

COMMUNICATION ON PROGRESS (COP)

Period covered by your Communication on Progress (COP)

From: To:

1. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER (OWNER OR PRESIDENT IN THE CASE OF SMALL BUSINESSES)

Please use the box below to include the statement of continued support signed by your company's chief executive

30th January, 2021

To our stakeholders:

I am pleased to announce that Sadaqat Limited reaffirms its endorsement of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we identify our actions to continually strengthen the incorporation of the Global Compact and its principles into our corporate policy, community and everyday activity.

Furthermore, we are also committed to sharing this information with our stakeholders using our primary channels of communication.

We support the SDGs of UNGC whole heartedly.

Sincerely yours,



Khurram Mukhtar
Chief Executive Officer

2. DESCRIPTION OF ACTIONS

Human Rights

Please use the box below to describe **actions** your company has taken in the area of human rights. Examples include:

✓ **Business should Support and Respect the Protection of Internationally Proclaimed Human Rights**

Sadaqat Limited believes that all human beings regardless of race, sect, ethnicity, religion or any other status are free and equal in dignity and rights. Every human being has freedom of speech, language, employment and to get education without discrimination. We celebrate human rights day 10th December every year. We believe that human rights ranges beyond the basic rights of employees at workplace and if they are treated with respect and care better efficiency standards can be achieved in business.

The Code of Ethics contains strict policies on the enforcement of the guiding principles of local and international law relating to civil and occupational rights. Effective steps have been put in place by management to oversee the enforcement of the code of ethics on factory premises.

Company's innovative initiatives, policies and positive activities towards human rights aligns with United Nation SDG-03 "Good Health and Wellbeing", SDG-04 "Quality Education", SDG-05 "Gender Equality" and SDG-10 "Reduced Inequalities". Company has established two schools which will provide free quality education to children in underprivileged areas. Organization has signed MoU with top universities to provide quality education to deserving students.

Company is committed to honor human rights with in its domain of influence. Sadaqat limited has acquired numerous certification including WRAP, SA 8000 and SMETA for the development and maintenance of socially acceptable practices at workplace.

The corporation has ensured that management teams adhere with the code of ethics of the business by actively observing operations in their respective fields. Strict measures are taken by the HR department against the infringement of ethical rules. Whistle blowing procedures have been enforced by the corporation so that workers can disclose bullying, criminal activities and shortcomings without intimidation.

✓ **Make sure that they are not complicit in Human Right Abuses**

Harassment and harassment are severely forbidden in the workplace. The organization has identified SOPs for occupational harassment, intimidation and violence that prevent workers from physically, psychologically, sexually and psychologically exploitative activities, abuse, transmitting threats and threat/fear. We have acquired the status of various certification including WRAP, SA 80000 and SMETA.

The organization has also set up a Social Performance Team (SPT) Worker Management Committee (WMC) with a male and female member ratio as needed to resolve worker problems. Teams from WMC and SPT have representatives from higher management to worker level, reducing the difference in coordination. Employees are granted specific chances to express their problems to upper management.

SPT and WMC meetings are being held on quarterly and monthly basis respectively, all complains and problems of committee members are noted down and listed as minutes of meetings which are discussed with management and resolved on urgent basis.

Complain procedure is also established for workers in company premises, complain boxes are placed at workplaces which are easily accessible by workers. They put their complains into Complain box. Complain boxes are opened on monthly basis and if any complain is being observed it is discussed with management and resolved immediately.

Labour

Please use the box below to describe **actions** your company has taken in the area of labour. Examples include:

✓ **Business should uphold the Freedom of Association and the effective Recognition of the Right Collective Bargaining**

Sadaqat Limited provides employees Freedom of Association and Right of Collective Bargaining according to National and International Human Right Standards. Company is WRAP, SMETA and SA 8000:2014 certified. It confirms that Company is providing basic rights and facilities to its workers. Company has established Worker Management Committee (WMC). WMC members are selected purely on merit basis by conducting elections. Every employee is given full chance to be part of WMC. 100% of employees are covered by Workers Management Committee (WMC). All employees of the Company possess freedom and right to associate and collectively bargain by ethical and legal means to protect their rights through this Committee. On parallel means, all employees are free in their right to vote any representative, whom they are comfortable with, for representing their rights. There were no such events reflecting material breach of the code of conduct during the reporting period.

✓ **The Elimination of all forms of forced and compulsory labor**

Sadaqat Limited considers forced and compulsory labor against its core values and ethical statements as it is against Human Rights. The entity's Code of Conduct clearly express firm stance against the use of forced labor either in company or along our supply chain. Company strictly adheres to the local and international laws and regulations related to forced and compulsory labor and has formulated and implemented strict policies to address the violation of these rules. Management recognizes its responsibility to participate in eliminating abuse of compulsory labor from society. Awareness sessions are arranged regularly to raise awareness against all forms of forced and compulsory labor. Company is WRAP, SMETA and SA 8000:2014 certified. Company celebrates labor day on 6th September every year. Management feels pride in stating that it has successfully maintained material compliance towards applicable laws and entity's internal policies related to forced and compulsory labor.

✓ **The Effective abolition of Child Labor**

Sadaqat Limited recognizes its responsibility to participate in eliminating abuse of child labor from society and consider it against its core values and ethical statements. The entity strictly adheres to the local and international laws and regulations related to child labor and has formulated and implemented strict policies to address the violation of these rules. Awareness sessions are arranged regularly to raise awareness against child labor. Being WRAP, SMETA and SA 8000:2014, it confirms company's commitment against child labor. Company celebrates world day against child labor on 12th June every year. With great success, no instance of child labor has been reported or identified during the reporting period.

✓ **The Elimination of Discrimination in respect of Employment and Occupation**

Sadaqat Limited believes that all human has equal right of employment. Non-Discrimination has always been promoted in our policies and procedures as we believe it ensures true improvisation to human capital of the business. Sadaqat Limited has defined clear non-discrimination policy particularly based on race, religion, sex, color and no member is at disadvantage due to ethnicity, religion, gender or age. Company is WRAP certified. During the period, no such case regarding breach of policy was reported within the entity.

Environment

Please use the box below to describe **actions** your company has taken in the area of environment. Examples include:

✓ **Business should Support a precautionary approach to Environmental Changes**

- 1.1 The company has precautionary approach in place to prevent environmental degradation. Environmental Risk Assessment is carried out on bi-annually basis and the process for risk management and risk communication is implemented. The entity is Environmental Management System (ISO 14001:2015) certified. Organization is also WWF-Green house member. Environment/ Sustainability committee is formulated for taking care of environmental issues. Company has planted 3876 plants to cope with environment changes. Through its precautionary measures company has reduced GHG by 6% during reporting period and saved 70580 GJ of energy. Company has reduced water consumption by 6.2% per Kg of fabric and carbon di oxide emission by 5.8% per Kg of fabric produced. Company has made and implemented proper Emergency Response Plan (ERP) to response any incident and natural disaster related to safety and environment. The purpose of emergency preparedness and response is to ensure that environmental and health & safety impacts related with any emergency circumstances are minimized to the greatest extent possible. This procedure covers responses to Bomb threat, medical and first aid and general emergency and fire evacuation. Team of ERP has been trained and they are aware of their responsibilities as per required in SOP.

✓ **Undertake initiatives to promote greater environmental Responsibility**

Company has defined proper process maintenance schedule to avoid any environment degradation. For controlling air pollution, we have installed wet scrubber and cyclone systems. The testing related to environmental monitoring is conducted and reported as defined in PEQS (Self-Monitoring and Reporting by Industry) Rule, 2001. Waste is disposed off under contract with EPA approved company. GHG neutral is already counted furthermore we are working on it. SCADA online natural resource monitoring is also a step towards sustainability. Company is working with Higg index as a step towards sustainable environment. We are proud to announce that we have achieved overall rating of 57.4 on Higg Index. Company is recognized as Green building under LEED

certification. Being STEP certified we are proud to share that we are committed to green environment. Facility has 100% Biological onsite Waste Water Treatment Plant that ensures compliance with EPA requirements. Internal testing of ETP parameters is carried out on daily basis and external testing of 9 & 32 parameter is carried out by government approved EPA laboratory on monthly and annual basis respectively.

Implementing environmentally friendly technologies helps us to reduce the use of raw materials leading to increased efficiency. The company has installed following environment friendly technologies to promote greater environmental responsibility:

- Waste Heat Recovery Plant
- Heat Exchanger
- Automatic Color Kitchen
- Novajet instead of Acid Strip
- Chiller Plant
- Wet Scrubbers
- Rotary Filters
- Solar Panel

✓ **Encourage the Development and Diffusion of Environmentally Friendly Technologies**

In quest of diminishing the environmental impacts, implementing environment friendly technologies help us to reduce the use of raw materials leading to increased efficiency. In support of UNGC Principle 9, Company has installed eco-friendly sustainable washing machines that have dramatically reduced the amount of water being used by recycling & reusing and brought the liquor ratio down to an unparalleled level. We have installed 100% automatic color kitchen for efficient use of chemicals and colors, which helped to decrease chemical waste towards effluent treatment and 20% to 25% color saving is achieved. s

Anti-Corruption

Please use the box below to describe **actions** your company has taken to fight corruption. Examples include:

✓ **Business should work against corruption in all its forms, including extortion and Bribery**

Management believes stringent controls over operations and strong anti-corruption policies can lead towards an ethical and sustainable environment in an organization. Sadaqat Limited has developed a work environment where staff could safely and anonymously report known or suspected instances of frauds. Fighting successfully against corruption entails both a top-down and a bottom-up communication approach. The Company encourages whistle-blowers that they can act anonymously without fear of unjust retribution, so they can act as an essential element in eliminating corruption. The entity has strong internal audit functions in place to review the operations in order to detect any potential occurrence of corruption.

3. MEASUREMENT OF OUTCOMES

In the box below, please include the most relevant indicators to **measure outcomes**. Examples include:

✓ **Demographics of management and employees broken down by diversity factors (e.g., gender,**

ethnicity, age, etc.):

Age 18-60 Years Male: 8798 Female: 719

✓ **Rate of occupational diseases, injuries, and absenteeism:**
2%