

Chottani Industries

Communication on Progress - CoP

United Nations Global Compact - UNGC

26 March 2020 - 26 March 2021

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June 18, 2021

H.E. Antonio Guterres Secretary General United Nations New York, NY 10017 USA

Dear Mr. Secretary General,

I, Aamir Chottani, director at Chottani Industries am pleased to confirm you that Chottani Industries reaffirms its support to comply with the ten principles of the United Nations Global Compact in the areas of human rights, labour rights, environment change and anti-corruption. We at Chottani Industries have been an active supporter of United Nations Global Compact and practice with transparency in achieving the 17 Sustainable Development Goals which are at the heart of our core practices in our corporate sustainable responsibility and sustainable developments. We aim to achieve most SDGS, if not all, by 2030 in all our business practices.

We look up to United Nations Global Compact to provide a strengthening forum for our corporate social responsibility in ensuring greater accountability for the enforcement of human rights, labour rights, anti-corruption and environment standards. At Chottani Industries the way we lead, work and behave in our business is driven by our core values and policies adapted from UNGC and National and International regulatory authorities.

In the annual communication of progress, we describe our actions and results to continually improve the integration of the global compact and its principles into our strategies, culture and daily operations of all our businesses and global trade. We also commit to document and share this information with our stakeholders, using our primary channel of communications. We are thankful to you for your support and continue to work in the areas of achieving Global leadership.

Sincerely,

Aamir Chottani V Director - Chottani Industries



Human Rights

United Nations Principles on Labour Rights

Principle 1: Business should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuse.

Chottani Industries believes in treating people fairly and kindly.

As globalization continues to transform the world and increased media coverage means citizens are more aware of atrocities occurring a half a world away, human rights are destined to improve. We guide ourselves in respect of United Nations guiding principles on human rights and business and United nations declaration on Human rights.

We are firmly committed to protecting human rights in every aspect of our business operations.

- We ensure that all our employees are treated fairly with respect and dignity.
- We recruit ethically and employ workforce from all backgrounds including minority groups.
- We live inclusion and promote diversity at the work place.
- We provide fair wages timely and work benefits.
- We protect health and safety at work place and avoid any human rights abuse.
- We comply with applicable practices as laid by International Labour Organization Pakistan and the National Labour Laws concerning equal opportunities, child labour, forced labour, human trafficking, working hours, freedom of association and fair wages.
- We do not allow intolerance or unlawful behaviour conduct at workplace including discrimination, violence, intimidation or any form of harassment.
- We ensure to conduct all operations in a socially responsible, harassment free and nondiscriminatory manner.



Labour Rights

United Nations Principles on Labour Rights

Principle 3: Business should Uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: The elimination of all forms of forced and compulsory labour.

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

We at Chottani Industries believe in Valuing our employees.

Chottani Industry values the hard work of their labours and make their environment work friendly. We believe that inclusive environments enhance innovations and motivates people that drive our company's growth. We work to attract people from all backgrounds to give them equal opportunities to learn and grow within our company.

- We ensure that all our employees are treated fairly with respect and dignity keeping in mind their aspirations and goals.
- We recruit ethically giving everyone an equal opportunity.
- We live inclusion and promote diversity at the work place.
- We provide fair and equal treatment to all in hiring, promotions, training, compensation, termination and disciplinary actions.
- We provide fair wages and benefits.
- We apply fair labour practices as per International Labour Organization Pakistan and the National Labour Laws of Pakistan
- We never discriminate on the basis of age, culture, disability, education, gender, marital status, regional or national origin, sexual orientation, political affiliation, race, religion or any characteristic protected by law.



Environmental Responsibility

United Nations Principles on Environment

Principle 7: Business should support a precautionary approach to environmental challenges.

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Chottani Industries believes in being kind to the environment and community.

The health and safety of our employees and everyone associated with our work is of utmost importance to us. We are committed to practicing high standards of safety and business practices but more than safety what matters to us is an intrinsic part of how we do our business. In the true sense we are committed to the culture of being kind to our environment and people. It is inevitable now for us not to take climate change as a global war and protect our environment and communities from challenges ahead.

We strive to work on a holistic approach to bring a change to our social, economic and environmental aspects of our surroundings as we owe it to our communities and people.

- We comply with Pakistan Environmental Protection Act and applicable Environmental laws in Pakistan.
- We focus on protection of our bio diversity, plantation of Urban forestation, and have partnered with organizations like Red Cross and WWF in sustainable developments in communities.
- We develop and Implement environmentally friendly responsible business practices.
- We work towards safe work practices to all activities and in still a safety work culture that are in best interest for the environment in all our industrial processes.



AntiCorruption

United Nations Principles on Anti-Corruption

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

Chottani Industries executes projects honestly and ethically.

We hold our business partners and other stake holders to the same standards as we hold ourselves. Running a good business for our company means running an ethical and a safe business that extends well beyond Chottani Industries.

Chottani Industries enjoys an excellent reputation in the trading market in terms of quality and innovation of our work as honesty and integrity is at the forefront of conducting business. In the last 32 years we have earned a reputation of honesty and credibility through countless interactions with clients, stakeholders and authorities.

Each year we work with clients from all around the world and to do this we need to build a trusting relationship as partners. We in our supply chain hold a high ethical standard to keep up with our growing reputation in the market. Our supply chain code of conduct is designed to provide clarity to bring about our expectations to those we partner with to meet the needs of our clients. We make Ethical decisions based on our guiding principles of UNGC.

- We ensure to avoid any conduct that's perceived as unethical by our customers.
- We never make any type of facilitation payments to attain business with our clients or bribe governments.
- We take legal actions if employee breaches the code of conducts in receiving anything of value like expensive gifts from clients or representative, in any form of our business.
- We ensure integrity of our financial business and document /keep records.
- We comply with National accountability bureau (NAB), Prevention of Corruption Act, National Accountability Ordinance and applicable anti-corruption laws in the country.

Corporate Social Responsibility

Sustainable View 2021

The pandemic has bought with it a drastic change and switched a reset button in the design industry, supply chain and retailers to redesign, reuse, recycle, renew and discard wasted textiles in ways that are easily biodegradable in pursuit of sustainability: fighting for issues on global health and economic change.

Consumers all around the world are increasingly and consciously considering sustainability, saving the planet by primarily focusing on purchasing goods that are longer lasting, ethically sourced and have a green story attached to them.

According to the Environmental Protection agency, Pakistan dumps 20 million tons of solid wastes annually and this figure grows by 2.4% every year.

The absence of garbage collection and waste management infrastructure, most of this garbage is incinerated in open public places or left to rot.

And no matter how much we try to adopt Green sustainable ways, which include giving up travels, to growing your own vegetables, educating our children about basic practices in their lifestyles towards climate change or to reducing carbon footprints. As a supplier in a developing country, it remains very daunting especially when 60% of a country's income is dependent through exporting textile goods. This is not the only challenge Pakistan faces as a developing country, rich in resources but a long checklist to be ticked before it grows in its infrastructure.

However, to tackle a problem like carbon foot print seems like a challenge but there is one solution to lessen your own carbon footprint and that is to engage in practicing good CSR mechanics on climate change, community building, conservation of biodiversity, elimination of textile processes through production, saving water and energy and the lists goes on.

Our Ethos at Chottani Industries is that we are Jeanetically coded to be Eco Conscious and play a role of a good Smartian in shaping communities.

Sustainable Development Practices

Project Women Empowerment at Chottani Industries

Practicing SDG No.1, 2, 3, 5 & 10



We at Chottani Industries are empowering 80% of women work force in our new factory situated at Korangi - Karachi, where we will be providing them with a day care centre for their children, enhancing their learning & training skills and mentoring them as a part of their community development so they can feel confident and can celebrate their financial independence.

The significance of this is achieving gender equality in a country like Pakistan. Based on the data analysis, studies show that the role of women across different dimensions of sustainable development is less reflected in the country. The use of a women's labour force in the economic development of the country is minimal. The political sphere of the country is, by large, reserved for men alone. The place of women in society is also relegated to contributing minimally to the social development of the country. Women's rights are not properly being protected in order for women to participate in various issues of their country but are subjected to abysmal violations.

Moreover, women are highly affected by social problems, and less emphasis is given to their participation in protecting the environment and educating a society. Unless women are empowered and gender equality is achieved so that women can play their role in economic, social, educational and environmental areas - the country will not achieve sustainable development with the recognition of men's participation in all the given areas. The fact that women constitute half the entire population of the country makes empowering them to be an active part of all development initiatives in the country, a compelling circumstance.

Hence, we at Chottani Industries believe strongly in our commitments to empower women.

Project Medical Aid given to Red Crescent Pakistan

Practicing SDG No. 3 & 17

On 24 February 2021, we presented a cheque for 40 wheel chairs to Mrs Shehnaz S Hamid, Chairman Pakistan Red Crescent Society Sindh to facilitate their medical requirements for hospitals and Emergency Aid in response to disaster management.

For our future plans we will be partnering with Red Crescent Sindh to set up mobile heat management camps around Karachi & provide Covid vaccinations to our 1,200 employees at Chottani Industries. We also plan to work on skill training and rural women development projects in Sindh in partnership with Red Crescent Pakistan. Red Crescent in Pakistan is the largest and one of the most efficient nonprofit disaster management organization.



Mrs Shehnaz S Hamid Chairperson Red Crescent Sindh, receiving a cheque from Mr. Aamir Chottani.

Project Climate Action

Partnership Project with WWF Pakistan and The Citizens Foundation (TCF) School Karachi for Earth Day.

Practicing SDG No. 4, 11 ,13, 14 ,15 & 17

We have partnered with WWF Pakistan on various CSR initiatives including Mangrove Tree plantation along the Indus Coastline, these mangroves are crucial for our environment and act as a buffer in slowing down the erosion of the beaches and play a vital role in protecting the nesting ground for beach turtles and Eco-system.

We have partnered with WWF Pakistan to clean our beaches and will involve children from TCF schools to bring awareness at an educational and community service level.

Our documentary featuring this project and global climate action was streamed live on Kingpins 24 Amsterdam 2021 which is one of the premium denim trade shows globally. It was featured in a segment called 'Earth Day' where Chottani Industries went on air to show the denim industry the significance of climate change and sustainable initiatives in the companies CSR practices. The video entails plantation of 1,000 mangroves along the coastal line of WWF wetland centre on the Karachi coastline. The plantation was done by students of The Citizen Foundation Schools TCF school which is a schooling network of 1500 plus schools all across Pakistan for the underprivileged children. The students were made aware of the importance of mangroves and making our beaches and oceans plastic free. They also cleaned the nearby public beach from plastics and debris. The beach cleaning activity will be an ongoing process each month done by school children of TCF and employees of Chottani Industries. We are also finding ways to recycle plastics from the beach clean ups to make our oceans and beaches free from plastics.

Link to our video for segment on Earth Day Kingpins24 Amsterdam, 22 April 2021. https://www.youtube.com/watch?v=JNfo1B4hlio

Following is the link to our article published on Kingpins Newsletter, 19 May 2021. https://kingpinsshow.com/kingpins-interview-jeanetically-eco-conscious/





















Project -Sustainable Initiatives in partnership with WWF, Pakistan

Practicing SDG No.7,11,13,14, 15 & 17

We have more CSR and sustainable initiatives geared towards bio diversity including conservation of common leopards, snow leopard conservation, conservation of Indus Blind Dolphin and breeding of Humpback whales.

We are currently in progress with our new Green Office certifications and solar panel installations at our new factory unit in Malir which will be ready by August 2021.

We are also working on Sustainable Cotton growing initiatives with Dutch Climate Fund Development grant in Partnership with WWF Pakistan. We have written a proposal for DFCD funding in partnership with WWF. The aim of this funding is to grow sustainable cotton growing in an area like Las Bella in Baluchistan. The application is in progress, as a sustainable initiative we will be growing sustainable organic cotton that sustains the health of the soil, conserves eco systems and builds an ethical farming community in the rural district of Lasbella in Baluchistan.

MoU Signing between Chottani Industries and WWF-Pakistan on 11 March 2021







Project- Adopted School Citizen Foundation TCF, educational learning & community service

Practicing SDG No. 4 & 11

Chottani industries have adopted a TCF School of 300 under privileged children of a primary level. We are engaging our school children with many educational activities predominantly making them aware about climate change and also promoting Art and Music amongst the students.













Conclusion

Positive Environmental Impact

While all these changes seem like a drop in the ocean , our national and global partnership efforts including WWF , Red Crescent Pakistan and TCF Schools ranging from - cost of implementing an organic cotton project , using 100% GMO free seeds , providing organic cotton certifications , community developments of farmers , reshoring of sustainable cotton growing initiatives , setting up of medical camps at rural areas , community service programs of our employees and TCF children in battling plastics from beaches and oceans , bio diversity conservation of life both on land and water ; will make a powerful environmental and community development impact to a developing country like Pakistan.

