

## CORPORATE SOCIAL RESPONSIBILITY



The Company is deeply committed to adopting and adhering to international norms and standards governing corporate social responsibility. We constantly strive to maintain a leadership role in this area and wholeheartedly support and fund outreach programs which have a beneficial impact on our environment, employees and the communities we live and work in. As part of this commitment, we are certified under the Social Accountability International's SA 8000 standard and BSCI and WRAP & various other related programs pertaining to the following broad areas.

### Social Responsibility

- Community Relations
- Impact on local communities
- Participation in local communities
- Management of Human Rights

### Environmental Responsibility

- Impact on the environment
- Energy awareness

### Corporate Ethics

- Standards of ethical conduct
- Recruitment and retention of staff
- Fair Pay scheme & wages
- Rights of employees
- Safe and secure environment
- Compliance with local employment laws
- Compliance with International Charter HR best Practice policies

### Leadership values and integrity

Some of our key certifications and initiatives are mentioned below.

#### International Social Accountability SA 8000 Certification

The foundational elements of this standard are based on the UN Declaration of Human Rights, Convention of the ILO, International Human Rights Norms and National Labor Laws.

This certification affirms that the Company is fulfilling all its social responsibilities and respects all applicable international / national rules and regulations relating to child labor, forced and compulsory labor, freedom of association and right to collective bargaining, health and safety, discrimination, disciplinary practices, working hours and remunerations etc. This standard is also used to prevent violation of Human Rights, Child Labor/ Discrimination and to comply with existing Laws, Rules, Regulations, etc.



#### BSCI

Company is certified through BSCI standards. The Business Social Compliance Initiative (BSCI) is a broad based business-driven platform for social compliance monitoring and qualification of the supply chain. The BSCI 2.0 Code of Conduct includes elements of social management

system and cascade effect, worker's involvement and protection, freedom of association and the right to collective bargaining, prohibition of discrimination, fair remuneration, decent working hours, workplace health and safety, prohibition of child labor, special protection for young workers, prohibition of forced and compulsory labor and disciplinary measures, environment and ethical business behaviors.



### WRAP

WRAP is the world's largest labor and environmental certification program for labor-intensive consumer products manufacturing and processing. Becoming a WRAP certified facility involves much more than simply passing an audit. Company takes a collaborative approach to social compliance certification in & work in our facilities to ensure that they remain in compliance with WRAP 12 principles. WRAP is supported by 25 international trade associations, including the International apparel federation.



### ISO 9001

ISO 9000 is a series or family of standards for quality management systems while ISO 9001 is a standard within the family. ISO The International Organization for Standardization and is administered by authorized accreditation and certification bodies. The requirements of ISO 9001 include maintaining a set of procedures that cover all key processes in the business, to ensure they are effective, maintain adequate records, and check output for defects, with appropriate and corrective action where necessary. The ISO 9001 standards also require regular reviews of individual processes and the quality system itself for effectiveness, and to facilitate continuous improvement.



### ISO 14001

ISO 14001 is an organizational system standard for monitoring, controlling, and improving quality of the environment. The ISO 14001 standards establish a management system to help organizations to operate/carry out their operations in environment friendly manner. Standards provide practical tools for companies and organizations of to manage their environmental responsibilities.



### Fair Trade (NGO) registration in process

AZGARD-9 is in the process of registering under the Fair Trade NGO. This endeavor aims to underwrite social responsibility in real monetary terms whereby a part of the corporate profits is formally invested in the development of the community.

### GOTS, OCS (Organic Exchange), RCS and GRS (Global Recycled Standard) member

**GOTS:** The Global Organic Textile Standard (GOTS) is a comprehensive Standard that covers all aspects of the production of natural fibers including processing, manufacturing, packaging, labeling, exportation, importation and distribution.



The goal of GOTS is to define world-wide recognized requirements that ensure organic status of textiles, from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labeling in order to provide an auditable and credible assurance to the end consumer. By creating an international, uniform Standard, the GOTS working group sought to enable organic textile manufacturers and marketers to export their goods anywhere in the world with one universally accepted organic certification.

In organic production, GMO (Genetically modified organisms) are prohibited & GOTS ensure that no genetically modified part is used in our product.

GRS: The Global Recycled Standard (GRS) addresses input material verification, chain of custody, environmental principles, social requirements, and labeling for textile products made from recycled materials. The standard ensures complete traceability of end product. Use of recycle product is a big service to mother nature in preserving the depleting resources and less emission of GHG.

RCS: The Recycled Claim Standard is applicable to any product that contains at least 5% Recycled Material. Each stage of production is required to be certified, beginning from the recycling stage and ending at the last seller in the final business-to-business transaction. The standard ensures complete traceability of end product.



### ETI Base Code SEDEX

Sedex was founded in 2001 by a group of UK retailers to drive convergence in social audit standards and monitoring practices. The aims of Sedex are to ease the auditing burden on suppliers through the sharing of reports and to drive improvements in supply chain standards.

Sedex is a home to the world's largest collaborative platform for sharing responsible sourcing data on supply chains, used by more than 40,000 members in over 150 countries.

Tens of thousands of companies use Sedex to manage their performance around labor rights, health & safety, the environment and business ethics.

Sedex services enable members to bring together many kinds of different data, standards and certifications, to make informed business decisions, and to drive continuous improvement across their value chains.



### Oeko-Tex 100

The Oeko-Tex standard 100 insignia provide confidence to the customer that product bearing it is free from use of any injurious/hazardous chemical/substance in making of this product. This certification ensures the absence of all internationally banned chemicals and dyes and that the product is not harmful for human skin.



### CTPAT

Partnership Against Terrorism (C-TPAT) is one layer in U.S. Customs and Border Protection's (CBP) multi-layered cargo enforcement strategy.



Through this program, CBP works with the trade community to strengthen international supply chains and improve United States border security. C-TPAT is a voluntary public-private sector partnership program which recognizes that CBP can provide the highest level of cargo security, only through close cooperation with the principle stakeholders of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. The Security and Accountability for Every Port Act of CTPAT program and imposed strict program oversight requirements.

### Better Cotton Initiative (BCI)

AZGARD-9 Limited has BCI membership, The Better Cotton Initiative (BCI) is the largest cotton sustainability program in the world. Together with our partners we provide training on more sustainable farming practices to more than two million cotton farmers in 21 countries. In the 2017-18 cotton seasons, licensed BCI Farmers produced more than five million metric tons of 'Better Cotton' – that accounts for around 19% of global cotton production



### Higg Index

Developed by the Sustainable Apparel Coalition, the Higg Index is a suite of tools that enables brands, retailers, and facilities of all sizes — at every stage in their sustainability journey — to accurately measure and score a company or product's sustainability performance. The Higg Index delivers a holistic overview that empowers businesses to make meaningful improvements that protect the well-being of factory workers, local communities, and the environment.



## Health, Safety and Environment

Business success through HSE excellence

### Zero Harm to people and Environment

That's the commitment we have made to our employees, contractors, partners, and the communities where we live and work

### HSE Goals

Our company's health, safety and environment initiative lays emphasis on and ensures;

Continuous improvement in health, safety and environment performance

Taking measure to minimize waste, prevent pollution and conserve natural resources

Requiring every member of staff and those who work on our behalf to exercise personal responsibility in preventing harm to themselves, others and the environment

Providing resources and systems to prevent occupational illnesses to the staff

Providing appropriate health, safety and environmental training and information to all Azgard Nine Limited employees, contractors and other stakeholders

Including HSE performance in the appraisal of all staff and reward/recognize accordingly



**zero injuries**  
to our people, contractors & visitors

**zero tolerance**  
of unsafe behavior & acts

**zero compromise**  
on safety

**zero impacts**  
for our families & communities



### HSE Vision

- Safety is our number one priority, and we believe that all accidents are preventable. Accidents never happen they are caused.
- Excellence in HSE performance in all Azgard Nine Businesses

### HSE Strategic Objectives

- Elimination of fatal incidents
- Elimination of fires, explosions, and major spills
- Minimizing the impact to the people from our operations, products, processes and services

### HSE Management system

To achieve our Goals, Vision & Strategic Objectives, the Company is implementing an HSE Management System, a structured and systematic approach which ensures Hazards Identification & Risk Assessment of our critical operations & industrial processes. Our focus is on compliance with both local laws and global customers' requirements.

At Azgard Nine, people are at the heart of all activities. We strive to prevent injury and occupational illness and ensure the presence of a free and motivating work environment.

The Company has initiated a number of projects and programs in the following areas of Health, Safety & Environment.

### Health

- Minimum Health Management standards
- Health Risk Assessment.
- Health Surveillance Program (in house Audio & Spirometry Procedures).
- Medical Emergency Response & Plan.
- First Aid Basic & Advanced CPR Training.
- In house Health Facilities.
- Health Screening Programs.
- Fitness to Work Protocols.

### Safety

- Road Transport Safety Program
- Permit to Work Systems
- Change Management
- Hazards Identification & Risk Assessment
- Firefighting equipment & hydrant system
- Personal protective equipment program

### Environment

- ISO 14001 Certification
- Effluent Treatment Plants.
- Energy Conservation Program.
- Solid & biological waste management program
- Spill Control program
- Water conservation program
- Higg Index FEM 3.0
- ZDHC waste water testing
- Detox Program



### Azgard Nine Limited has established 'Minimum Health Management Standards' which cover the following areas:

- Health Risk Assessment.
- Monitoring of Health Performance.
- Occupational Illness Incident Reporting.
- Fitness to Work.
- Local Health Facilities and Emergency Response.
- Human Factors Engineering in New Projects.
- Product Stewardship.
- Health Impact Assessment.

Compliance with National Statutory Requirements is mandatory for all aspects of health management. Currently accepted scientific knowledge is applied while interpreting these standards.

### HSE Training Program

Company has established a comprehensive training program which caters to all layers of staff and management. Training modules are based on local laws, OSHA, Global Customers Code of Conduct Audit findings & ISO certification requirements, emergency preparedness, first aid etc

**More than 3000 employees training were imparted at various Azgard Nine sites during 2018- 19.**

#### Key training modules

- Hazards & Risk Assessment
- Chemicals Safety MSDS
- Hearing Conservation Program
- Environmental management system ISO 14001:2015
- Incident/Accident Reporting & investigation Techniques/ Tripod analysis
- Personal protective equipment
- Heat Stress Management
- Forklift Safety
- Defensive Driving Course
- Hearts & Minds Safety Program
- Manual Handling / Backache Prevention Program.
- Emotional Stress Management / Work-Life Balance



### Effluent Treatment Plant

In compliance of ISO standard and our commitment to we are operating a state of the art water treatment plant. The Effluent treatment plants at site have the capability to clean all the effluents generating in factory and it outlet water is safe and eco-friendly.

## Ø ZDHC

**Zero Discharge of Hazardous Chemicals**



### ZDHC

Azgard Nine Limited has ZDHC report which is compliant to the standard, The ZDHC Gateway – Wastewater Module is a global online platform for sharing verified wastewater and sludge test data where tests are conducted by ZDHC approved laboratories

### Sustainability

The concept of sustainability is composed of three pillars: economic, environmental, and social also known informally as profits, planet, and people. Azgard 9 recognizes its responsibility to play its role towards the sustainable future of humanity and has therefore taken all necessary steps for on ground implementation.

### Lean Project

Lean production has been initiated at Azgard-9 in order to improve work place, reduce process waste, and reduce production cost to increase profitability. Different teams are formed and their training by the specialists was arranged. Now teams are endeavoring for on ground implementation.

**Lean Teams are:**

- 6GV (Stitching Team)
- FML (Finishing Team)
- Kaizen (IE team)
- QMS (Quality Control Team)
- LLD (HR team)

**Kick Off Session**

Kick off Session was arranged on 23 July, 2019 at Bahria Grand Hotel, where the leader of each team gave brief presentation on their working and progress.

**Health surveillance program**

Azgard Nine Limited has a structured in-house Health Surveillance Program. Specialized procedures like Audio & Spirometry are being carried out against hazards such as high noise levels and chemical vapors & cotton dust. The objective is health protection and early detection of potential health damage on account of any harmful occupational exposure. Latest equipment has been procured and in-house training of doctors arranged to improve their skill for effective management of objective.

Company carry out contiguous diseases Vaccination activity for workers on bi-annual basis which is safeguard against the potential health threats & help to improves and maintain worker's health. This is big company' s' contribution towards improvement in their living and health standards.



**Community Programs**

**Blood Donation Camp**

Company is also committed to help the community through blood donation for patients of thalassemia and for others who needs regular blood for lives. Yearly camp is arranged at site with different NGOs.

**Community Health Initiative**

The Company is committed to the health and wellbeing of its local communities and employees. It has taken several steps for the improvement in living standard of financially deprived local community. Clean water is a basic need of humans and it was a longawaited desire of local community to install water filtration plants for the easy approach to the clean drinking water, which was a costly installation for the local community. Here Azgard Nine feeling it as its social responsibility took a step forward and installed first water filtration plant in the area.

This water filtration plant has a capacity of 500 LPH and it works 24/7 and serve the local community, which provides clean drinking water to the community of over 2000 people.



### Punjab Skilled Development Program

Azgard9 Limited with the help of Punjab Skill Development Fund initiated training program at its Garment Division to provide quality skills to the necessitous population of Punjab.

The program has been continued with same spirit for year 2019

The following Training courses are initially started with the help of PSDF:

- Stitching operator
- Cutting expert
- Washing operator
- Apparel Supervisor
- Quality Controller

These training will not only improve the income generation opportunities for people of local community but will also provide the skilled labor to the organization and industry.



### Recreational Facilities & Activities

Azgard 9 limited believes that recreational activities are very essential for the better and conducive work environment. Keeping this in mind activities are planned. Sports always improve the efficiency at work place. Azagr9 contributes in this activity with different sports activities. A cricket tournament named Azgard9 premier league for year 2019 was conducted and local community was also involved in this activity. Local community took a very keen and enthusiastic part in tournament. There were 16 teams of employees and local community. Tournament exhibit an atmosphere healthy competition and sportsman spirit.

It was a full five weeks of passion, motivation and celebration. CEO took keen interest in it and distributed the prizes. Total expenses were borne by the company.



### Independence Day Celebration:

Independence Day was celebrated with passion. It was committed by participants that as an individual as well as company to play our part for the building of nation and well being of our beloved country.



### Tree Plantation

Company is committed to make the environment healthy and contribute in the green Pakistan. Over 2000 trees are planted in various locations of the organization and local community.



### Cheque Distribution Ceremony:

Ceremony has been organized on 1 March, 2019 in which CEO of Azgard9 Limited distributed cheques among the deserving workers for the purpose of their children education, death grant and marriage. In his address CEO stated that workers are the real asset of a company. He pledged that we will be making more efforts towards social uplifting of our worker community.



### CEO lunch with workers

Intimacy of top management with work force develops a bond which helps to promote the company goal. Combine lunch with worker is a common practice by CEO where worker talk freely and discuss their issue/suggestion directly. Such meetings are great motivational steps.



### Hajj Lucky Draw-2019

According to Hajj policy Azgard 9 arranged hajj balloting on 8 January, 2019. 2 members won hajj package



### Celebrations

Religious festivals celebrated with full enthusiasm in AZGARD-9 Limited. Iftar party is a regular feature, this year it was arranged at Bahria Grand Hotel. Azgard9 practices policy of nondiscrimination on basis of religion. Company fully participates in the happiness and festivals of other communities. Ester and Christmas are celebrated with same importance & festivity.



### WHISTLEBLOWING & VOICE THE CONCERN

Azgard Nine has established a “Fairness Channel” which allows employee / stakeholders to report unethical behavior that imposes harmful effects/threats on company employees, reputation and systems.



In order to facilitate the communication and convey their issues Suggestion & Compliant Boxes are provided at different places. Employees are encouraged to spell out their issues; prompt action is taken to address the complaints. Complete secrecy is maintained.

### Non-Retaliation Policy

At Azgard Nine non-retaliation policy is fully implemented, company doesn't allow any retaliatory attitude towards the complainants who in good faith, seeks advice, raises a concern or reports misconduct about company representative/employee. If anything is surfaced strict action is taken against the defaulter.