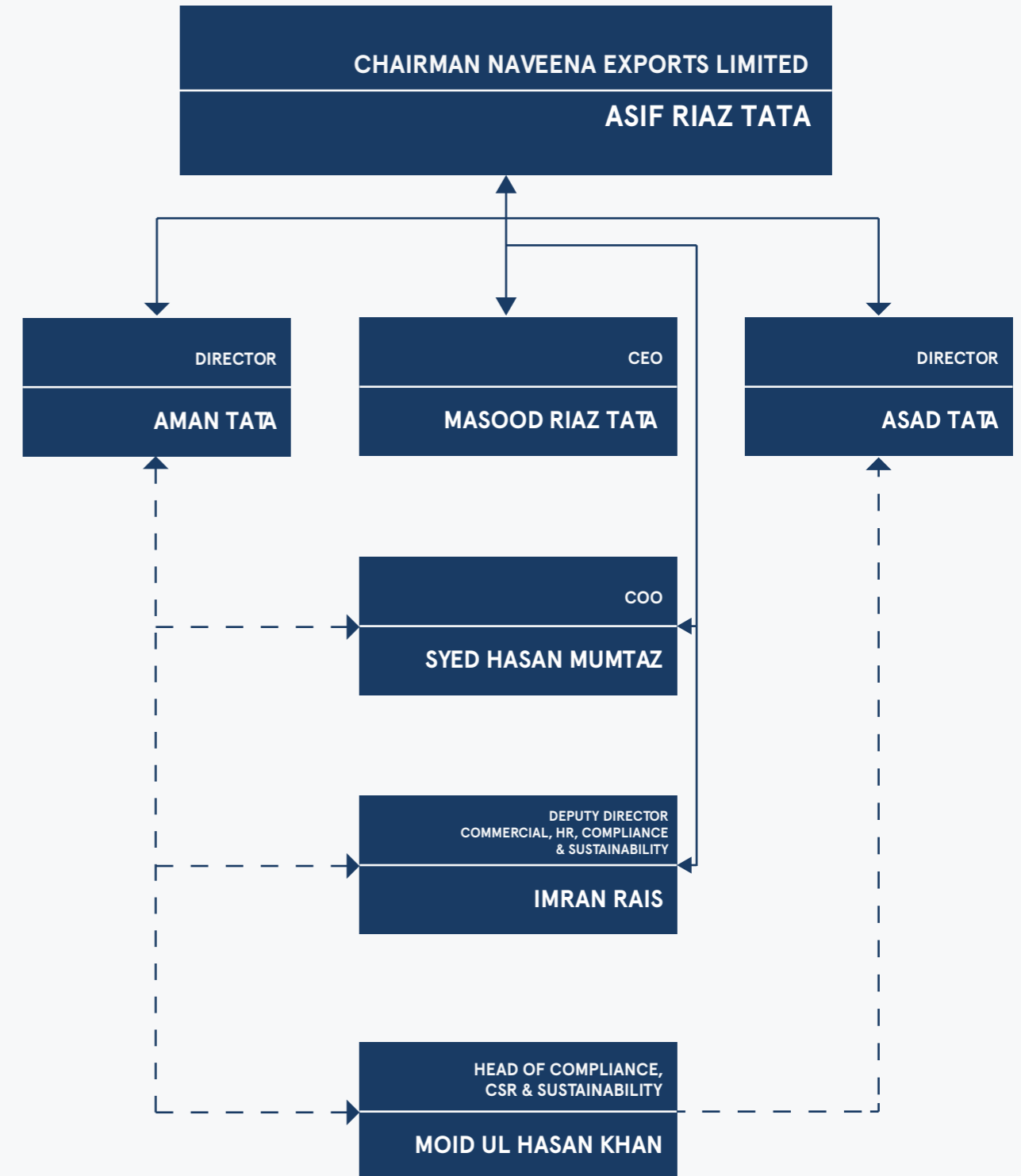


Respected Readers,

Let me first take this opportunity to thank the team 'Our People', the real force contributing to the success of Naveena Exports Limited. This report represents our sincere efforts and a continued commitment not only to the UNGC's Ten principles as outlined in this Communication on Progress (CoP) but also towards integration, measurement and continuous monitoring of general ESG practices adopted by NEL to contribute towards United Nations Sustainable Development Goals and hope that with the sincere efforts of our team and participation of our stakeholders we will progress further in achieving these the targets set for these goals.

Wishing everyone a safe and healthy future.

Mr. Asad Tata
Director





MR.SYED HASAN MUMTAZ
CHIEF OPERATING OFFICE

Syed Hasan Mumtaz is highly skilled professional with a wide array of experience in Operations Management, Technology Implementation and Global Sourcing within the textile industry over of span of 27 years. He holds a (B.E) in Mechanical Engineering from NED University of Engineering and Technology and a Master's degree in General Management.

He is a dynamic result-oriented leader with a strong track record of performing turn-around of high paced organizations. He has led some of the most successful organizations across Pakistan in the demanding roles of Managing Director and Chief Operating Officer. He is responsible for steering company's strategic and financial vision as well as increasing long term viability and sustainability of its business.



MR.IMRAN RAIS
DEPUTY DIRECTOR HR, SUSTAINABILITY, COMMERCIAL & COMPLIANCE

Imran Rais is a profound seasoned executive management professional with over 26 years of dynamic experience with the denim industry of Pakistan. He holds a master's degree in business administration with specialization in marketing and export management.

He has been associated with Naveena Group for over 20 years and currently render's his services in the capacity of assistant director sustainability & compliance, human resource management, and commercial lead with Naveena Exports Limited. He has been supporting the export operations and made it to sail through numerous global challenges and successfully converted these challenges into valued opportunities towards business growth.



MR.MOID UL HASAN
HEAD OF COMPLIANCE,CSR & SUSTAINABILITY

He has been associated with the textile industry for 19 years and has been consistently leveraging his experience and expertise in compliance management on Code of Conducts (CoC), systems implementation, and certification for top global brands of the world. He is working in the capacity of head of compliance, sustainability and corporate social responsibility since 2018.

PUSHING THE BOUNDARIES OF THE DENIM INDUSTRY

Over the years Naveena Exports Limited has established an extended focus on taking a leap towards making our business conform to all the norms and practices destined for a true sustainability-oriented denim fabric business. We have enhanced our business direction towards a genuinely ethical and transparent organization that takes responsibility for the numerous sustainability challenges associated with denim industry.

At Naveena, we have principally established a top down approach to the way we bring about sustainability within our internal and external operations. Our overall vision principally sets our corporate direction towards sustainable growth. We have carefully set the third fiber of our mission statement as 'sustainability' coupled with authenticity and integrity along with our core values of which sustainability is a fundamental pillar.

Our leadership remains committed to overseeing this thought process that is nestled in our Mission, Vision and Core Values to take root and thrive within our organizational culture. This will certainly enable and empower us to achieve business targets with responsibility and transparency bringing about a positive change in mindsets and work practices. Our leadership also has a firm conviction that this will certainly add value to society, environment and economy in general and to Naveena Exports Limited in particular. We have worked towards enhancing our sustainability footprint to our entire supply chain operations i.e. from sourcing, processing, and final delivery to our valued customers. We have established our sourcing strategy to include cotton certified under the Better Cotton Initiative (BCI). We have also introduced several initiatives within our yarn processing operations to achieve resource and material efficiency and green chemistry till the final finished products are delivered to our valued customers who are our most important stakeholders. The progress made up till now is helping us improve our environmental and material footprints. We are always eager to strictly adhere to the sustainability requirements from our valued customers and we hope to continuously improve and adapt to these requirements.

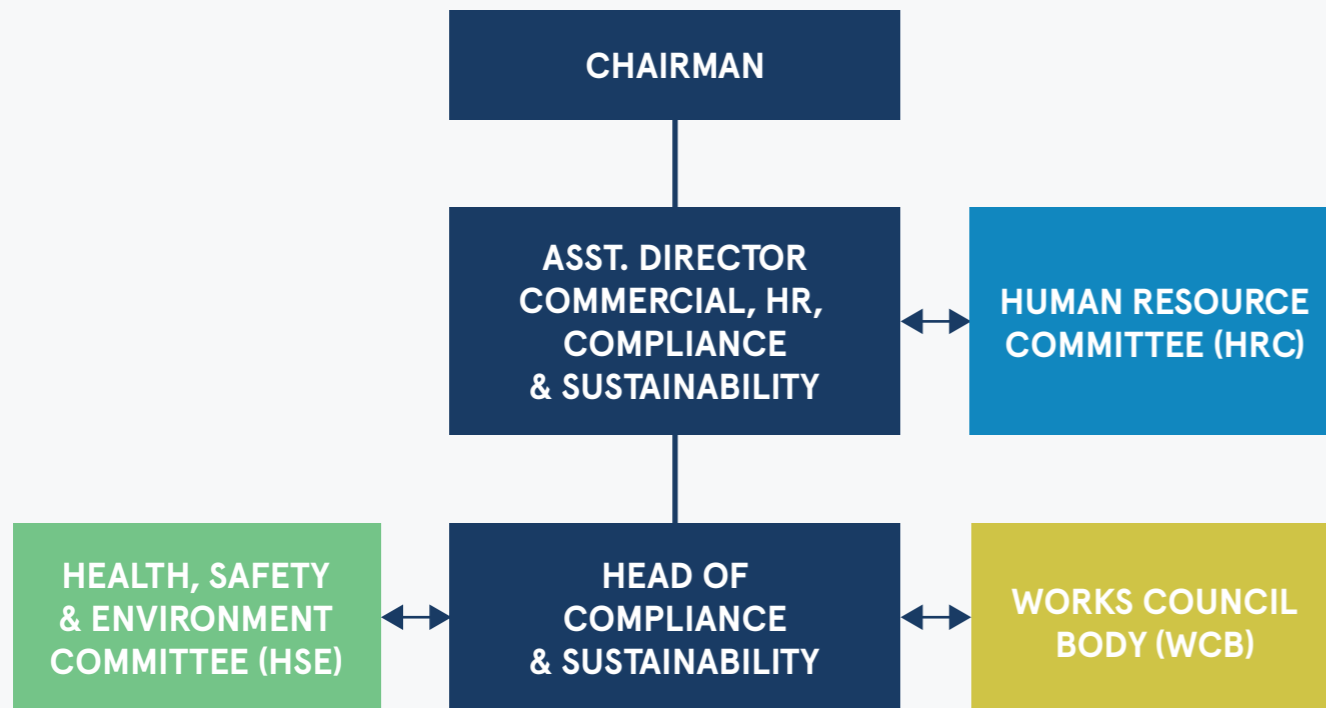


**A RENEWED COMMITMENT TO SUSTAINABILITY:
NAVEENA AND UNGC**

In line with our leadership's vision, on July 24th, 2019, Naveena Exports Limited officially became a signatory and an active participant to the United Nations Global Compact (UNGC) with a strong and dedicated commitment to its 10 guiding principles on Human Rights, Labour, Environment and Anti-Corruption.

This is the first step for us as a business entity to map and report voluntarily on the UNGC charter on 10 principles and build upon our sincere and unflinching support to establishing and benchmarking ourselves towards global sustainability paradigms. We will also like to highlight that we remain committed to United Nations Sustainable Development Goals (SDGs) as a matter of principle and we are continuously streamlining our corporate direction to contribute towards these goals.

RESPONSIBILITY CHART FOR UNGC PRINCIPLES









- Human Resource Committee deals with human rights and anti-corruption principles
- Works Council Body deals with all issues related to labour principles
- Health, Safety, and Environmental Committee deals with environmental principles

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs) THE WAY FORWARD

In context to UNSDGs, NEL has made a considerable progress. We have streamlined and mapped UNGC principles to the most pertinent SDGs that we concur are directly related to our business operations. We have also made efforts to shortlist SDG targets most relevant to our business operations. Our strategy for UNSDGs vis a vis our business operations aims to focus on shortlisted targets that we see as having material impacts on our workers, communities, environment and its associated impacts, and our combined efforts to continuously build upon sustainable infrastructure and product innovation.

Under our targeted UNSDG mapping approach we have shortlisted Goal No.3 Good Health and Wellbeing, Goal No. 4 Quality Education, Goal No. 5 Gender Equality, Goal No.6 Clean Water and Sanitation, Goal No. 7 Affordable & Clean Energy, Goal No. 8 Decent Work and Economic Growth and Goal No.9 Industry Innovation and Infrastructure, Goal 12 Responsible Consumption and Production and Goal No.16 Peace, Justice and Strong Institutions as the most material to our business operations and our mission, vision and core values.

UNSDGs AT NAVEENA WITH SHORTLISTED TARGETS

3 GOOD HEALTH AND WELL-BEING 	<p>Target 3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being.</p> <p>Target 3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.</p> <p>Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.</p> <p>Target 3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p>
4 QUALITY EDUCATION 	<p>Target 4.1 Ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.</p> <p>Target 4.4 Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.</p> <p>Target 4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.</p>
5 GENDER EQUALITY 	<p>Target 5.1 End all forms of discrimination against all women and girls everywhere.</p> <p>Target 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.</p> <p>Target 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p> <p>Target 5.6 Ensure universal access to sexual and reproductive health and reproductive rights as agreed in accordance with the Programme of Action of the International Conference on Population and Development and the Beijing Platform for Action and the outcome documents of their review conferences.</p>
6 CLEAN WATER AND SANITATION 	<p>Target 6.1 Achieve universal and equitable access to safe and affordable drinking water for all.</p> <p>Target 6.2 Achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.</p> <p>Target 6.3 Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <p>Target 6.5 Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.</p>
7 AFFORDABLE AND CLEAN ENERGY 	<p>Target 7.2 Increase substantially the share of renewable energy in the global energy mix.</p>
8 DECENT WORK AND ECONOMIC GROWTH 	<p>Target 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.</p> <p>Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p> <p>Target 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p>

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<p>Target 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.</p> <p>Target 9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.</p>
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<p>Target 12.2 Achieve the sustainable management and efficient use of natural resources.</p> <p>Target 12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p> <p>Target 12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>Target 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p> <p>Target 12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.</p>
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<p>Target 16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.</p> <p>Target 16.5 Substantially reduce corruption and bribery in all their forms.</p> <p>Target 16.6 Develop effective, accountable and transparent institutions at all levels.</p> <p>Target 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.</p> <p>Target 16.b Promote and enforce non-discriminatory laws and policies for sustainable development.</p>



At Naveena Exports Limited, we firmly believe that contributing towards the community is also part of our business. We have prioritized quality education as a lifeline to the community that surrounds us and it is for this purpose we have partnered with The Citizens Foundation (TCF) to provide quality education in the vicinity of our factory operations. Under joint management with TCF we have established “The Riaz Tata campus” providing education at primary and secondary levels to Korangi IV vicinity in Karachi, Sindh, Pakistan. The ‘Riaz Tata Campus’ Each year this school provides subsidized quality education to more than 1000 students each year since its inception in 2004. The female enrollment ratio has been consistently improving and is now more than 50 %. We have also established through this initiative that it is bringing a positive change within the society as 85% of population living within the school’s enrollment vicinity is illiterate.

To encourage more families to send the girls to our school we are recruiting female teachers in order to give confidence to the families of these girls and adheres to cultural sensitivities to promote female enrollment. We chose TCF as our implementing partner in this education program as they have a proven standard in providing quality education to the most destitute communities in Pakistan. We also endorse the TCF education model of as-you-can-afford, where families are encouraged to make normal contributions towards the fee based on the means often as little as PKR 10 (USD 0.12) per month to encourage more enrollment.



- 1 Businesses should support and respect the protection of internationally proclaimed human rights.
- 2 Make sure that they are not complicit in human right abuses.

HUMAN RIGHTS AT NEL

We believe in adhering to all fundamental human rights by respecting and promoting ethical values within our complete denim value chain. We are committed in supporting and securing human rights and ensure that there is an absolute zero tolerance to any situation categorized as a human rights abuse.

Sharing the continued success of NEL, is our most valued and fundamental resource, ‘our workers’; that continuously strive to deliver the best quality denim products to our customers. Through implementation of coherent social policies, our workers are treated respectfully and paid fairly at all levels of the organization.

Our commitment to human rights reaches beyond our factory walls to include communities where we operate. We take conscious decisions to ensure that no human rights are violated as a result of our activities. These considerations range from engaging landowners when planning to acquire any property or land to mindful scarce resource utilization.

OUR WORK ON HUMAN RIGHTS

As our denim business continues to adapt to various economic and social challenges, it is important to recognize and understand that NEL reviews policies for safeguarding human rights on regular basis in order to ascertain that our policies are in line with national and international standards on human rights.

A SAFE NEL

We regularly monitor and make sure that all machineries and equipment are in safe working condition and all workers are equipped with protective gear according to the defined safety hazards at their relevant workspace. Workers are trained for workplace emergencies, first aid delivery and fire hazard management. Our factories and office spaces are constantly monitored to provide suitable temperature, ventilation, lighting, washing/sanitation areas and emergency escapes so that our workers experience a safe working environment and are prepared to handle emergency situations.

We place special attention to workers with disabilities, night shift workers, young workers and women with maternity needs by placing special health and safety measures.

Our factory is certified on ISO 45001:2018 safety standard apart from several other occupational health and safety requirements as per regulatory and global client needs. In

order to continuously monitor and improve performance, NEL has an independent and dedicated health and safety committee that oversees all systems and controls are implemented and reported non conformances are acted upon with appropriate corrective actions.

A FAIR NEL

We have implemented a comprehensive set of policies, to maintain regulatory compliance and adherence to global best practices on total work hours, wages and leaves. All workers are registered in an automated system with a unique employee ID and it is ensured through a number of data protection controls that individual data privacy routines are followed. All workers sign written contracts before starting work, these contracts cater to minimum wage, type and position of work, working hour routines and shift instructions. Other policies also include bonus, gratuity and group accidental insurance. We also allow our female workers no less than fourteen weeks of paid maternity leave per child.

NEL actively participates to educate the workers and the management of their obligations to refrain from violent, threatening or abusive conduct. Our responsible management and workers’ council body investigates all complaints of workplace harassment and takes appropriate preventative and disciplinary action including reporting of criminal actions to the appropriate authorities.

We also undergo a number of audit reviews from our global clients that helps us further improve our internal systems on the implementation of these policies.

MANAGING COVID-19 CHALLENGE

At the onset of Corona pandemic, NEL realized that health and safety of its workers has to be ensured, with an exponential spike in positive cases and to secure the good health and wellbeing of its workers the top management swiftly decided to have its own mechanisms and necessary controls in place to safeguard its workers. A high-level working group was formed to immediately expedite a Standard Operating Procedures (SOP) for workers and management staff at the facility with a three-pronged safety approach.

This includes:

- Health check protocols at all entry and exit points of the facility premises.
- Facility hygiene management protocols.
- Protocols for interaction, correspondence and general engagements at facility premises.

We also developed SOPs for workers by enforcing mandatory protocols on self-protection of and provision of necessary PPE and other hygiene auxiliaries for this purpose. In addition, we have also engaged workers with several awareness sessions on following the COVID-19 protocols. The protocols are displayed at designated points in the facility and our emergency response teams keep a constant vigil to handle any emergency situation.



- 3** Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- 4** The elimination of all forms of forced and compulsory labour.
- 5** The effective abolition of child labour.
- 6** The elimination of discrimination in respect of employment and occupation.

NEL envisages to consistently embed the key elements of respect and fair treatment towards workers in our organizational culture. We also fully respect our workforce’s rights by encouraging freedom of association, abolishing any form of worker discrimination and prohibit all forms of forced, bonded and child labour. We believe that by abiding to the labour legislations and following international best practices, we can provide maximum support to our workforce facilitating us to engrave a strong alliance between NEL management and the workforce by promoting an atmosphere of trust and transparency within NEL in general and for our workforce in particular.

Some of our labour policies include:

1. Social Policy (Includes Anti-Harassment and Anti-Discrimination Policy)
2. Minimum Wage rate policy
3. Working hours and overtime policy
4. Child labour policy
5. Medical and Insurance policy
6. Bonus and Gratuity policy

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We understand the importance of trade unions for collective bargaining and addressing workers’ grievances. For this purpose, we have enacted policies and procedures to ensure their effective regulation. We recognize the rights of our workers to freedom of association and to bargain collectively, including the right to freely form and join independent trade unions, and this commitment is clearly communicated to all the workers. Principally this guidance is explicitly provided to all workers during the workers orientation session at the time of their hiring. It is also a part of the written worker’s contract and detailed in worker’s code of conduct and specific chapters of the social policy document.

NEL WORKERS' COUNCIL BODY

NEL also hosts a fully functioning workers' council body. The body has worker elected representatives as well as a management representative. This council specifically deals with ensuring rights of the workers by accommodating meetings and interactions on workers' rights with active participation of the workers and addresses their concerns and issues related to general complaints, harassment, discrimination, grievances and discipline. It also acts as a bridge between the management and the workers to facilitate a healthy management and worker relationship. Worker representatives have access to collective bargaining agreements, company premises, employees and other relevant documentation needed to fulfil their duties.

DISCRIMINATION IN EMPLOYMENT

NEL prohibits all forms of discrimination and harassment at workplace. We make sure our hiring process is transparent and merit based. It is ensured that no violence, or conflict of interest is created between the workers and if that happens, the matter is resolved on priority basis. There is a formal procedure for whistleblowing and protection for whistleblower, the primary point of contact for resolving such issues is the HR/Compliance Department without disclosing the name of the complainant. Complaint boxes have been placed for this purpose at specific locations and all workers have access to it for lodging complaints. Serious issues can also be resolved through the workers council body. NEL has agreed with its workers' representatives about the requirements of a fair hearing to be followed in relation to all disciplinary cases and employee grievances.

NEL also ensures that working hours are in limit, workers are provided with minimum working wage as per regulatory guidelines, and workers are provided with safe and secure workplace environment free of discrimination and workplace harassment as mentioned in the workers contract and our social policy document.

CAREER DEVELOPMENT

With the belief that people grow through their work, NEL develops employee skills and competencies by effectively implementing trainings. We also provide opportunities for discussing career plans so that employees can experience a sense of self-fulfillment and satisfaction through their work. Employees have many opportunities to develop their skills and learn new ones. Established in 2018, our "GROW TO LEAD" program develops future leaders at Naveena. Building leaders from within, the program focusses on both personal and professional growth for junior and senior managers through external and internal trainings on a wide range of topics such as innovation, strategy, advanced communication skills, people management.

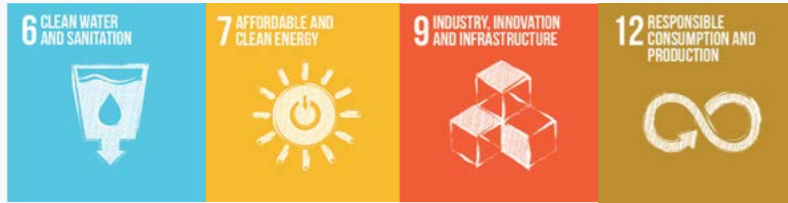
FORCED AND BONDED LABOR

NEL raises red flag to prison labor and slavery and prevents workers from being forced to work under duress. NEL takes all the necessary measures to ascertain that it does not participate in any form of forced or bonded labour, including imposing financial bondage in terms of loans or salary advancements to workers, which may contradict the terms of employee's remuneration. NEL also ensures that it does not use labour from agencies or firms involved in human trafficking or other forms of bonded labour.

CHILD LABOR

NEL places strict minimum working age policy and measures to ensure no worker outside the prescribed age bracket is made to work. As per the policy, we do not employ workers under 15 years for full time work, 13 years for light work, 18 years for hazardous work and if a young worker is employed below the age of 18, then it is ensured that nature of work allows the worker to perform the work in accordance with rules prescribed in the Sindh Factory Act 2012. All these are part of our comprehensive Child Labour & Young Workers Policy. Our factory's internal controls guarantee prohibition of child labour through a rigorous control regime with a state-of-the-art facial recognition system at all entrances manned by appropriately trained security officers. Multiple identity checks upon entering the premises, security routine checks for visitors, and an elaborate system of constant surveillance through a network of CCTV cameras monitored from a central safety control room.

ENVIRONMENT



- 7 Business should support a precautionary approach to environmental challenges.
- 8 Undertake initiatives to promote greater environmental responsibility.
- 9 Encourage the development and diffusion of environmentally friendly technologies.

REDUCING ENVIRONMENTAL FOOTPRINT-‘THE NEL WAY’

At NEL environment features as a key and basic building block towards adhering to and promotion of a truly sustainable business entity, in line with our vision and core values.

Over the years we have adopted a clear approach to manage and enhance our business footprint towards environmentally sustainable business operations. We have categorized our environmental performance by implementing a number of management and technological interventions with a short, medium and long-term perspective and aligned our environmental performance indicators accordingly. Principally we have a two-tier approach to managing and enhancing our environmental footprint i.e. we treat our environmental interventions at a strategic level and an operational level.

At the strategic level we take in to account our responsibility to reduce our energy, water and waste footprint this in turn will ensure that our emissions footprint to air, land and water will also decrease.

From an operational perspective, we have a fully functioning organization within the Karachi denim fabric manufacturing facility responsible for environmental management systems in place, their implementation, their continuous monitoring and improvement. Our environmental management plan acts as a guiding pillar towards environmental sustainability. A thorough environmental risk management analysis is conducted and documented bi-annually or as the situation demands. We fully endorse the concept of precautionary principle and recognize, that lack of certainty regarding the threat of environmental harm shall not be used as an excuse for not taking action to avert that environmental threat and the same is part of both our environmental management plan and environmental risk assessment and management analysis.

Our Karachi manufacturing facility is also certified on ISO EMS 14001:2015 standard along with appropriate controls and monitoring mechanisms in place to ensure our operations remain compliant to all regulatory and our global clientele standards and requirements. We are also registered at the HIGGs index and a signatory to the ZDHC (Zero discharge of hazardous chemicals).

INVESTING IN TECHNOLOGY

Scada Monitoring System

NEL has installed an optimized SCADA control system, a high-level process management suite for gathering and analyzing real time data on energy and water consumption. This has greatly improved visibility, traceability and robustness within our denim manufacturing operations. A real time overview also makes us vigilant to machine efficiency and to solve the various challenges encountered due to human error and enables us to precisely pin point areas of improvement

Supervisory control and data acquisition (SCADA) is an optimised control system for high-level process management, which captures data from remote devices like valves and pumps to monitor and control various processes.

SCADA gives us the ability to conduct real time monitoring of key indicators such as electricity, steam, water – which in turns provides traceability, transparency, agility, efficiency, minimized margins of error and shows us where there is room for improvement.

MANAGING OUR WATER FOOTPRINT

As a denim textile manufacturer, our day-to-day operations are dependent on considerable amount of water that is consumed during the various stages of our manufacturing routines. At present NEL is taking all necessary steps to reduce its water consumption and treat wastewater via ETP before discharging it. We have taken appropriate measures to ensure that from an operational perspective we reduce our water consumption as a starting point. We have undertaken thorough condition monitoring and maintenance activities of pipes, valves, pumps and fuses to plug leakages and ensured efficiency by switching to auto shutoff systems for excess and overflow leakages elimination. We have introduced counter current washing between processing stages that saves up to 75 per cent rinsing water. We have also introduced process automation in flow dosing systems.

EFFLUENT TREATMENT PLANT

NEL has a well-established Effluent Treatment Plant (ETP), wastewater from the entire production department is received at this ETP. A total of 225,000 to 250,000 IG/day of wastewater is treated before its disposal into the industrial drain.

Naveena has established an in-house Lab to test its wastewater parameters in accordance with regulatory requirements applicable for textiles. These parameters include the priority pollutants i.e. BOD5, COD, TSS, TDS, Temperature, pH, Copper, Chromium, Oil & Grease. These parameters are checked and documented on a daily basis. The discharged water’s parameters are not only within the compliance limits as prescribed in regulatory regime in Pakistan, they all meet standards for our global export clientele.

TOWARDS RESPONSIBLE CONSUMPTION AND PRODUCTION:

With the global textile industry's focus shifting from operational environmental systems management to a wider context of strategic interventions aligned with a holistic scope extending beyond operational boundaries, NEL has also adapted to an enhanced scope of environmentally responsible consumption and production practices. To ensure that we include sustainable materials, green chemicals technology upgrades and increased awareness within our supply chain and through creating awareness in our workers, we have standardized our approach to responsible consumption and manufacturing practices.

GLOBAL ORGANIC TEXTILE STANDARD (GOTS)



NEL has partnership with Global Organic Textile Standard (GOTS) with the aim to comply with world-wide recognized requirements set out in the standard to ensure organic status of textiles, from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labelling in order to provide a credible assurance to the end consumer. The GOTS standard requires documentation of staff training in the conservation of water in the processing plant and record keeping of water consumption by wet processing units.

GLOBAL RECYCLE STANDARD (GRS)



NEL has associated with GRS to verify the recycled content of their products and to ascertain social, environmental and chemical practices in their supply chain. By following the defined requirements set by GRS, NEL ensures good working conditions, and that harmful environmental and chemical impacts are minimized.

OEKO-TEX



Oeko-Tex labels and certifies human-ecological safety of textile products and leather articles from all stages of production (raw materials and fibers, yarns, fabrics, ready-to-use end products) along the textile value chain. NEL has partnership with Oeko-Tex to assure ourselves as an ecological safe denim industry.

BETTER COTTON INITIATIVE (BCI)



Our journey with the Better Cotton Initiative commenced in February 2011, presently the largest cotton sustainability program in the world. This initiative aims at making worldwide cotton production better for the people who farm it, for the environment and also for the future of the sector. Since 2015 NEL has procured approximately 34206 tons of BCI certified raw materials.

ELLEN MACARTHUR FOUNDATION-THE JEANS REDESIGN INITIATIVE

In April 2020, NEL joined the Ellen MacArthur Foundation's Jeans Redesign Initiative, a project to produce jeans that last longer, can be easily recycled and are made in a way that's better for the environment and the people who make them. The Jeans Redesign initiative is a set of new Guidelines for the denim manufacturing industry created by over 80 denim experts tackling issues such as garment durability material health, recyclability, traceability and circularity to transform the way leading denim brands and their products are manufactured thus ensuring positive impacts for the environment, society, and the health of those people associated with this industry.



THE JEANS REDESIGN

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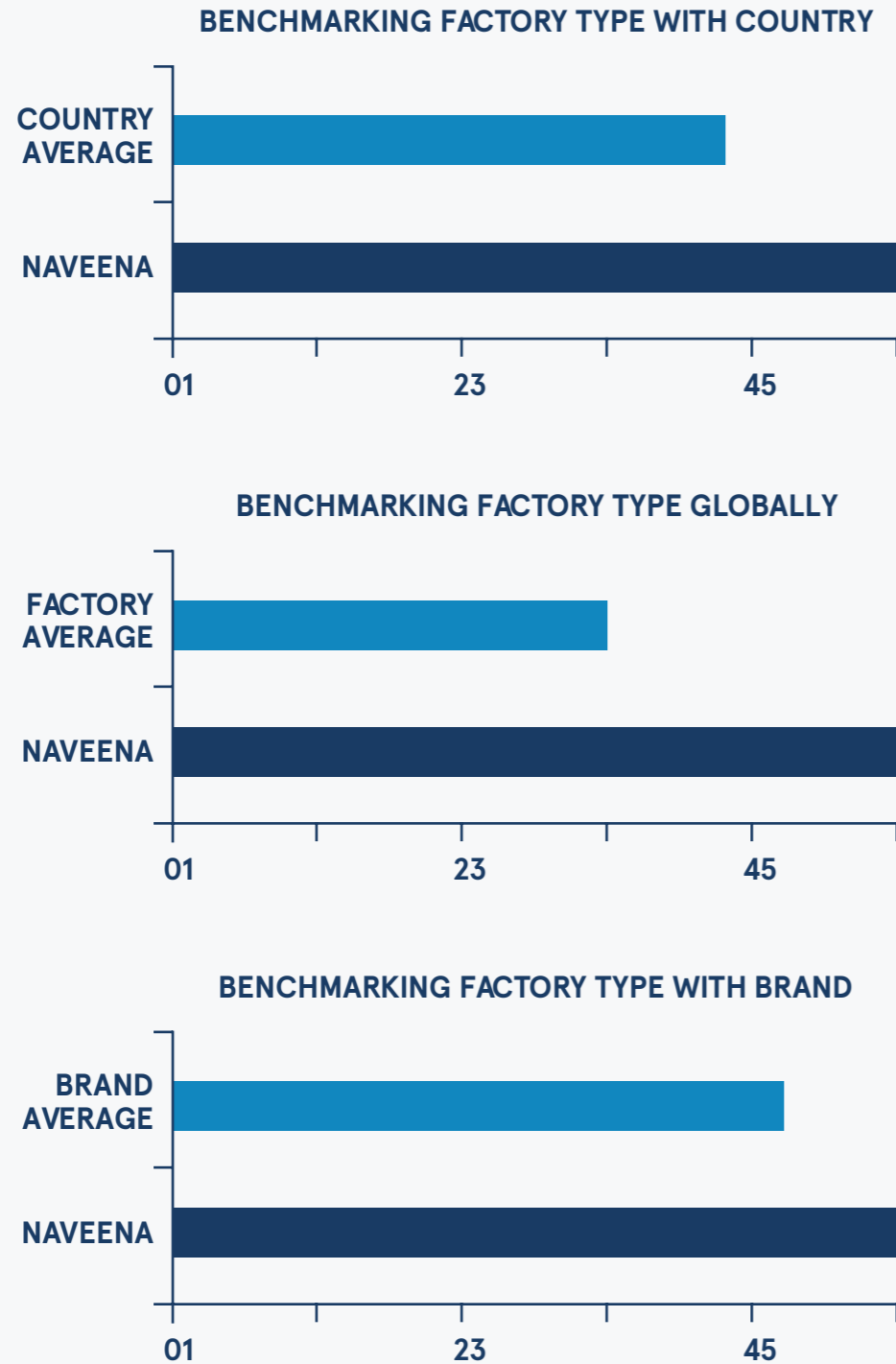
The Jeans Redesign is a set of new Guidelines which tackles these issues alongside the harmful practices associated with the current production of jeans. Created by over 80 denim experts, the Guidelines clearly set out minimum requirements on garment durability, material health, recyclability, and traceability. Aimed to encourage leading brands and manufacturers to transform the way jeans are made, the Guidelines will enable them to scale those efforts by 2021. The Jeans Redesign will employ the principles of a circular economy to ensure positive impacts for the environment, society, and the health of those people working in its industry.

MANAGING AND ENHANCING OUR ENVIRONMENTAL FOOTPRINT

Partnership for Cleaner Textile (PaCT) assessment

In 2018, NEL partnered with Gap Inc. (GAP) a leading clothing and accessories retailer and International Finance Corporation (IFC), to become a participant in its program 'Partnership for Cleaner Textile (PaCT)'. This participation aimed at achieving environmental sustainability by focusing on taking advice on implementing cleaner production practices. The assessment covered NEL's denim fabric production facility in Karachi, Pakistan. This was a two phase endeavor in which global experts of IFC's energy and water management solutions first performed a baseline assessment and then advised for improvement interventions to achieve excellence in cleaner production with as review assessment from the baseline next year on development and performance parameters

set out on energy, water, chemical management and general resource efficiency as an endline assessment to assess performance vis a vis the road map set out in the base-line assessment. NEL is proud to share that we achieved 100% on performance rating in the endline assessment, scoring 5/5 in each performance parameter related to energy, water, chemical management and resource efficiency and scoring better than average benchmarking parameters set out as global, Factory type & Country and Factory type and brand categories.



NAVEENA EXPORTS LIMITED AND CEO WATER MANDATE



In 2019, NEL also became an official signatory to the UN-GC's CEO water mandate. The CEO water mandate is a public-private initiative that is projected to connect companies in the development of sustainable public water policies and implementation and revelation practices.

It is based of six key areas:

1. Direct Operations
2. Supply Chain and Watershed Management
3. Collective Action
4. Public Policy
5. Community Engagement and
6. Transparency.

As of August 2020, we are on our way to follow-up and report on our progress on this initiative we are happy to disclose the total water consumption mapped as of now.

Reporting Year 2019-2020	Ground Water Bore (m ³)	Water Tankers (m ³)	KWSB (m ³)	Total Fresh Water Consumption (m ³)
TOTAL2	19,118	7,2873	03,921	530,327



10 Business should work against corruption in all its forms, including extortion and bribery.

In 2019, NEL also became an official signatory to the UNGC's CEO water mandate. The NEL has implemented a rigorous anti-corruption regime with stern policies, procedures and controls to protect against corrupt practices in all its forms and manifestations. We ensure that all our employees follow a proper code of ethics and abides by it from all sorts of bribery and corrupt practices.

NEL has sustained a culture within the organization that values professional ethics and guards against all identified forms of corruption like bribery, extortion, nepotism, embezzlement etc. and associated corrupt practices. We take complete responsibility to educate, nurture and develop our employees to be accustomed to zero tolerance on corruption and corrupt practices and strictly abide by our code on moral and professional ethics. We also ensure from time to time that we remain steadfast in developing and promoting policies, programs with effective controls and updating them to respond to changing risks scenarios given the competitive nature of the denim business by continuous monitoring and evaluation efforts within the organization. In addition, NEL's management and its employees are forbidden from offering and promising non-trivial goods to government officials, in order to obtain or retain business or to gain other advantages given the extent of external exposure of our employees towards multiple regulatory interfaces that they encounter on a regular basis in our business environment. We also prohibit and ensure that our employees are not offering any undue favors both in cash and in kind and/or taking advantages or accepting the same from persons or other business entities. Our anti-corruption policies relate to;

1. Anti-Corruption & Bribery
2. Business Ethics.
3. Fraud and Money Laundering.
4. Anti-Smuggling.

HOW SERIOUS IS NEL ABOUT CORRUPTION?

From the strategic perspective, NEL requires all tiers of workforce to behave ethically and in conformity with the laws and its code of conduct. NEL internal procedures address anti-corruption commitment, along with segregation of duties, authorization and strict approval check controls and their effectiveness is graded by a monitoring mechanism. NEL's internal audit department checks and reports all the risks related to corruption to the senior management, so that proper internal controls are introduced to mitigate or remove those risks. NEL Internal audit also helps us identify weaknesses related to internal controls which helps us to develop more efficient and effective internal controls system. NEL always encourages local business community and business partners to initiate cooperation to fight corruption.

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