

The background of the entire page is a photograph of a wind farm. Several white wind turbines are visible, standing on a lush green grassy hill. The sky is a clear, bright blue with some light, wispy white clouds. In the upper left corner, there is a large, semi-transparent green abstract shape that overlaps the text. The text is white and positioned within this green shape.

# ESG Report

for ZIS Textiles Pvt. Ltd.

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# Purpose of the report

The ESG ( Environmental, Social and Governance) report for ZIS is established to provide an insight into ZIS commitment, performance and conduct for all sustainability domains as a responsible business. This report will serve the need of key stakeholders, brands and buyers ; and provide a detail accountability of sustainability assurance framework covering operations and risks in three areas: Environmental stewardship, Social responsibility, and Corporate governance. This report highlight key good practices, compliances, risk areas and programs by ZIS demonstrating the performance and its commitment towards Environmental, social and governance standards.

This report will follow international guiding principles for sustainability reporting informed from Corporate Sustainability Responsibility Reporting Directive (CSRD), alignment with United Nation's SDG's, compliance to with local law and ILO conventions.

Acknowledging the business responsibility and accountability ZIS textiles has embodies the sustainability agenda within its operations directly as well as its supply chains and impacts on circular economy, local community and environment; to achieve sustainable triple bottom approach.

This report is an opportunity to

- › Be transparent with the stakeholders, and be open about the risks and opportunities
- › Demonstrate the vigilance to assure the commitment to positively impact sustainable standards.
- › Commitment to create fingerprints in global market on adapting to internationally recognised standards for Environmental, Labour and Social Sustainability.
- › To create benchmarks in actualising hydropower project, not only contributing to green energy but also flourishing neighbouring communities, protect biodiversity, build livelihoods and develop communities.
- › To focus on building long-lasting relationships and connections with stakeholders and investors

To request additional information on this report or to provide your comments, please contact us.



# Disclosure



The report is totally impartial with independent evaluation of current activities, impact of previous activities and planned activities, analysed by Global sustainability UK (GSUK) as an expert organisation to conclude the report independently. ZIS will be the report and information owner and guardian for this report.

The report outcomes are based on actual performance, analysis of risk levels and activities measured against the key requirements; however any information concluded in this report will not limit company's decision on future strategy on priorities.

The report contains analysis of information using triangulation of evidence through physical observations, interactions with local and international sources, verbal and written discussion and review of the documentation provided by the project teams, interaction with workers and social dialogue, third party audit reports, media abstracts.

All information gathered from primary and secondary sources is protected: and we ensured data confidentiality is strictly followed as per requirements of GDPR and Data protection Act. The report ensures fully anonymised data.



# CEO Message



I am delighted to present our latest sustainability report guided by a commitment to international sustainability practices. We have seamlessly integrated eco-conscious strategies into every facet of our operations. In line with our sustainability goals, we have invested significantly in cutting-edge technology and modern machinery, championing efficiency while minimizing our environmental footprint. This aligns with our dedication to ethical and sustainable business practices, contributing to a healthier planet for future generations.

Our enduring journey in textiles manufacturing and export, spanning over two decades, has been marked by a relentless pursuit of excellence in prices, production, and quality. ZIS Textiles Pvt. Ltd. Textiles embarked on its textile manufacturing and export journey over two decades ago, driven by a steadfast commitment to delivering excellence in prices, production, and quality to our valued customers. Our enduring success in this fiercely competitive market is attributed to our unwavering dedication, supported by a team of dedicated and professional human resources operating at every level.

Our business strategy revolves around a market-oriented approach, leveraging comprehensive marketing and research initiatives. This approach, combined with the integration of the latest technology and modern machinery, positions us as industry leaders who are constantly adapting to and capitalizing on the ever-evolving market trends. This adaptability has not only allowed us to survive but also to progress continuously, setting benchmarks for quality and productivity.

As we reflect on our journey, sustainability remains a key focus. ZIS Textiles Pvt. Ltd. Textiles is committed to ethical and sustainable business practices that align with global standards. Our investment in the latest technology not only enhances productivity but also minimizes our environmental impact. We are dedicated to remaining at the forefront of industry sustainability, ensuring that our operations contribute positively to the world. As we look ahead, we embrace the challenges of the future, poised to explore new horizons of excellence while upholding our commitment to delivering superior quality and service.

As we unveil our sustainability report, it is a testament to our ongoing commitment to transparency, innovation, and responsible corporate citizenship. ZIS Textiles Pvt. Ltd. Textiles remains at the forefront of industry sustainability, demonstrating that profitability and environmental stewardship can coexist harmoniously. We look forward to the future with enthusiasm, confident in our collective ability to shape a more sustainable and prosperous tomorrow.

# Executive Summary

ZIS Textile Pvt Limited is a well established company providing weaving and other Made ups Making Up Operations in Pakistan, serving local markets as well as key international brands. ZIS is well reputed and serving the textile sector since 2005. It is housed over 59,895 square feet area, in an industrial zone , located at 3 Km, Sheikupura Road, Khurrianwala, Faisalabad Pakistan, which is acknowledged world over as a bustling location of fabric making in the textile sector.

ZIS Textile Pvt Limited is an export oriented progressive company Established in 1992. ZIS over many decades are acknowledged as a leading Exporters of all kind of woven Textiles in Grey Bleached, Dyed & Printed Fabrics as Well as made-ups of all kind in power, Dropper, Auto, Sulzer, Air jet & Dobby Looms as main operations.

ZIS Textile Pvt Limited scope expands on manufacturing home textiles like bed sheets, duvet cover, fitted sheets, flat sheets, cushion covers, curtains, hospital Linen and kitchen Linen made of move in fabrics 100% cotton and Polyester/Cotton, Cotton/Polyester cotton bleached, reactive and disperse Dyed and pigment printed. It's including accessories such as sewing thread, woven labels, printed labels in various colours and forms.

Company is fully committed to business responsibility and has successfully demonstrated the commitment to quality and sustainability attaining various certifications and recognised for its operations meeting the requirements of ISO 9001, 14001, Amfori BSCI ( Result Grade-B), certification, Standard OEKO-TEX® compliance. Company in continuation of its long term commitment to contribute towards impactful, sustainable products has embedded the accountability in three key domains The Environment, Social and Governance (ESG) framework.

ZIS have initiated many programs as a responsible business has proactively committed the resources to implement an improvement program, of which many actions are completed those as well in plan are also covered sufficiently. The sustainability programs are carefully intricately around the legal obligation framework as well as meeting international standard.

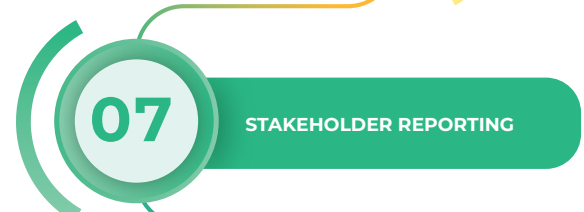
The Amfori report 2022 and recent Independent Social review conducted by an independent expert organisation as a part of ESG performance analysis, shows company commitment at policy level , as well as operational level. Similarly Environmental analysis shows active measures taken for environmental safeguarding demonstrated through policy as well as assurance such as OEKO-TEX® Standard & GOTS .



**"Ethical practices  
core of our Business  
Philosophy."**

## ESG Performance Summary

The overall structure for ESG accountability is formulated on existing Social policy and initiatives . ZIS has followed a multi-tiered approach followed by vigilance and due diligence measures to ensure all sustainability pillars are embedded and integrated at all operational levels at ZIS. ZIS has completed internal and external stakeholder mapping, legal mapping and a proactive gap analysis to identify the reporting domains to inform stakeholders on programs relevant to ESG . ZIS has established several programs to incorporate sustainability measures using risk base approach mapped briefly



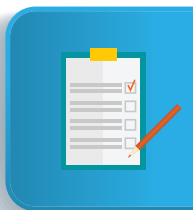
The three areas of ESG reporting follows as thorough framework with key programs geared on;

- › Active establishment and communication of policy internally and externally.
- › Incorporating due diligence framework incorporated at all levels for Environment, Social and labour and governance measures.
- › Interventions and adaptation programs to minimise any risks related to Environment, People (including Social and Labour risks) and Governance.
- › Periodic Reviews, internal audits , risk assessment and continuous improvement programs, to establish performance reports and ESG materiality data.
- › Transparency and immediate actions to mitigate risks and incorporate improvement measures through management reviews and resource allocation.

The overall framework embraces all pillars of sustainability as an ongoing strategy and commitment to close performance gaps. ZIS has established a progressive matrix for monitoring and reporting on overall ESG performance, based on several factors within Environmental, Social and governance programs. The materiality is demonstrated using baseline assessment based on 4 Tier performance Matrix to see company performance to look at overall performance of ZIS; as Initiator, Compliant, Efficient and Exceeding with the explanation as below;



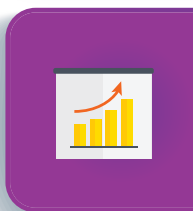
Initiator (unstable compliance, partial compliance to regulations, policies, lack of understanding and awareness at all levels)



Compliant (meet legal and policy requirements and monitor emerging issues)



Efficient (proactively implementing procedures, monitoring, risk hunting and mitigation in place, reporting intact at all levels including subcontractors and creating community and circular impact)



Benchmark (Leading on change, creating progressive impact , sharing best practices, and futuristic approach as a industry champion for sustainability and business responsibility)





ZIS Textiles Pvt. Ltd. Textiles Pvt. Ltd. has demonstrated a diligent attitude towards business responsibility and identified the sustainability components under ESG report. Each ESG domain comprises of the extracts from various reports, data and information collated against the KPI ( key performance indicators) and performance of the company, under environmental , social and labour and an overarching management system.

The ESG report has clearly shown present performance of the ZIS Textiles Pvt. Ltd. Textiles Pvt. Ltd. against sustainability standards as well as assurance framework for improvement and commitment. The analysis has concluded company achieving satisfactory performance towards International standard, as aligned with SDGs, GRI as well as ILO conventions and FPRW , Pakistan law, ILES and ETI code. The report analysis concluded the ZIS Textiles Pvt. Ltd. Textiles Pvt. Ltd. intent clearly have prime focus on “People” , not only those directly employed but also the people in community, neighbourhood and supply chains. The present framework of sustainability at ZIS Textiles Pvt. Ltd. Textiles Pvt. Ltd. follows management system approach to ensure there is a cyclic review and improvement system in place not only to meet legal standards but also the expectations of international requirements for Environment and social conduct.

## Environmental Performance Overview

The company focuses on factors on environmental sustainability through

- Establishment of Environmental policy and commitment statement.
- Risk management systems of environmental systems.
- Environmental measures and monitoring
- Environmental Permits and legal compliance is fully embedded.
- Active waste management and energy reduction measures.
- Carbon and water zero measures.
- Wastewater reduction to Zero with certification on 100% compliance.
- Environmental audits and achievement with GOTS and ISO 14001.

## Social Performance Overview

The company focuses on embracing legal compliance to local law and international standards for Equality and inclusion, Minimum wage, fair contracts, Decent working and living conditions, Safe environment. Additionally for neighbourhood ZIS has contributed to the local human capital development like, providing employment opportunities and industrial development.

- Establishing Social policy and Human rights at work policies.
- Incorporating Compliance program against Pakistan law and embedding HR compliance system.
- Ensure social dialogue and worker engagement to ensure seamless worker management communication flow.
- Process and procedures implementation through traceable, auditable systems.
- Preventative programs.
- Third party audit and reporting systems for continuous improvement.










## Governance Overview

The company has shown remarkable personal commitment from CEO, Legal structure, strong statutory endurance and compliance, consolidated management structure and stakeholder transparency. Some of the areas developed are;

- Leadership commitment at CEO level and executive board.
- Hierarchical structure and teams
- Consolidated capacity building program and training activities
- Active communication in relevant languages.
- Consolidated third party audits and reporting structure in place.
- Review and engagement with stakeholders.
- Company global philosophy is established and communicated.
- Environmental Policy and certifications are published on website
- Transparent public reports on financial and ethical conduct
- Membership and registration with legal, industrial and other relevant bodies.

The report outcomes demonstrated a diligent attitude towards business responsibility and identified the sustainability components under ESG report. Each ESG domain comprises of the extracts from various reports, data and information collated against the KPI ( key performance indicators) and performance of the company, under environmental, social and governance framework. The company performance also found aligned to United Nation's SDGs as per outcomes below;

Impact	Workers right compliance	Gender equality	Workers health	Healthy and safe working conditions	Zero water waste and use	Energy and Carbon	Reuse Recycle
Performance	100% workers on minimum wage	No gender pay gap and female workers are provided opportunities	Safe drinking water available onsite	All workers are insured for health ,provided PPE , safe working conditions	100% water efficiency with 0 Water usage and wastage-OEKO-TEX® Standard & GOTS	Initiated carbon foot print monitoring	Over 90% recycling and reuse of solid waste.
SDG alignment							



# Commitment, Vision and Mission

## Global Business Philosophy

We understand the importance of brands and maintaining them to the highest standards. We strive to enhance our brand equity by ensuring that all needs and specifications of our clients are met in the most convenient and hassle-free environment with strict adherence to quality standards. New technologies and trade laws have allowed the global market to be better connected, cohesive and significantly smaller for premier international businesses. We take these open markets as opportunities towards acquiring a more diverse clientele, and have positioned ourselves as a truly international company through various measures. We aim in continuing to strengthen exports from Pakistan by strictly adhering to quality standards for weaving, dyeing, finishing and all other processes. Furthermore, we strive to raise the benchmark of the quality of product representing Pakistan in the global textile market by taking stringent measures for quality assurance.



# Management System Certifications

ISO certifications collectively establish ZIS Textiles as a leader in quality, environmental sustainability, and occupational health and safety within our industry. They instill confidence in our stakeholders, including customers, partners, and employees, by demonstrating our commitment to excellence. Achieving and maintaining these certifications not only enhances our organizational efficiency but also positions us as a responsible and trustworthy player in the market. In an industry where reliability, sustainability, and safety are paramount, our ISO 9001, 14001, and 45001 certifications underscore our dedication to meeting the highest standards and driving continual improvement across all aspects of our business.

## ISO 9001 Certification



Our ISO 9001 certification reflects our unwavering commitment to quality management systems. This globally recognized standard demonstrates our dedication to consistently delivering products and services that meet or exceed customer expectations. By adhering to ISO 9001 principles, we streamline our processes, enhance customer satisfaction, and continually strive for operational excellence. This certification underscores our pledge to maintain the highest standards of quality across all facets of our business, ensuring our customers can trust in the reliability and consistency of our offerings.

## ISO 14001 Certification



As holders of the ISO 14001 certification, ZIS Textiles takes a proactive stance on environmental responsibility. This standard signifies our commitment to sustainable business practices, effective environmental management, and the reduction of our ecological footprint. By integrating environmental considerations into our operations, we not only comply with legal requirements but also contribute to global environmental preservation. ISO 14001 certification showcases our dedication to corporate sustainability, encouraging responsible resource usage, waste reduction, and a holistic approach to minimizing our environmental impact.

## ISO 45001 Certification



Our ISO 45001 certification highlights our commitment to creating a safe and healthy work environment for our employees. This standard for occupational health and safety management systems emphasizes the prevention of workplace injuries, illnesses, and accidents. Through rigorous safety protocols, risk assessments, and employee involvement, we prioritize the well-being of our workforce. ISO 45001 certification not only safeguards our employees but also enhances operational efficiency by minimising downtime due to accidents or health-related issues.

## Key Highlights Against Sustainability Performance Outcomes





# ENVIRONMENT

# Environmental Sustainability

## Management commitment to environment

Our slogan “Excellence without Compromise” has been proved by producing quality products over the years. We at ZIS Textiles Pvt. Ltd. Textiles are committed to continually improve and preserve our environment by complying with all applicable National environmental regulations and other requirements. We are very conscious of environmental impacts that our activities can cause and thus we continuously monitor and try to reduce these impacts through efficient and environmental friendly usage of resources.

Company has established a detailed Environmental policy, available to all workers in Urdu and communicated for public through website. As per requirements the company shows commitment for improving and preserving the environment, it also depicts commitment to ensure all legal and statutory compliance is seen as a crux and vital pillar , while placing measures to meet them. The company also acknowledge the environmental impacts and mitigation measures, that were further analysed and successfully certified under ISO 14001, suggesting the company has full system in place to assure environmental performance is measured and improved continuously. To support environmental policy ZIS also has established policies and programs for Waste Disposal and Management, Water usage and Recycle/Reuse procedures.

The policy is signed by CEO suggesting highest level of commitment as well as ISO 14001 management review meeting shows an effective system of reviewing conduct, allocating resources and setting targets.





## Environmental Sustainability measures

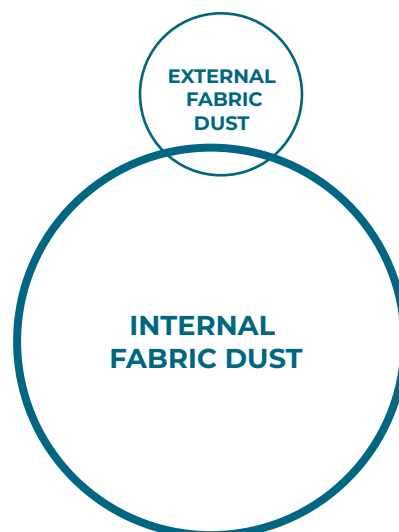
ZIS Textiles Pvt. Ltd. regularly conduct monitoring of its environmental impact as well as all operations. The policy is fully embedded and programs are in place, conduct environmental impact, environmental monitoring and reporting regularly. The key Performance standards are themed into the categories as below;

### 1. Air Emissions

Air emissions are analysed by each operation and ingredients or products used in the processes or emit as a by product of the process. The ZIS Textiles Pvt. Ltd. has analysed the internal environment and external environment for its emissions as below.

For external dust particles, ZIS Textiles Pvt. Ltd. has bags to contain the dust that is thrown later. The air quality is monitored against Air quality Index AQI as per Environmental law and is found in limits. Similarly for mitigation of dust inhalation from internal environment the direct impact is on workers, there is a double layer CPC (control points) , one at the level of machines, where ducts are secured for extraction specifically in weaving area and second is provision of PPE – Dust masks to all workers working in production.

For external dust particles, ZIS Textiles Pvt. Ltd. has bags to contain the dust that is thrown later. The air quality is monitored



### 2. Energy Consumption / CO emissions

There are three sources of energy identified , fuel, electricity and gas. All energy outputs are monitored by consumption pattern analysis of bills. Company is committed to reduce energy usage by 0.02% a year. For electricity they are now using monitoring logs and have protocols of switching off lights when not in use. Gas usage is minimal and only applicable to cooking.

The relevant energy consumption by operations

Operations	Type of energy	Usage	Risk level	Target
Weaving	Electricity Generator (gas base)	Medium	Yellow	1% increase in use of electricity through solar
Cutting	Electricity Generator (gas base)	Medium	Green	1% increase in use of electricity through solar
Stitching	Electricity Generator (gas base)	Medium	Green	1% increase in use of electricity through solar
Packing	Manual	High	Green	No action required
Distribution	Vehicle emissions (diesel)	High	Red	Switching to green energy fuel/ vehicles

### 3. Water usage and wastage

The water usage is minimal, as for production process there is no water used, and ZIS Textiles Pvt. Ltd. has secured 100% Okeotex level confirming "ZERO" water use. For water wastage it is domestic water only that is analysed and managed by local municipal.

### 4. Noise Pollution

There is an active monitoring in noise level monitoring by each operation which is seen within the PEQS levels of 75 db, however two areas Stitching and Weaving are observed with exceeding noise level threshold of 79 PEQS, and company has provided ear protection for both areas. Only applicable pollution in absence of chemical emission and land discharge



### 5. Solid waste management

The source of solid waste is divided into paper, plastic, yarn and hazardous waste. The company is continuously investing in biodegradable materials and improving the waste management and geared towards 0.02% waste reduction and increase of 30% recycling. As a result of their objectives of recycling company has achieved remarkable improvement of;

- 01** For poly bage, we use GRS (Global Recycle Standard) approved Supplier and For Carton Packaging we use FSC Certified supplier
- 02** Yarn waste – 100% recycling of yarn waste, which is collected by local waste collectors, who shred the dyed yarn in crushers and reused to make thread/ yarn.
- 03** Landfill waste – ZERO landfill waste as all paper and yarn is recycled and reused.
- 04** Chemical and hazardous waste- All products used for cleaning are water based so there is no hazardous chemical waste.
- 05** Paper waste- All paper waste is recycled.
- 06** Waste segregation- All waste streams are segregated onsite and collected by local waste collectors medicale and Hazardous Waste ( Sharp tools, Broken Needles ) Collect By EPA Approved Waste Collector .





KPI	Measures	Target per years (%age)	Performance
CO2 Emissions and reduction for carbon foot prints	This is to be evaluated the only source identified is	 0.02%	
Internal climate change policies	Environmental policy is established	Specific climate change policy to be established by end of 2024.	
Energy Consumption	Initiated monitoring of energy usage	 0.02%	
Total energy consumption	Water and electricity usage log is initiated	Baseline data to be available by end of 2024	
Energy consumption from renewable sources	Map to be established for renewable energy sources.	Base data to be available by end of 2024 for renewable source.	
Energy improvement targets	Energy reports available	Monitor and report on energy consumption by end of 2024 and measure efficiency improvement by 1%	
Water and waste	0%	Maintain water use to 0 and retain OKEO tex certification	
Water withdrawals	0%	0%	
Water discharge	No water discharge apart from domestic	Water discharge to maintain as minimum	
All waste recorded	Waste management system in place	Itenary / collection records are regularly maintained by end of 2024	
Hazardous waste	0%	Monitor waste production and maintain use of non hazardous substances	
Recycled waste	90%	95%	
Environmental policies	Established and communicated.	Continue updated policy to be available from website	
Waste Reduction policy	Established and communicated	Policy statement to be available to all stakeholders through website by end of 2024	
Water reuse policies	OKEO Tex certification in place	Policy statement to be available to all stakeholders through website by end of 2024	
Energy reuse policies	Established and communicated	To be available to all stakeholders	
Environmental oversight	Log established for environmental incident	System to be established for EEP ( Environmental emergency preparedness)	

# Overall ESG Performance

MARKERS	Initiator	Compliant	Efficient	Exceeding	Aspiration ( next 2 -5 yrs. Strategy)
POLICY LEVEL					
COMMITMENT FROM SENIOR MANAGEMENT TO INTEGRATE SUSTAINABILITY INTO THE COMPANY STRATEGY					
STAFF COMPETITIVENESS AND AWARENESS					
COMMUNICATION					
WORKERS ENAGEMENT					
Certification level					
Legal mapping and compliance					
MONITORING , AUDIT AND REVIEW					
Water and Solid waste management					

The company is aspired to achieve 100% achievement with the stated targets and performing at benchmark level for management commitment, monitoring, as well as adapting regular reporting as per GRI principles. This shows a positive strategic direction of the company , while overall structure also shows efficient performance in structural domains for environmental sustainability assurance.





# SOCIAL

# Social and Labour Measures

ZIS Textiles Pvt. Ltd. textile has established the Social policy that illustrate the commitment of company to act as a responsible business for people . The company has written and communicated the policy in Urdu so that workers can read and understand it. The key elements of the policy not only comply and show commitment to adhere with local law but also with wider international drivers for social and labour compliance. The key components of the policy , that overarch the social compliance system is illustrated as below;



KPI	Measures	Target per years (%age)	Performance
General diversity	100% local	Not applicable	
Number of employees (Total)	180	Not applicable	
Gender diversity (Total)	17% females	30%	
Number of employees (Part Time)	Not applicable		
Gender diversity(Part time)	Not applicable		
Safety and training	100% staff coverage	100% staff coverage	
Training policy	Yes	Yes	
Hours of training	03 days	03 days	
Health, safety and social policies	Yes	Yes	
Gender discrimination	None ( as per salary and job role)	None ( as per salary and job role)	
Worker health and safety	Yes	100% workers to be covered for all HSE measures	
Child labour	None	None	
Forced labour	None	None	
Human rights	Available	Need to implement joint worker council and effective grievance system	
Policies against corruption	Yes	Yes	
Policies for customer protection	Progressive	Established by end of 2024	
Policies for business ethics	Progressive	Established by end of 2024	

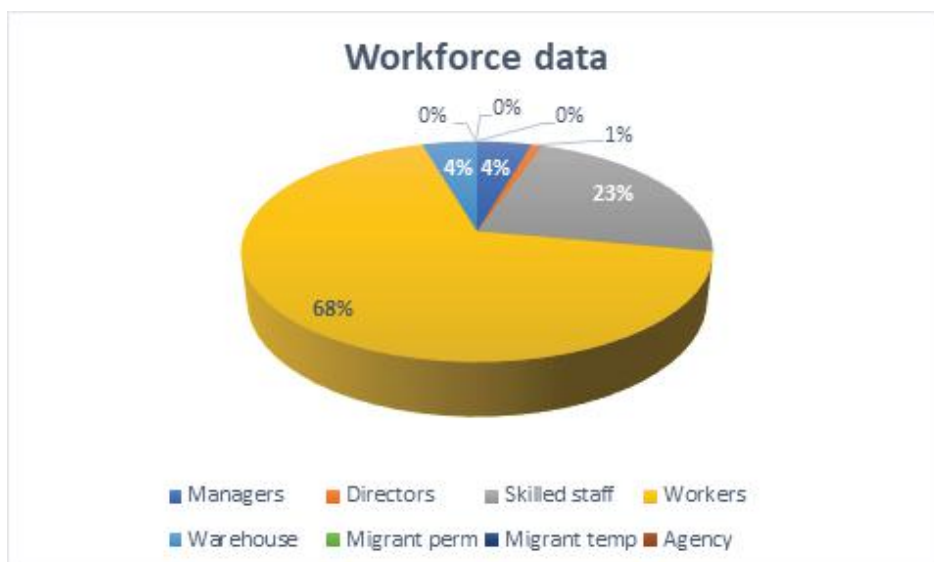
## 1. Human Capital and Staff turn over

### Policy

ZIS Textiles Pvt. Ltd. has established HR policy as per legal requirements of Pakistan law protecting human rights at work and ensuring continuity of employment, retention, fair working conditions for all employees.

### Practice

ZIS Textiles Pvt. Ltd. has total of 250 staff, of which majority 210 are workers. There are female workers as well covering the labelling and packing, while other operations are covered by males. Company is committed on all elements of social welfare and have policies to ensure workers are happy, earning minimum wage, they are protected against elements of forced labour. Build their capacity through learning , development and skill enhancement.



## 2. Training and Development

There is a potential; growth seen in learning and development activities showing company's commitment for staff development contributing to larger community impact of producing skillful workforce. The staffing analysis illustrates company's commitment of engaging experts and expert organisation to create competitiveness and capacity for assuring delivery of Social and Labour standards effectively throughout the organisation. There is recently seen a measurable activity through risk assessments, close monitoring of corrective actions and internal reporting and accountability channels.

## 3. Workforce Anti Discrimination and Equal Opportunity

### Policy Level

There is a comprehensive policy on anti discrimination, available to all employees in Urdu and English. The policy is well laid as per legal requirements; Few of key measures taken to build on capacity of diverse workforce in harmonised way are;

1. Non retaliative, unbiased anti discriminatory policy and zero tolerance policy is fully functional.
2. Grievance and discrimination panel are well established and trained and are under continuous development for best practices.
3. Anti discrimination measures are integrated with cross cutting applicable themes using risk base approach for example for facilitation of Freedom of association, access to leave and other benefits etc.
4. Ensure managers are trained on antidiscrimination practices to ensure impartial recruitment process which maintains all through the tenure of employment.
5. Active worker engagement sessions to help all managers understand the sense of inclusion in their team.
6. Worker awareness and behaviour intervention training for managers and supervisors to understand the cultural gaps, language expressions and avoid any mistreatment.
7. To advertised open vacancy without any specific discrimination to gender, age, ethnicity or any other discrimination characters.
8. Including women in our management and technical position.
9. Training need assessment is done to provide career and personal development as per job need.





## Practices

Out of 300 workforce 180 are workers, of which 17% are female workers mainly involved in packaging and labelling. The female workers are provided similar salary package as males working in similar roles, showing equality in gender pay.

Staff	2023
Total Workers available onsite	250
Total females	30
Total males	150
Female salary	32000
Male salary	32000
Minimum wage	32000

## 4. Fair Working Conditions

### Policy level

Company has well established Social Policy covering the fair conditions provision, commitment at management level and other policy framework including contractual obligations, retention and termination policies as a larger formulation of legal compliance as well as protecting basic human rights.

### Practice level

There are contracts in place, covering 100% of the workforce. Other indicators were also observed to demonstrate good practices, including reasonable turnover of only 0.5% a year. The remuneration and working hours are narrated through policies and contract, as well as covered under induction and awareness training or memos. Some of the compliance data is provided as below;

KPI	Performance	Legal marking	Performance Level
Contract in place	180	100% of workforce should have contracts	
Minimum Wage	32000 (Per Month) PKR	100% of workers should be on minimum wage	
Working hours	48 hours/ week	No one should work above 48 hours including OT	
OT payments	Double rate premium	All OT to be paid at legal premium	
Leave and rest days	All workers get access to annual leave , 30 min lunch break and 1 day off as rest day	All workers to have access to leave and must have legal break and rest hours	
Access to grievance system	Grievance system is available with suggestion box, speaking with supervisor and letter to management	Not all workers found comfortable accessing grievance	
Union or worker rep	There is a joint staff council	Worker representation must be available and all workers should be aware of FOA.	
EOBI/ Insurance cover	100% staff is registered for EOBI and covered under PESI, additionally Annual Bonus and subsidise food on canteen is provided.	All staff to be registered for national insurance and legal benefits	

# Workers Voice

From the detailed analysis of workforce data and living conditions , it is reflected that workers are respected, prioritised and listened to for example

1. Their personal belongings
2. Minimum wage
3. Leave and other benefits
4. Choice to join joint worker council
5. Raise grievance
6. Work reasonable hours
7. There are active grievance channels and mechanisms to hear workers
8. COVID safe practices and remedy for workers
9. Subsidised food and other facilities

## **Training and development of Workers**

The Recent program was engaged where Workforce was fully trained and made aware of human rights at work, their contractual terms and local law, providing them a platform to confidently raise issues . Whilst on other side all managers were trained as well to assure they are well equipped with tools and techniques to engage with workers, to ensure their issues are heard and resolved.

## **5. Health and Safety**

Safety is a top priority at ZIS Textiles . ZIS management has implemented measures based on Health and Safety to ensure the safety of all individuals working at the factory. The Health and Safety policy, along with a dedicated team of HSE-trained officers is in place. Signs, PPEs, and other safety measures are provided to ensure that workers operate in secure conditions and are protected from any potential harm or injury. ZIS emphasizes the principle of Safety First, which is reinforced through internal audits and reviews.



## Living conditions

Workers have access to dormitories and rest areas are provided , all accommodations are installed with fire alarms and equipment's that are tested and maintained regularly.

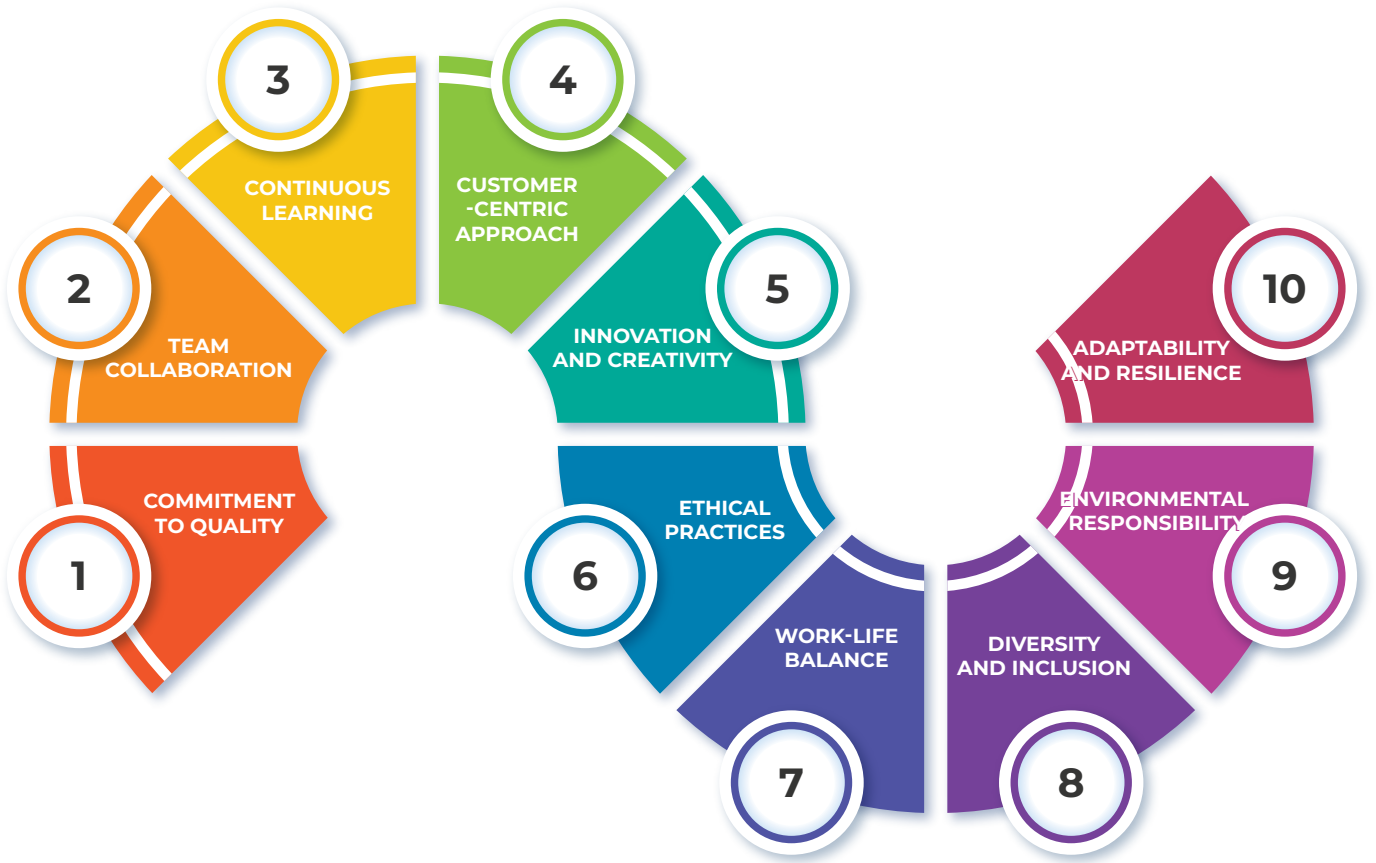
- Medical facility and first aid is available.
- Fire safety
- Reasonable bed space 4m minimum as per ILO requirements
- Food and kitchen area is provided
- Each facility is provided with policies
- Suggestion boxes are installed across the site

Some actions are progressive and are constantly reviewed for example kitchen hygiene, conditions of building and maintenance issues , visibility of safety signs , transport etc.

KPI	Performance	Legal marking	Performance Level
Health and safety committee	Yes Health and safety committee is present representing Workers and management	Health and safety committee to be established under factory Act 1934.	
Establishment of monitoring system for HSE incidents	Yes Incident and Accident log	All injuries must be reported and recorded	
Please provide data for this year and last year for No of incidents	05 Minor injuries	All injuries must be reported and recorded	
Health and safety Training for workers	Only covered for machine operators	100% of workers to be covered for Health and Safety training.	
What percentage of workers get PPE	100%	All workers to be provided for PPE	
What percentage of workers are trained for HSE	All production and machine operator	All staff to be trained for HSE	

### Diversity, Equity and inclusion ( DEI) Mission

At ZIS Textiles Pvt. Ltd. we're committed to fostering an inclusive workplace, celebrating diverse perspectives, and providing equitable opportunities. This commitment extends to the communities we serve, making us a positive force for change in the textile industry. By weaving together the diverse threads of our workforce, we strengthen our company's fabric, promoting innovation, resilience, and shared success."



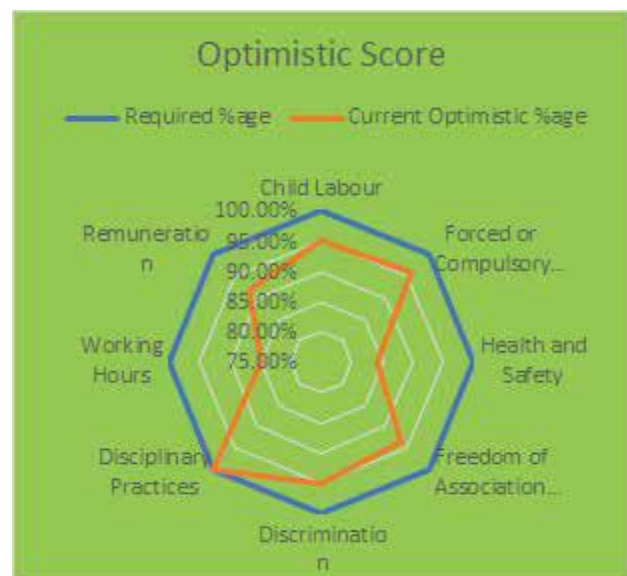
## HSE Conditions

Similarly heavy piece of work has been done to ensure health and safety at site with a vision of Zero incidents, 100% reporting of near misses and active risk assessment. This program resulted in a very popular campaign among workers on “ See it , Say it, Sort it” . This program achieved amazing harmony among workers and managers and resulted in cleaner , uncluttered spaces, all risks identified and ratified on spot, all people grievances logged and resolved in real time.

The overall safety performance indicators reflect a robust recording and capturing of injuries and incidents, illustrating proactive system implementation. There are development areas recognised and progress can be seen in areas for example availability of signs and policies in different languages, increasing access to trained emergency staff, training , development and ongoing capacity building. However the progressive areas are ongoing staff training and development, monitoring of maintenance and house keeping.

MARKERS	Initiator	Compliant	Efficient	Exceeding	Aspiration ( next 2 -5 yrs. Strategy)
POLICY LEVEL					
COMMITMENT FROM SENIOR MANAGEMENT TO INTEGRATE SUSTAINABILITY INTO THE COMPANY STRATEGY					
STAFF COMPETITIVENESS AND AWARENESS					
COMMUNICATION					
WORKERS ENAGEMENT					
Legal compliance to rights at work ( wages, working hours, remuneration, health and safety)					
COMMUNITY ENGAGEMENT					
Workers engagement and grievance management					
MONITORING , AUDIT AND REVIEW					

Overall Conduct against key Labour standards, using based on SAI self assessment tool



Considering the seriousness and reputational risk directly related to labour standards implementation, below is the detail risk assessment provided through SAI- Self evaluation report as below under each ILO ETI and BSCI standards.

Clause No.	Description	Required Score	Pessimistic Score	Optimistic Score
<b>1</b>	<b>Child Labour</b>			
1.1	The organisation shall not engage in or support the use of child labour as defined above	5	5	5
1.2	The organisation shall establish, document, maintain and effectively communicate to personnel and other interested parties, written policies and procedures for remediation of child labourers, and shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child as defined above.	5	3	4
1.3	The organisation may employ young workers, but where such young workers are subject to compulsory education laws, they shall work only outside of school hours. Under no circumstances shall any young worker's school, work and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours.	5	4	5
1.4	The organisation shall not expose children or young workers to any situations – in or outside of the workplace – that are hazardous or unsafe to their physical and mental health and development.	5	5	5
<b>Total Score</b>		<b>20</b>	<b>17</b>	<b>19</b>

Clause No.	Description	Required Score	Pessimistic Score	Optimistic Score
<b>2</b>	<b>Forced or Compulsory Labour</b>			
2.1	The organisation shall not engage in or support the use of forced or compulsory labour, including prison labour, as defined in Convention 29, shall not retain original identification papers and shall not require personnel to pay 'deposits' to the organisation upon commencing employment.	5	4	5
2.2	Neither the organisation nor any entity supplying labour to the organisation shall withhold any part of any personnel's salary, benefits, property or documents in order to force such personnel to continue working for the organisation.	5	4	5
2.3	The organisation shall ensure that no employment fees or costs are borne in whole or in part by workers.	5	4	5
2.4	Personnel shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided that they give reasonable notice to their organisation.	5	3	4
2.5	Neither the organisation nor any entity supplying labour to the organisation shall engage in or support human trafficking.	5	4	5
<b>Total Score</b>		<b>25</b>	<b>19</b>	<b>24</b>



Clause No.	Description	Required Score	Pessimistic Score	Optimistic Score
<b>3</b>	<b>Health and Safety</b>			
3.1	The organisation shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of, associated with or occurring in the course of work. It shall minimise or eliminate, so far as is reasonably practicable, the causes of all hazards in the workplace environment, based upon the prevailing safety and health knowledge of the industry sector and of any specific hazards.	5	4	5
3.2	The organisation shall assess all the workplace risks to new, expectant and nursing mothers including those arising out of their work activity, to ensure that all reasonable steps are taken to remove or reduce any risks to their health and safety.	5	4	5
3.3	Where hazards remain after effective minimisation or elimination of the causes of all hazards in the workplace environment, the organisation shall provide personnel with appropriate personal protective equipment as needed at its own expense. In the event of a work-related injury the organisation shall provide first aid and assist the worker in obtaining follow-up medical treatment.	5	3	5
3.4	The organisation shall appoint a senior management representative to be responsible for ensuring a safe and healthy workplace environment for all personnel and for implementing this Standard's Health and Safety requirements.	5	4	5
3.5	A Health and Safety Committee, comprised of a well-balanced group of management representatives and workers, shall be established and maintained. Unless otherwise specified by law, at least one worker member(s) on the Committee shall be by recognised trade union(s) representative(s), if they choose to serve. In cases where the union(s) does not appoint a representative or the organisation is not unionised, workers shall appoint a representative(s) as they deem appropriate. Its decisions shall be effectively communicated to all personnel. The Committee shall be trained and retrained periodically in order to be competently committed to continually improving the health and safety conditions in the workplace. It shall conduct formal, periodic occupational health and safety risk assessments to identify and then address current and potential health and safety hazards. Records of these assessments and corrective and preventive actions taken shall be kept.	5	3	4
3.6	The organisation shall provide to personnel, on a regular basis, effective health and safety training, including on-site training and, where needed, job-specific training. Such training shall also be repeated for new and reassigned personnel, where incidents have occurred, and when changes in technology and/or the introduction of new machinery present new risks to the health and safety of personnel.	5	3	5
3.7	The organisation shall establish documented procedures to detect, prevent, minimise, eliminate or otherwise respond to potential risks to the health and safety of personnel. The organisation shall maintain written records of all health and safety incidents that occur in the workplace and in all residences and property provided by the organisation, whether it owns, leases or contracts the residences or property from a service provider.	5	3	4
3.8	The organisation shall provide, for use by all personnel, free access to: clean toilet facilities, potable water, suitable spaces for meal breaks, and, where applicable, sanitary facilities for food storage.	5	3	5
3.9	The organisation shall ensure that any dormitory facilities provided for personnel are clean, safe and meet their basic needs, whether it owns, leases or contracts the dormitories from a service provider.	5	3	4
3.10	All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the organisation.	5	3	5
<b>Total Score</b>		<b>50</b>	<b>33</b>	<b>47</b>

Clause No.	Description	Required Score	Pessimistic Score	Optimistic Score
<b>4</b>	<b>Freedom of Association &amp; Right to Collective Bargaining</b>			
4.1	All personnel shall have the right to form, join and organise trade union(s) of their choice and to bargain collectively on their behalf with the organisation. The organisation shall respect this right and shall effectively inform personnel that they are free to join a worker organisation of their choosing without any negative consequences or retaliation from the organisation. The organisation shall not interfere in any way with the establishment, functioning or administration of workers' organisation(s) or collective bargaining.	5	3	5
4.2	In situations where the right to freedom of association and collective bargaining are restricted under law, the organisation shall allow workers to freely elect their own representatives.	5	3	4
4.3	The organisation shall ensure that union members, representatives of workers and any personnel engaged in organising workers are not subjected to discrimination, harassment, intimidation or retaliation for being union members, representative(s) of workers or engaged in organising workers, and that such representatives have access to their members in the workplace.	5	3	5
<b>Total Score</b>		<b>15</b>	<b>9</b>	<b>14</b>

Clause No.	Description	Required Score	Pessimistic Score	Optimistic Score
<b>5</b>	<b>Discrimination</b>			
5.1	The organisation shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination.	5	3	4
5.2	The organisation shall not interfere with the exercise of personnel's rights to observe tenets or practices or to meet needs relating to race, national or social origin, religion, disability, gender, sexual orientation, family responsibilities, union membership, political opinions or any other condition that could give rise to discrimination.	5	4	5
5.3	The organisation shall not allow any behaviour that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact, in the workplace and in all residences and property provided by the organisation, whether it owns, leases or contracts the residences or property from a service provider.	5	3	5
5.4	The organisation shall not subject personnel to pregnancy or virginity tests under any circumstances.	5	4	5
<b>Total Score</b>		<b>20</b>	<b>14</b>	<b>19</b>

Clause No.	Description	Required Score	Pessimistic Score	Optimistic Score
<b>6</b>	<b>Disciplinary Practices</b>			
6.1	The organisation shall treat all personnel with dignity and respect. The organisation shall not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is allowed.	5	3	5
<b>Total Score</b>		<b>5</b>	<b>3</b>	<b>5</b>

Clause No.	Description	Required Score	Pessimistic Score	Optimistic Score
<b>7</b>	<b>Working Hours</b>			
	The organisation shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal work week, not including overtime, shall be defined by law but shall not exceed 48 hours.	5	2	4
	Personnel shall be provided with at least one day off following every six consecutive days of working. Exceptions to this rule apply only where both of the following conditions exist: a) National law allows work time exceeding this limit; and b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods.	5	3	4
	All overtime work shall be voluntary, except as provided in 7.4 below, shall not exceed 12 hours per week and shall not be requested on a regular basis.	5	3	5
	In cases where overtime work is needed in order to meet short-term business demand and the organisation is party to a freely negotiated collective bargaining agreement representing a significant portion of its workforce, the organisation may require such overtime work in accordance with such agreement. Any such agreement must comply with the other requirements of this Working Hours element.	5	2	4
<b>Total Score</b>		<b>20</b>	<b>10</b>	<b>17</b>



Overall it is concluded that ZIS Textiles Pvt. Ltd. acknowledge the challenge of diverse workforce and complex operational structure. Ensuring Labour compliance is a way forward to sustainability by enriching local economy with positive , healthy and productive workforce.

There is a residential facility provided and thoughtfully ensured that all workers and labour are **safe, comfortable and respected** at all levels and there is a harmonised culture of positive and constructive relationships between workers and management. All workers are respected for their rights at work, that include



- Decent living and working conditions provided
- All workers Chinese and Pakistani have contracts
- All workers are aware of local laws and welfare programs
- All workers have a right to freedom of association
- Minimum wages are provided to all workers without any discrimination for directly employed as well as for those employed under sections and subcontracting arrangements.
- All workers are aware of their rights
- All workers have a right to leave / freedom of movement
- No one is discriminated
- All workers have access to grievance





# GOVERNANCE



The company's performance against governance criteria aligns with international best practices, incorporating both ethical considerations and adherence to legal frameworks. The organization's culture, behaviour, and values prioritize ethical conduct in business.

Furthermore, the company demonstrates a robust commitment to sustainability initiatives, encompassing social, environmental, and labour conduct. This commitment is evident through well-defined policies, accountability and transparency, organizational structures, and allocated resources. The social and environmental policy analysis underscores the company's dedication to:

- ❖ Strict adherence to legal compliance.
- ❖ Commitment to performing in accordance with international standards and meeting clients' export requirements.
- ❖ Continuous commitment to improvement.

Governance Maturity Matrix Report and Analysis

MARKERS	Initiator	Compliant	Efficient	Benchmark	Aspiration ( next 2 -5 yrs. Strategy)
Policy Level					
COMMITMENT FROM SENIOR MANAGEMENT TO INTEGRATE SUSTAINABILITY INTO THE COMPANY STRATEGY					
LEGAL COMPLIANCE OF BOARD AND GOVERNANCE STRUCTURE					
STRATEGIC SUSTAINABILITY PLAN THAT'S CLEARLY COMMUNICATED WITHIN THE COMPANY					
STRATEGIC SUSTAINABILITY PLAN THAT'S CLEARLY COMMUNICATED TO STAKEHOLDERS					
STRATEGIC SUSTAINABILITY PLAN THAT'S CLEARLY COMMUNICATED TO WORKERS					
AUDIT AND REVIEW					
TEHCNOLOGY AND DIGITAL ADAPTATIONS ( softwares and IT based systems)					
TRANSPARENCY AND ACCOUNTABILITY					
Overall Maturity Scoring					





Board has demonstrated clear strategy, vision and commitment in terms of resources and expertise to ensure company performs well, with a strong will to work shoulder by shoulder with lenders and stakeholders to meet all requirements. Keeping transparent approach, it is apparent that policy commitment are up to the mark, while at implementation level there were some gaps identified for example full integration of social system, however the company has identified the measures below through various programs;

1. Social compliance program
2. Improvement in Induction training and one to one policy level awareness assurance.
3. System of traceability of environmental and social risks and mitigation review.
4. Constant internal audit and monitoring systems to be in place to ensure all CAPA measures are fully closed.
5. Resource allocation and rigorous management system review in place with preventative approach.

### **Stakeholder Engagement**

ZIS Textiles Pvt. Ltd. not only have their own initiatives but has shown a healthy and constructive relationships with all local and international stakeholders. The stakeholders relationships are acknowledged as integral for managing the environmental as well as social impacts as seen from CEO message. The initiatives for stakeholder engagement are adapted rigorously across the board.

### **Ethical Conduct**

The ZIS Textiles Pvt. Ltd. team is fully compliant with legal obligations and have high level Ethical policy available overlapping with Social policy. Aligned to this ZIS Textiles Pvt. Ltd. also have confidentiality policy, antibribery policy stated as per lawful requirements. Company as a demonstration of integrity is registered with all legal bodies, including FBR and publish accounts and taxes.

ZIS Textiles Pvt. Ltd. is registered with Punjab SECP as well as with Site is fully compliant and registered with local labour office providing openness and transparency for any assessments or audits on social and labour conduct.

# CSR and Social

In line with our unwavering dedication to Corporate Social Responsibility (CSR), our company proudly upholds a set of impactful initiatives aimed at fostering positive change within the local community. These initiatives, outlined below, reflect our commitment to creating a lasting and meaningful impact:

## Clean Water Supply Project

Our commitment to environmental sustainability extends to providing a dedicated clean water supply to the local community. Through the implementation of innovative solutions, such as dedicated tap installations, we aim to ensure access to safe and reliable water sources, thereby contributing to the overall well-being of the community.

## Eid and Ramadan Contributions for Food and Welfare

Recognizing the significance of cultural and religious celebrations, we actively participate in enhancing the festive experience during Eid and Ramadan. Our contributions extend beyond mere festivities, focusing on ensuring that everyone in the community has access to an ample supply of food and the necessary welfare support, fostering a sense of inclusivity and shared joy.

## Funding Local Fundraising Activities

We believe in the power of community-driven initiatives, and as part of our CSR commitment, we actively contribute to local fundraising activities. By providing financial support to various community-driven projects, we aim to empower local organizations and initiatives that align with our values, fostering a collaborative and supportive environment.

## Promoting Local Job Preferences

At the heart of our CSR strategy is the belief that economic empowerment starts with providing opportunities for sustainable livelihoods. In line with this principle, our company prioritizes local job preferences, striving to create employment opportunities within the community. By doing so, we contribute not only to individual prosperity but also to the overall economic development of the region.

In addition to the specific initiatives mentioned above, our commitment to CSR extends to various other areas, such as education, healthcare, and environmental conservation. By actively engaging in a broad spectrum of social responsibility initiatives, we aim to be a catalyst for positive change, leaving a legacy of social and environmental impact within the communities we serve. Our dedication to these endeavors underscores our belief that businesses can and should play a pivotal role in building a more sustainable and equitable future for all.





## **ZIS Textiles Pvt Ltd**

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