

2020/21

# United Nations Global Compact

Communication on Progress

# Communication on Progress

## **ITL signed the UN Global Compact in 2020 as formally aligning our commitment to social and environmental sustainability is fundamental to our core values.**

This being our first submission of a Communication on Progress, we will highlight progress and achievements from the period of January 2020 to September 2021. The role of sustainability within ITL has taken tremendous strides in the last few years and we are extremely proud to present our first Communication on Progress report to all of our stakeholders.



Our sustainability journey has already been an exciting and deeply rewarding one for all of us at ITL. This journey we have been on as we meet our commitment as a signatory to the UN Global Compact aligns well with most of our core values including continuous improvement, positive energy, integrity, ownership, teamwork, and of course sustainability. We are proud to be a business that is making a real difference and contributing positively in a meaningful way to our environment and all the communities we operate in as we strive to build a better future for the benefit of all our stakeholders.”

**Chris Currie** ITL Group CEO

### **As required, this document outlines:**

- A statement of continued support for the UN Global Compact from our group CEO
- Our progress towards implementing and upholding the 10 Principles of the UN Global Compact
- Our efforts in advancing our 10 focused Sustainable Development Goals.



# 10 Principles of the UN Global Compact

**ITL is committed to upholding the 10 Principles of the UN Global Compact and the below outlines our recent actions in this regard.**

These principles give us an example of how to do our duty as a responsible business by ensuring that they form part of our values and vision. They cover the four areas of: Human Rights, Labour, Environment and Anti-Corruption.



**HUMAN RIGHTS**



**LABOUR**



**ENVIRONMENT**



**ANTI-CORRUPTION**

# 10 PRINCIPLES OF THE UN GLOBAL COMPACT

## RESPONSIBILITY AREA

## PRINCIPLE

## ITL'S ACTIONS

## RESOURCES



### HUMAN RIGHTS

1

Businesses should support and respect the protection of internationally proclaimed human rights; and

ITL has recently published formal group-wide policies covering our approach to human rights as a business. These will be adopted at each of our facilities and formalised into each of their operational procedures. In order to make this as efficient and effective as possible, we will be training relevant personnel on the content of these policies.

Each year, various social and labour audits take place at ITL facilities. These include Sedex Members Ethical Trade Audits (SMETA) which assess an organisation's standards for labour and health and safety. These are key to ensuring we formally assess our facilities for human rights issues and also allows immediate corrective actions if there is anything identified. We also monitor progress of each of our facilities using the Social and Labour Convergence Program (SLCP). This tool enables us to track the performance of each facility each year and identify areas that need further addressing or areas where risks lie.

If issues are identified using our tools (SLCP and SMETA), they will be addressed as soon as possible and the causes thereof identified. Procedures will then be put in place in order to ensure that we are continuously improving.

In alignment with our policies we ensure we recruit and then always treat our employees without discrimination, fairly and with dignity within a safe and healthy working environment.

[Human Rights Policy](#)

[Environmental, Health and Safety Policy](#)

[Code of Ethics Policy](#)

2

Make sure that they are not complicit in human rights abuses.



### LABOUR

3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Relevant policies pertaining to labour and its four principles are publicly available on the ITL website; this is a show of our commitment to upholding the highest possible labour conditions for all personnel across our operations. These policies will be formally introduced at each facility and relevant personnel will be trained on their content to ensure they are effective in achieving their purpose.

The textile supply chains of the world are known to be at risk of a labour-related issues and these have been publicised over the years. ITL uses specific tools that assess and measure social and labour performance at facility level. The most used widely used tools for ITL are SMETA and SLCP audits that take place annually. Using external certification bodies ensures there is no bias and assessments are done objectively.

[Modern Slavery and Human Trafficking Policy](#)

[Code of Ethics Policy](#)

[Human Rights Policy](#)

4

The elimination of all forms of forced and compulsory labour;

The collective voices and rights of our personnel are always heard by ITL; they are a key stakeholder in the business and are hence important in the decision-making process. This is effectively done through various Unions that represent workers at each of our facilities. Union heads are involved in not only annual wage negotiations on a fair and transparent basis, but also all aspects of our working environments, working conditions and any changes therein.





LABOUR

5

The effective abolition of child labour.

ITL is committed to abolishing modern slavery and child labour along our supply chains. Age verification is used at ITL facilities as well as audits like SMETA which assesses for the presence of child labour as well as forced labour on-site. SLCP verifications also deal with forced and child labour in line with the International Labour Organisation's (ILO) Core Conventions.

The health and safety of ITL personnel at every facility is paramount to our business values. Each facility ensure the healthy and safety of it's personnel through their own health and safety policies and procedures.

In line with our commitment to Sustainable Development Goal (SDG) 3 and 5, targets 3.9, 5.1 & 5.5 respectively, we are currently assessing the associated indicators in line with the SDG Compass guidelines. These include:

- Type of injury and rates of injury, lost days, and absenteeism by region and gender
- Percentage of facilities adhering to local and sector-specific water quality standards: 100% adhere to local wastewater quality standards. Two facilities with on-site wastewater treatment report against the Zero Discharge of Hazardous Chemical (ZDHC) Wastewater Standard.

Our recruitment and human resource processes contained in our policies and human resource manuals are designed and consistently followed firstly to prevent and secondly to deal with any violations of labour principles that are detected or reported swiftly in an objective dignified and equitable manner following clear established processes to ensure an equitable outcome for all involved.

One of the few incidents we have experienced involved discrimination by our one of our workers against another during the 2020 year. This was brought to our attention and dealt with as above including the individual involved being placed on immediate suspension whilst an investigation and hearings were conducted in an equitable manner in line with labour laws whilst maintaining confidentiality to protect all involved. The outcome was the immediate termination of the individual who had discriminated against another of our employees.

6

The elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

7

Businesses should support a precautionary approach to environmental challenges;

ITL reviewed and re-published it's official environmental policy in early 2020 with a focus on materials, water, greenhouse gas (GHG) emissions & energy, waste and air pollution. These areas were identified as essential to the business on our path to reducing our environmental footprint. Under each of these areas, we have identified key goals and objectives that will result in meaningful progress towards ultimately becoming a net-positive organisation. These goals are being transformed into time-bound targets informed by accurate baselines. As well as a company Environmental Policy, we also committed and aligned ourselves to several SDGs in order to formalise the link between our industry-specific goals and those of the UN's vision for a better future for all.

Our global environmental footprint is constantly under scrutiny with processes and procedures in place to get better quality data, on a more granular level and subsequently allow us to make more informed decisions to reduce this footprint. This includes: an annual carbon footprint process measuring our Scope 1,2 and 3 emissions, wastewater quality tests, water, energy and fuel usage, waste streams generated (including % of waste streams recycled), chemical usage and numerous other environmental indicators and metrics.

Educating and training our personnel on the importance of environmentalism is also a key strategy in building a better business from the ground up. Each facility has personnel responsible for various areas of environmental protection and they regularly engage with our Group Sustainability Officer to formulate strategies and projects that cumulatively result in meaningful progress.

8

Undertake initiatives to promote greater environmental responsibility.

[ITL Environmental Policy](#)  
[SDG Position Statement](#)  
[Environmental, Health and Safety Policy](#)



## ENVIRONMENT

9

Encourage the development and diffusion of environmentally friendly technologies.

Offering more sustainable products is an integral part of our sustainability strategy and during 2020, we launched our first sustainable product portfolio, the CARE Collection. This working catalogue highlights more sustainable alternatives compared to conventional products for example recycled polyester labels and organic cotton labels. This catalogue has already expanded since its inception with constant research and development to find new materials and products that meet our stringent sourcing practices. We also feel that the introduction of the CARE Collection has raised awareness among our suppliers and prompted the conversation of sustainability and the need for it throughout our supply chain.

We also recently updated our product re-engineering solution, intelligen™, which allows our customers to redesign paper and fabric labels. This results in material savings which have an environmental impact reduction. Common environmental metrics were included in the tool so that our customers are now able to see the impacts and savings in terms of: GHG emissions, energy, water and trees.

ITL facilities are also audited annually for various sustainability certifications such as Global Recycled Standard (GRS), Global Organic Textile Standard (GOTS), Forest Stewardship Council (FSC), Higg Facility Environmental Module (FEM) and Oeko-Tex Standard 100. We are also a member of the Sustainable Apparel Coalition (SAC), an industry leading group of retailers and manufacturers with the shared goal of making the fashion industry more sustainable.



## ANTI-CORRUPTION

10

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

ITL has a formal policy on our position regarding corruption and the detrimental impacts it has on the world; we are committed to ensuring we are not involved in, or complicit to corruption and bribery in any way shape or form. ITL has clear values and ethics that are communicated to all personnel within the business and we hold our integrity in high regard with corruption and bribery being clearly zero-tolerance offences.

ITL performs a complete risk review for each business unit with an update thereon at least twice each year and documents risks identified and their impact along with any taken or planned mitigating actions and the status thereof in risk registers. These risk registers are reviewed and dealt with at both business unit and up to Group Audit Committee level. ITL has a stated policy of zero-tolerance for bribery and corruption and communicates this through our policies, human resource and employment documentation, and has an established communication point and process for any allegations to be reported and so investigated and resolved on a confidential and equitable basis without fear of any reprisals. We have completed on-line training courses to train our employees and communicate our position and the issues to them.

We have detected and dealt with one incident of corruption in 2021 following our established processes involving external parties and the authorities. The incident ended up in the individuals employment being terminated with subsequent legal action being taken. Security measures were improved to reduce the risk of any further incidents.

[Anti-Corruption and Bribery Policy](#)

# Sustainable Development Goals

**As a business with a far-reaching global footprint, we believe it is our duty to contribute towards the UN's SDGs.**

We are committed to accelerate collective action in support of the SDGs in collaboration with the Conscious Fashion Campaign supported by the United Nations Office for Partnerships. Through this partnership we advocate sustainable solutions and innovations for the fashion sector to address the world's most pressing social, economic, and environmental issues.

## 10 FOCUSED GOALS:

Through comprehensive mapping of our environmental impacts, we have identified that ten goals and their respective targets are particularly relevant to our business. Through driving transformative change in these areas, we will fulfil our duty in advancing the sustainable development of the planet.



# SUSTAINABLE DEVELOPMENT GOALS

## SDG AND TARGET

## ITL COMMITMENT

## ITL'S ACTIONS

## PROGRESS IN NUMBERS



**3.9**

We are committed to ensuring the well-being all of our employees.

The health and well-being of our personnel is a core value of ours and is hence built into the way we do business. Various facilities are equipped with on-site clinics available for our personnel. Health and safety policies and procedures are also in effect at our facilities to ensure we minimise the risk of injuries.

Various audits take place each year at ITL facilities that ensure our employees are kept safe and healthy, these audits include: ensuring there is adequate Personal Protective Equipment (PPE), indoor air quality measurements, noise pollution levels, training on handling and storage of chemicals and numerous other areas. We will continue to make the health and well-being of ITL personnel a top priority.

Six of our facilities have clinics, and in some of them, our personnel's families are included in treatments and/or care is provided for infants.

The average rate of injury at our three biggest facilities was less than 0.61% (injuries per 100 workers) in the last 12 months.

Annual training on chemical handling is conducted at all facilities where applicable.



**5.1**

**5.9**

We are committed to ending all forms of discrimination against women and girls everywhere and we will ensure women are given effective participation and opportunities for leadership at all levels of decision-making within ITL.

At ITL, all personnel are equal and treated fairly as highlighted by our Human Rights and Code of Ethics Policy. As a business with a large global footprint it is our duty to ensure that we ensure gender equality at all our facilities and give women the same opportunities for leadership within the business.

We have completed gender equality training in certain of our sites and monitor the ratio of our male to female employees, with steps taken to address any imbalance through identification, recruitment, development and promotion of female employees to management and senior management positions to address a greater proportion of males in these positions.

We are assessing social and labour conditions using the Higg FSLM at all ITL facilities in 2021.

We have also recently undertaken our largest social data collection project and are currently collating the data and creating baselines for 2020/2021.



**6.3**

**6.4**

**6.6**

We are committed to reducing our absolute water usage, improving the quality of our wastewater, and ensuring we protect water-related ecosystems.

Water is an integral part to the operations of our business and we are committed to respecting it and protecting it. Facility-level water usage, treatment and quality is measured and monitored.

We have gone beyond local water quality legislation in two regions that now report against the ZDHC Wastewater Standard which has more stringent limits compared to local regulations. We will also be committing to water-specific targets to further our progress and decrease our overall usage from an absolute standpoint.

100% of facilities adhere to local water quality regulations.

100% of facilities with on-site effluent treatment plants (ETPs) adhere to the ZDHC Wastewater Standard.



**7 AFFORDABLE AND  
CLEAN ENERGY**



**7.2**  
**7.3**

It is our commitment to improve our energy efficiency and introduce and increase the use of renewable energy at our facilities.

The field of energy efficiency holds significant opportunity to reduce energy intensity in manufacturing and as a business with large amounts of machinery we are no different. We also understand the impact that energy usage can have on GHG emissions and prioritise cleaner forms of energy where available and applicable.

Various energy efficiency and low-carbon projects have taken place at our facilities over the last 12 months including: replacing lighting for LEDs, decommissioning of an Heavy Fuel Oil (HFO) boiler and upgrading old machinery.

We are currently assessing the feasibility of solar energy at six of our facilities for 2022.

Our energy intensity (MWh per unit production) decreased by 6.6% in FY2020 compared to our baseline; the baseline is the average values between FY2019 and FY2020.

**8 DECENT WORK AND  
ECONOMIC GROWTH**



**8.5**  
**8.7**  
**8.8**

We are committed to achieving full and productive employment and equal pay for work of equal value while prohibiting any form of child labour. We will also protect labour rights and promote safe and secure working environments.

One of the most fundamental aspects of the way we do business is that we put our people first. As a business, we employ a significant number of people which can help to foster economic growth.

We are also involved in community development projects at various facilities; ITL Cape Town contributes to a local association that aims to combat illegal dumping in the area. In Sri Lanka, we contribute equipment to local hospitals and food and financial aid to various community organisations.

SLCP assessments are planned to take place at facilities representing 95% of revenue in 2021.

We currently hold valid SMETA certificates for facilities representing 92% of our annual revenue.

**12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION**



**12.4**  
**12.5**  
**12.6**

We are committed to responsible chemical and waste management and will reduce their release to air, water and soil as well as reducing the amount of total waste generated through prevention, reduction, recycling and reuse. Our sustainability information will be reported on annually to give insight into tracking performance and progress.

In an industry that generates such large volumes of waste; we are obliged to address our waste streams and ensure that we minimise their impacts on the environment.

We are currently committed to: reducing absolute waste generated, ensure the most sustainable methods of waste disposal, increase our rates of recycling, increase use of post-consumer waste in our products, design our products for recyclability to promote a circular economy.

At our Cape Town facility, between November 2020 to March 2021, 4,882 kilograms of production waste was recycled into other textile products.

Facilities representing 30% of group revenue will be landfill free in 2022. We are striving to increase this figure every year.

We are currently working at aligning all global facilities with the ZDHC Manufacturing Restricted Substances List (MRSL).



**13.1**

**13.2**

**13.3**

We are committed to strengthening our adaptive capacity to climate change and integrating climate change into our policies while also raising awareness about climate change mitigation.

The fashion industry supply chain has become known as a significant contributor to the world's global GHG emissions; as a member of this supply chain we feel we are responsible for reducing our impact in this area.

The first step in doing this is to develop a detailed GHG inventory and assess areas for reduction opportunities. We now have a number of years worth of GHG inventory data and are busy using that to develop meaningful and ambitious GHG emissions targets that will be released during 2022.

Our group-wide carbon footprint (Scope 1 & 2) per square meter decreased by 16% in FY2020 compared to our baseline. This was a result of increasing our facility area and replacing or decommissioning carbon intensive machines.

The decommissioning of our HFO boiler in Cape Town resulted in an absolute reduction of 12% in the facility's FY2020 GHG emissions profile.



**14.1**

We are committed to significantly reducing all kinds of marine pollution that stem from our operations.

The world's oceans face threats from pollution, resource depletion and climate change. ITL's actions can have direct impacts on the health of the oceans and it is therefore important that we analyse these impacts and subsequently reduce them.

We have various commitments in our Environmental Policy that deal with waste reduction and the impacts of our waste streams on the ocean.

Outbound products at our Cape Town facility are now wrapped with FSC certified paper instead of traditional LDPE shrink wrap.



**15.2**

We are committed to increasing the volume of wood/fibre products from certified sustainable sources.

Ecosystems and the services they provide are highly important for the effective functioning of businesses. ITL's operations are closely linked to forests around the world due to the use of paper products.

We recently published a Pack4Good policy with Canopy and in this we have made commitments to increase our use of recycled content as well as alternative fibres in paper so that we protect the world's forests.

The percentage of our paper products sold that are FSC certified, increased by 12% from 2019 to 2020.

We have added three new paper offerings, that reduce virgin forest content, to our sustainable product portfolio.