

Table of Contents

Message from the Chief Executive	116
Sustainability Performance 2016-17 at a Glance	117
Sustainability Strategy and Sustainability Council	118
About the Report	120
Materiality Assessment	121
Stakeholder Engagement	123
Economic Performance: Management Approach	127
Integrity Management: KPIs and Overview 2016-17	128
Sourcing: KPIs and Overview 2016-17	129
Environmental Performance Management Approach	130
Environmental Performance Management (EPM) Database (Sustainability Highlight)	131
Energy: KPIs and Overview 2016-17	132
Off-Grid Solar Power for Lillah Salt Mine (Sustainability Highlight)	133
Water: KPIs and Overview 2016-17	134
Conserving Resources at the Polyester Business (Sustainability Highlight)	135
Emissions: KPIs and Overview 2016-17	136
Effluents and Waste: KPIs and Overview 2016-17	137
Social Performance Management Approach	138
HSE&S Champions Project, Life Sciences Business (Sustainability Highlight)	140
Occupational Health and Safety: KPIs and Overview 2016-17	142
Training and Education: KPIs and Overview 2016-17	143
Diversity and Equal Opportunity: KPIs and Overview 2016-17	144
Non-Discrimination: KPIs and Overview 2016-17	145
Providing Accessible Healthcare (Sustainability Highlight)	146
Local Communities: KPIs and Overview 2016-17	147
GRI Content Index	148
External Assurance	158

Message from the Chief Executive

Dear stakeholder,

Welcome to the ninth annual Sustainability Report for ICI Pakistan Limited, presented as part of the Company's Annual Report 2016-17. This year, we have attempted to report on our sustainability efforts in line with the newly introduced GRI Standards, and I am pleased to share that we are one of the first companies in Pakistan to adopt these new reporting standards. The fact that we continue to voluntarily report on sustainability, and endeavour to improve our reporting standards and report quality year on year, is a testament to the importance placed on sustainability practices and their timely, transparent disclosure at ICI Pakistan Limited.

As a manufacturing concern, we are well aware of our impacts on the economy, environment and society. We continue to work to manage and offset these impacts as much as reasonably possible, alongside ensuring the growth of the business and value creation for our stakeholders. This is an important part of our brand promise, Cultivating Growth, which as I often reiterate, is a promise that extends to all aspects of the Company's operations.

As we have reported on sustainability parameters for almost a decade now, we have a clear understanding of the topics and key areas that are of highest priority to the Company. Nevertheless, adopting the GRI Standards gave us the opportunity to revisit and rethink some of the parameters we report on. Broadly speaking, I can tell you that health, safety and security continues to be a prime area of focus for us, as well as our various environmental impacts (including emissions, water management and waste reduction), and investment in our people.

This report is about transparency, and about sharing information with our stakeholders so that they can better understand and assess our operations. During 2016-17, we did have a few regrettable incidents with regard to safety. You will find details in the report, but rest assured the outcome of these incidents was a re-evaluation and tightening of our HSE&S protocols and procedures. Investigations were carried out for the incidents that occurred, remedial action was taken accordingly, and we have worked to make sure our people at all levels learn a valuable lesson from such incidents so that we are all more vigilant and better equipped in the future. The Company remains focussed on assessing the effectiveness of existing regulatory HSE&S frameworks and approaches on an ongoing basis. In 2016-17, one of our main focus areas was employee training on various facets of HSE&S, including upgradation of existing procedures and protocols.

With regard to energy, we have seen an increase in consumption that was driven by a necessary change in our fuel mix. The persisting fuel crisis in the country, particularly with regard to liquefied natural gas (LNG) availability, necessitated that we turn to other fuel sources to power our

operations. Our resultant increased energy consumption was reflected in higher per ton energy usage in 2016-17 as compared to last year. Water consumption for 2016-17 also increased in comparison to last year, due to major expansion projects undertaken at our Soda Ash site. However, this was compensated for to some extent by the fresh water usage reduction initiatives taken by all our manufacturing sites.

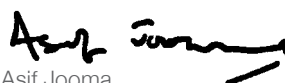
A particularly successful case of water reuse and conservation was seen at our Polyester site, where ten million litres of water were recycled during the year from our wastewater treatment facility; this translated into fresh water savings sufficient to serve the drinking needs of ten thousand people for the whole year. So, as you will see, consistent efforts are being made to offset impacts where they occur.

Today, ICI Pakistan Limited is growing; we have capacity expansions underway, as well as the integration of acquired manufacturing facilities and other projects in the pipeline. Regardless of our growth and subsequent increase in our energy needs and environmental outputs, we ensure that we manage these impacts in line with regulatory compliance requirements such as the National Environmental Quality Standards (NEQS). We also encourage our teams to continually think of new and innovative methods to minimise impacts and maximise the effectiveness of our processes.

At ICI Pakistan Limited we have a multi-functional Sustainability Council that is tasked with reviewing annual sustainability performance and setting voluntary targets for future performance. These targets are set based on data gathered by our Environmental Performance Management (EPM) database which collates and analyses data on relevant sustainability parameters. In this report, we present a new range of five-year targets (for 2021). These targets will now guide our sustainability performance for the coming years. However, it is important to be realistic and to adapt to changing circumstances as needed; with the aforementioned upcoming expansions, acquisitions and new projects, these targets may require subsequent review and revision.

Going forward, energy management and responsible use of resources will continue to be a key priority for us, as will ongoing health, safety and security, along with the creation of greater economic and social value. These priorities are a vital part of Cultivating Growth for us at ICI Pakistan Limited, as we strive to make more responsible, sustainable choices in our business.

Best regards,



Asif Jooma,
Chief Executive,
ICI Pakistan Limited

Sustainability Performance 2016-17 at a Glance



The existing Learning Events database was utilised to identify top risks to the Company. The Chief Executive's Best HSE&S Initiative Award was relaunched to recognise the best solutions to mitigate these risks.



Successful relaunch of the Environmental Performance Management (EPM) Database, an application for the collation and analysis of the Company's HSE&S data.



ICI Pakistan Limited 2016-17 Sustainability Report prepared in accordance with the newly issued GRI Standards



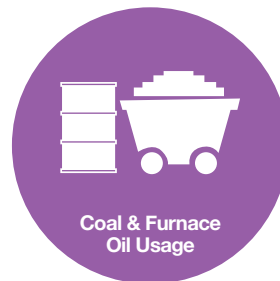
Due to compliance with the Company's Health Assessment and Work Environmental monitoring programmes, no occupational illness was reported.



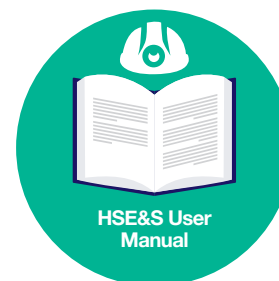
In light of the current security situation, the ICI Pakistan Limited Crisis Management Plan was updated and reissued.



HSE&S Training Calendar 2016-17 was developed and fully implemented, the highlight of which was the Hazard Study Leadership Course. 4,130 man-days for training were successfully completed.



The use of coal and furnace oil increased due to the prevailing energy situation, negatively impacting gaseous emissions and total energy per ton production.



The Company's HSE&S reporting manual (HSE-003 Arrangement for Reporting HSE Performance) was reviewed and aligned with the latest international standards on reporting. Through this system, immediate reporting to all stakeholders is ensured.



There were four reportable injuries to employees and supervised contractors, and one reportable injury to an independent contractor. Investigations were carried out for all incidents and recommendation plans implemented accordingly.

Sustainability Strategy and Sustainability Council

At ICI Pakistan Limited, we manage sustainability in line with a laid-out sustainability strategy and with the help of a Sustainability Council, which acts as a governing body on matters relating to sustainability targets and performance.

Sustainability Strategy

Our sustainability strategy is simple and compelling. It is divided into the following underlying principles, which we aim to uphold and adhere to:

1. Fostering a Culture of Excellence

We aim to build an environment in which people constantly strive to deliver more, and we endeavour to achieve this through attracting and retaining the best talent. This mindset encompasses sustainability-related practices and performance.

2. Operating Responsibly

We strive to operate with due respect and consideration for our environment, communities and other stakeholder groups. We endeavour to create and put into practice processes which evolve with changing needs, while ensuring that we operate responsibly.

3. Environmental Stewardship

We want to be the leaders in innovation and developing solutions for cleaner, greener systems to reduce our impact on the environment.

4. Creating Socioeconomic Value

We work to create value in our local communities by providing the tools and assistance required for capacity building, and improving quality of life.

5. Transparency

We ensure that all processes and operations at our Businesses and Functions are transparent. We believe that

our stakeholders have a right to information; transparency in this regard promotes and increases trust.

Sustainability Council

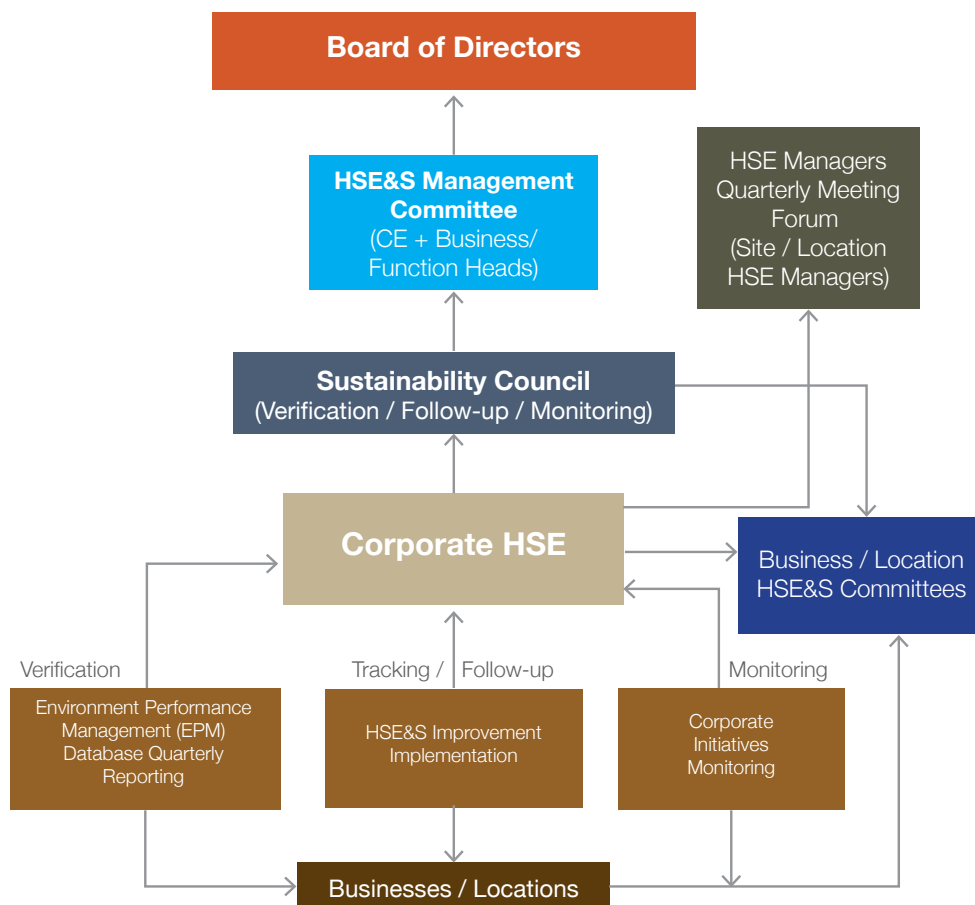
Established in FY 2013-14, the Sustainability Council is a multi-disciplinary team comprising members from all Business and functional areas of the Company. The Council was established to foster the ongoing sustainable growth of ICI Pakistan Limited.

The Council's objective is, therefore, to assist the Board in fulfilling its oversight responsibility to shareholders with regard to the Company's sustainability practices. The Council's scope includes development, implementation and monitoring of the Company's Health, Safety, Environment and Security (HSE&S) policies and practices.

Responsibilities of the Council

- Define sustainability KPIs, measurement matrices, and establish sustainability targets.
- Review partnerships and relationships, both current and proposed, with stakeholders, i.e., customers, regulators, communities, shareholders and suppliers.
- Formulate and execute communication strategies relating to the Company's sustainable growth.
- Introduce new and innovative technologies that will further the goal of sustainability within the Company, and implement actions to protect such technologies.

Structure and Operation of the Sustainability Process at ICI Pakistan Limited



In accordance with the requirements of the ICI Pakistan Limited HSE&S Management System, all Businesses and functional locations are required to monitor and report parameters that directly affect the Company's Operational Eco Efficiency (OEE) footprint. Besides this, all Businesses are also required to report their health and safety performance. The reporting is governed through a state-of-the-art application called the Environmental Performance Management (EPM) database (more details on the EPM can be found on page 131).

The Corporate Health, Safety, and Environment (HSE) department functions as an independent authority within the organisation and is the custodian of the EPM database. Corporate HSE analyses data to extract trends for each

sustainability KPI, and benchmarks performance against the baseline. These trends are then presented to the Sustainability Council for review. After discussion, the Council agrees on a suitable mechanism for the control of the KPIs based on global sustainability guidelines. The Council also briefs the Company's Executive Management Team (EMT) regarding the OEE footprint, potential technological requirements and the financial impacts these may have on the Company and its communities.

This reporting cycle culminates with realistic targets and plans being set for individual KPIs, covering the current year as well as the next five years. Quarterly meetings are held to ensure that all KPIs remain on track to achieve the designated target.

About the Report

This is the ninth annual Sustainability Report of ICI Pakistan Limited, and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Voluntary sustainability reporting was initiated by ICI Pakistan Limited in 2008, and continues as a part of our commitment to sustainable practices and transparency.

Report Boundary

The report covers the four core Businesses and corporate Functions of the Company, including manufacturing sites, corporate offices and regional/Business offices. The data in this report does not cover subsidiaries or associated companies of ICI Pakistan Limited.

Employee data includes management and non-management staff. Community investment is handled by the ICI Pakistan Foundation, which is a separate legal entity registered as a trust. All monetary amounts in this report are given in Pakistani rupees (PKR), unless otherwise indicated.

Reporting Period

The reporting period corresponds with the Company's financial year 2016-17 (from July 1, 2016, to June 30, 2017). The cycle of reporting is annual.

Report Content

This report provides information on topics that have been assessed to be material to the Company, in accordance with GRI Standards requirements. The content of this report has been developed keeping in consideration the GRI 101 Foundation Reporting Principles, which include principles that govern both, content and quality.

Developed in accordance with the Company's sustainability strategy (outlined in this document), this report also presents KPIs relating to these topics that have been set internally by the Company's sustainability reporting governing body, the multi-disciplinary Sustainability Council. Key Performance Indicators (KPIs) shared in this report were set during 2016-17, after the 2015-16 report covered the concluding year of the previous five years' targets.

The five-year target for KPIs set in 2016-17 is the year 2020-21; performance KPI targets to be achieved by that date have been set accordingly. These will serve to guide us in our sustainability efforts going forward. However, given the Company's growth and expansion, as well as a changing economic and political landscape, these targets may be subject to review and revision going forward.

Data Collection

Data has been obtained from our financial management reporting systems, the corporate HR information

management system, and the Company's Environmental Performance Management (EPM) database, which is a tool for the collection and reporting of data on Health, Safety, Environment & Security (HSE&S) parameters.

Our internal reporting cycle takes place on a quarterly basis and related information is gathered and input by the respective Businesses and Functions for review by the Corporate Health, Safety and Environment (HSE) department. The Corporate HSE Manager is responsible for data for ICI Pakistan Limited as a whole. Data pertaining to integrity management, employment practices, sourcing and community investment is compiled and monitored by the Sustainability Council members responsible for each area. Where limitations in collecting data exist, we have attempted to include appropriate explanations in the report.

Review & Assurance

Independent review of this report was conducted by A.F. Ferguson & Co. (a member of the PwC network), in accordance with GRI Standards requirements, and they were engaged for this purpose by the Sustainability Council. A statement from the independent external reviewer is included at the end of this sustainability report, and outlines the scope of the assurance exercise carried out. The GRI Standards are a new, revised sustainability reporting framework that replace the GRI G4 Reporting Framework, and remain the most widely accepted global standard for sustainability reporting.

Contact Us

We encourage feedback on our Sustainability Report. If you would like to comment on the report or if you need more information, please email us at: **corporate.hse@ici.com.pk**

You may also contact the following at ICI Pakistan Limited:

Muhammad Zafar Farid

Corporate Health, Safety and Environment (HSE) Manager
MuhammadZafar.Farid@ici.com.pk

Syed Hamza Mohsin

Assistant Manager HSE
Syed.Mohsin@ici.com.pk

Hafsa Zubair

Manager Corporate Communications and Public Affairs
Hafsa.Zubair@ici.com.pk

*A soft copy of this report and additional information on the Company, including our business units and products, is available on our website at **www.ici.com.pk***

Materiality Assessment

At ICI Pakistan Limited, we focus our sustainability efforts on those areas that potentially have significant impact on the most vital stakeholder groups, and which are deemed to be of greatest significance and value to the Company's continued growth, performance and success. This section shares information on these critical or material topics and aims to explain how they have been chosen, and why they are critical to our operations.

Material topics for sustainability performance are identified based on several factors, including stakeholders' concerns and feedback, alignment with the Company's strategy, objectives, vision, values and brand promise (Cultivating Growth); the past practice of the Company; and internal analysis, debate and discussion on issues raised by our multi-functional Sustainability Council. Material topics are also chosen based on general relevance and likely impact in broader social, economic and environmental contexts, such as the markets in which we operate, energy availability, environmental issues and climate change.

List of Material Topics and their Boundaries		
Area	Material Topic	Boundary
Economic	Economic Performance	ICI Pakistan Limited
	Indirect Economic Impacts	Local community
	Market Presence	ICI Pakistan Limited
Social	Occupational Health and Safety	ICI Pakistan Limited
	Training and Education	ICI Pakistan Limited
	Diversity and Equal Opportunity	ICI Pakistan Limited
	Non-Discrimination	ICI Pakistan Limited
	Local Communities	ICI Pakistan Limited, our local communities
Environmental	Energy	ICI Pakistan Limited, our customers
	Water	ICI Pakistan Limited, our local communities, our customers
	Emissions	ICI Pakistan Limited, our suppliers, our local communities
	Effluents & Waste	ICI Pakistan Limited, our suppliers, our local communities

Relevance of Material Topics to ICI Pakistan Limited

ECONOMIC

Economic Performance: Deemed to be material as disclosures under this topic relate directly to our Company's value creation agenda as embodied by our vision, values, and brand promise, Cultivating Growth. ICI Pakistan Limited is committed to providing enduring growth and value for stakeholders, and this growth and value can be quantified and assessed accurately through the complete, audited financial statements of the Company, which are part of this report. In addition, economic performance carries implications for all other material topics reported upon.

Indirect Economic Impacts: Disclosures under this topic illustrate our Company's economic impacts on a wider socio-economic front than if we were simply to take our customers and suppliers into consideration. Our intent to support growth and development is not limited to the Company. Additionally, we consider ourselves responsible corporate citizens, therefore it is important we monitor and measure our ongoing indirect economic impacts in the wider context.

Market Presence: Our Company's presence in the market has significant impacts in terms of employment opportunities provided, number and level of professionals employed, regional employment prospects, and compensation and benefits provided. Information in this regard is therefore highly relevant to the Company's operations and its value creation agenda.

SOCIAL

Occupational Health and Safety: This topic carries tremendous significance in relation to ICI Pakistan Limited as health and safety are a primary concern and an overarching responsibility of the Company under its values (Passion for People; Integrity and Responsibility) and its HSE&S policy. The topic affects not only direct employees of the Company, but also contractors, suppliers and members of our communities.

Training and Education: At ICI Pakistan Limited, we have the long-standing ambition to be an employer of choice and to be known as a "Talent factory", recruiting and retaining the best and the brightest. The training, education and development of our people is therefore a topic of critical importance to us. We work towards this goal on a continual, ongoing basis, with formal training, development and growth opportunities, effective, timely, performance appraisal and feedback systems, and by creating an open culture that encourages feedback and discussion.

Diversity and Equal Opportunity: As part of our HR ambition, we strive to be an equal opportunity employer.

ICI Pakistan Limited is committed to encouraging greater diversity and ensuring equal opportunities for individuals based on merit (including qualifications and competency). This belief is driven by our core values (Passion for People; Integrity and Responsibility) our brand promise Cultivating Growth, and our Code of Conduct.

Non-discrimination: ICI Pakistan Limited is committed to ensuring fair and equal treatment of employees, free of bias. This belief is driven by our core values (Passion for People; Integrity and Responsibility), our brand promise, Cultivating Growth, and our Code of Conduct.

Local communities: Disclosures on this topic take into account operations for the development of communities, and the impacts of these on local communities. These disclosures are important because they provide an overview of the significance of these operations and their impacts, allowing stakeholders to assess the value added by such initiatives.

ENVIRONMENTAL

Emissions: Emissions control relates directly to climate change and the impact of gaseous emissions on the ozone layer. As a manufacturing concern, this is of vital importance. Disclosures in this regard also provide an overview of the Company's compliance to national and governmental regulations, such as National Environmental Quality Standards (NEQS).

Water: This is deemed a material topic based on not only the water usage requirements of the Company's operations, but also the current state of water availability in the country. According to Development Advocate Pakistan, Volume 3, Issue 4 (a UNDP report dated February 2017) water scarcity continues to become an increasingly critical issue in Pakistan. The report emphasises that "Pakistan extracts 74.3 percent of its freshwater annually, thereby exerting tremendous pressure on renewable water resources."

Effluents and waste: As a manufacturing concern, this is an important topic as it has an impact not only on our own operations, but also on local communities where waste is generated and disposed of. Management and minimisation of waste materials is also important with respect to biodiversity of the relevant areas.

Energy: Due to the national energy crisis, this topic is highly relevant and therefore deemed material. The economic impact of energy usage on products and services provided is significant, as energy costs directly impact the cost of products. More efficient energy usage is therefore not only vital in terms of the environment, but also because it can provide the Company a competitive edge in terms of cost factors.

Stakeholder Engagement

At ICI Pakistan Limited, our approach to engaging with our stakeholders is underpinned by our core values of Customer Centricity and Passion for People, along with our vision to be a partner of choice. It is also encompassed by our promise of Cultivating Growth, which aims to ensure we encourage growth and development, and add value, wherever we engage with groups that are impacted by our operations.

A stakeholder of the Company is defined as an individual or group associated with, linked to, or significantly impacted by the operations of ICI Pakistan Limited.

Our core groups of stakeholders are identified by our Business and functional teams, based on the nature and scope of our operations. These are endorsed by the Executive Management Team (EMT) and the Sustainability Council as significant groups to engage with, and engagement objectives and strategies are formulated and carried out accordingly. An important aspect of stakeholder group selection is communication and feedback with these groups; this is done via a number of methods, both formal and informal.

Customer engagement is monitored at the level of each Business by surveys conducted and/or feedback collected through various channels. Community engagement is maintained and monitored by CSR teams in each Business, and through effective coordination with labour unions at our plant and manufacturing sites. Employee engagement is driven across the Company at a corporate level. Chief Executive's sessions are conducted Companywide as a platform for employees to address concerns, giving the Chief Executive a chance to share information and answer questions. The Company's annual employee engagement survey, as well as performance appraisal and management systems serve as vital channels for feedback and monitoring of progress against set engagement targets. In each area of stakeholder engagement, concerns and suggestions are registered and actions are outlined accordingly.

Stakeholder group	Engagement frequency	Mode of consultation	Topics identified by stakeholders	Our response
Shareholders/ Investors	Regular	Corporate Finance, Company Secretary, Corporate Communications and Public Affairs Department, analyst briefings, meetings	Ongoing economic viability, growth prospects, petrochemical market situation, new projects and expansions	Commitment to ongoing growth and value creation; continuing transparency of financial and other information; timely public disclosures; clarifications if any required
Employees	Regular	CE Sessions, internal events, annual engagement survey, discussions, internal communications	Training and education; career development;	Increased HR process transparency; Focus on capacity building trainings, cross-Functional and cross-Business movement
Customers	Regular	Technical support services, surveys, field visits, advisory services	Cost, quality and product availability	Customer capacity building, expanding/increasing product offerings, efficiencies in supply chain
Suppliers	Regular	Code of conduct compliance, surveys, visits	Favourable terms and conditions	Suppliers are given ample opportunity for discussion and negotiation. ICI Pakistan Limited strives to provide fair and market compatible rates
Local Community	Regular	Via manufacturing site employees, CSR teams	Manufacturing sites' impact; employment prospects	Managing environmental impacts through sustainability initiatives; creating provisions for local employment
Government and other regulatory bodies	Regular/Case Basis	Relevant Business or functional representatives, meetings with officials, submissions of data for review and compliance	Compliance with regulations and laws	Understanding and ensuring all legal and regulatory requirements are complied with. Lobbying with the government. to address matters impacting business.
Media	Occasional	Press releases, one-on-one media engagement	Information on the operations of the Company, growth prospects and sustainability practices, economic contribution	Press and media releases on relevant subjects, Chief Executive's statements/ interviews, responsiveness to media queries

Major initiatives carried out during the year for Stakeholder Groups

Shareholders/Investors

AGMs and EoGMs were carried out as required to inform and obtain consent of shareholders. Board members and senior management of the Company were available at these occasions to answer queries and address concerns of shareholders, investors and analysts. An Investor Relations Policy was approved by the Board and is now in place, which governs the timely, accurate and comprehensive release of information for shareholders and investors.

Employees

To engage employees, ICI Pakistan Limited partnered with Gallup for the 'IMPOWER employee engagement survey. Starting on the 35th percentile with a score of 3.87 (on Gallup's 5 point rating scale) in 2015, the Company now stands at the impressive 68th percentile with a score of 4.30 in 2017. This significant increase speaks volumes of the Company's commitment and the collective belief of its people in this important initiative, to achieve world-class engagement levels.

The Company's Leadership Development Roadmap continues to be a key ingredient in building the capabilities of the Company's employees. With a structured and integrated talent development framework, which provides customised training modules, executive coaching sessions and learning projects, more than 886 managers participated in this initiative in 2016-17.

Customers

Customer Centricity is a core value at ICI Pakistan Limited, and this value is lived fully by the four Business units of the Company with regard to their respective sets of customers. Each Business plans and executes customer engagement initiatives that serve the core needs of their respective customer bases, and solicits feedback from them on various topics, both in the form of formal surveys, and informal meetings and gatherings. This feedback is evaluated internally and then forms the basis for action planning to improve the customer experience going forward.

In 2016-17, at the Polyester Business, the sixth Polyester Business Customer Conference was held to strengthen customer relationships through feedback and discussion, and providing focussed support and solutions. The conference garnered overwhelmingly positive feedback from customers who appreciated the team's ongoing efforts especially in the face

of a challenging business environment. Another new customer engagement initiative pioneered by the Polyester technical team was the two-day Technical Customer Conference organised in Lahore, which brought the technical directors of textile mills together with Polyester Business teams for the first time, encouraging frank and open dialogue on important issues. The initiative proved to be a great success, and the Business intends on making this a regular occurrence. The Polyester Business also conducted an independent customer feedback survey for the second year running. This not only allowed for better understanding of customer perception regarding our products and services, it also enabled a comparison of the past two years' performance, helping us gauge our progress and identify areas of strength as well as improvement.

The Soda Ash Business carried out similar initiatives during the year, notably a distributor conference in Azerbaijan in October 2016, and a customer conference in Australia in March 2017. Both events proved successful and were well-received by the target groups due to the concerted effort made by the Soda Ash teams to understand their experiences, expectations and concerns.

In the Life Sciences Business, each of the three Divisions of the Business conducted their own tailored programmes to engage and serve customers. The Pharmaceuticals Division caters to a vast medical community including doctors and other healthcare professionals. During the year, the Division maintained its focus on engaging with customers to enhance medical knowledge and product information. This was done via participation in a series of informative symposiums, conferences and roundtable discussions. A number of Health Care Professionals (HCPs) were also engaged in international Continuing Medical Education (CME) programmes. Awareness camps were also organised centring on relevant medical topics. The Division also provided supported to the medical community by participating in notable medical conferences. Almost 200 HCPs were engaged via a campaign on Etipro. For the first time, emphasis was also placed on engaging directly with trade partners for OTC brands.

In the Agri Division, sales and development staff regularly trains farmers on the latest production technologies and on more efficient farm management practices. The Agri Division has reached 250,000 farmers across Pakistan. Retail partners play a pivotal role in the agriculture industry, ensuring the availability of product to farmers. The Division undertook a series of business partner conferences to ensure close customer connect and improve partnerships through various trainings/discussions.

The Animal Health Division caters to a large rural population of livestock and poultry farmers across the country. The Division continued to work closely with farmers to develop farming communities, empowering farmers with awareness and knowledge to help enhance productivity, and eventually, profitability. Topics covered in such engagement activities include better farm management practices, breed development, biosecurity and nutrition. Among the customer engagement initiatives taken by the Division in 2016-17 were technical sessions for customers and talks by foreign delegates invited to share their insight on current challenges in the livestock and poultry industries. The Division organised the Third International Conference on Agriculture, Food and Animal Sciences, as well as sponsoring the International Livestock Nutrition Summit, which brought together leading researchers to review and discuss emerging issues in the fields of agriculture, food and animal sciences, as these have the potential to significantly impact industries, consumers, and the environment. Teams are also regularly trained on new product technologies, the latest farm management practices and key industry challenges, to help them serve customers better.

In the Specialty Chemicals Division of the Chemicals Business, the following customer engagement initiatives were carried out. The Textiles and Water Treatment Chemicals team participated in the GTex Textile exhibition in January 2017 to promote ICI Pakistan Limited as a serious player in the segment and develop new and promising customer leads. The adhesives team held multiple carpenter meetings in Lahore and Faisalabad during the final quarter of the year. A customer engagement survey covering more than 80 active customers across all four segments was conducted. Their feedback was recorded on several processes including product quality, sales process, sales staff behaviour, troubleshooting, information availability and overall customer engagement. The results of this survey will aid in developing the customer engagement plan for the coming year.

Local community

Several projects were carried out to benefit local communities, particularly in the areas of healthcare provision and education/vocational training. The Hamqadam Community Clinic, a mother and child clinic established in Khewra in 2016, in partnership with Marie Adelaide Leprosy Centre (MALC), completed its first full year of operations. Seventeen months into its running, the clinic has proved to be a valuable addition to Khewra's healthcare infrastructure. Large numbers of women and

children are now treated at the clinic; previously these patients had to travel long distances to access adequate healthcare facilities. Since the clinic's inception in February 2016, a total of 6,944 OPD cases have been catered to, 346 pregnant women registered at the clinic, and 998 children under the age of five monitored for immunisation and nutrition through the 'Road to Health' chart. Recently an ultrasound machine has also been provided by the ICI Pakistan Foundation to the clinic to aid in examination and diagnosis of patients. A state of the art ambulance was also donated to the clinic at the time of inauguration to cater to emergencies in the local area.

Also based in Khewra, the Company's most remote community, ICI Pakistan Limited's long-running eye care programme in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT) continues to operate sustainably, with monthly camps held for 25 years running. To date, 284 eye camps have been held, offering quality, free eye care interventions through which 148,846 OPD consultations have been carried out, 16,513 surgeries completed and 28,757 refractions performed.

Government and other regulatory bodies

During the year, we worked with government and regulatory bodies to provide our input, both directly and through relevant platforms and forums, on draft legislations and regulations where required. Additionally, we make it a practice to share information on industry-related matters which could potentially impact the business and economic landscape of the country.

Media

During the year, wherever possible, we complied with media requests to interview the Chief Executive of the Company with regard to the Company's operations, plans, future outlook and economic prospects. Published in the mainstream media, these interviews serve as further insight into the Company's operations for not only the media, but also the general public. A clearly streamlined process is also in place regarding timely and prompt updates on the Company website regarding any disclosure of material information, such as financial results, acquisitions, expansions, or new partnerships and product launches. Channels of communication open to the media and the general public include email as well as social media channels. The Company launched its social media presence in December 2016 in order to further make its operations and initiatives accessible to the media and public.

Economic Performance

Management Approach

Management approaches for the following material topics are covered in this section: Economic Performance, Indirect Economic Impacts, Market Presence. Other disclosures for these topics are presented in the GRI Content Index, and/or in the Company's Financial Statements 2016-17.

At ICI Pakistan Limited our performance is guided by our vision, our values, and our brand promise, Cultivating Growth, which underpins everything that we do. We recognise that our operations and activities have an economic impact at both, local and national levels, and are committed to sustainable growth and value creation for our stakeholders. Economic performance is thereby a key driver of the Company's aspirations, goals, strategy and operations, and is proactively managed accordingly by all relevant stakeholders across the organisational hierarchy.

The overall responsibility of governing the organisation, along with driving its economic performance, lies with the Board of Directors. The Board is responsible for doing the following: establishing Board policies; setting out strategies, goals, and objectives for the Company to operate in accordance with and achieve; and formulating policies and guidelines that outline the way forward in achieving set goals and objectives.

Goals and targets for economic performance are approved based on proposals set forward by the Businesses, which are duly approved by the Chief Executive and finally by the Board; the ultimate authority in this regard. Goals and targets may be annual, or in the case of expansions, acquisitions and new business ventures, they may be targeted over a longer term. In approving business proposals or setting targets and goals for economic performance, the Board considers a range of variables and factors including business potential, market conditions, financial implications, the wider economic and socio-political landscape, opportunities, threats and more.

The Board is accountable to shareholders for the discharge of its fiduciary function, while the Company's management is responsible for the implementation of the aforesaid strategies, goals and objectives in accordance with the policies and guidelines laid down by the Board of Directors. The day-to-day management of the Company's affairs is overseen by the Chief Executive (CE), whom the Board entrusts with the necessary powers and responsibilities for the execution of this role. The CE is in turn assisted by an Executive Management Team comprising the heads of Businesses and functions. The Board is also assisted by a number of sub-committees comprising mainly of independent/non-executive directors.

The Company's economic performance for 2016-17 remained robust. Net turnover of PKR 41,364 million for the year under review is 12% above net sales for the previous year (2015-16), which was recorded at PKR 36,954 million. The sales revenue growth is attributable to growth across all Businesses.

Net turnover in the Polyester Business grew by 7% on account of higher prices across the petrochemical chain, higher average Polyester Staple Fibre selling prices and higher sales of Black Fibre, whereas Soda Ash revenues grew by 2% on account of higher volumes. The Life Sciences Business recorded a 28% growth in sales on the back of new product launches, improved commercial execution, new partnerships and business expansion, while the Chemicals Business's net turnover grew by 20% against the same period last year (SPLY) owing to higher sales volumes and a larger customer base.

Operating profit for the year at PKR 4,044 million is 16% higher than the SPLY, with improved performances in the Polyester, Life Sciences and Chemicals Businesses. This compensated for the Soda Ash Business's marginally lower operating result compared to the SPLY, because of a higher depreciation expense due to capitalisation of the 18MW power plant. Growth in the Life Sciences and Chemicals Businesses was mainly driven through expansion of the product range, customer engagement programmes, as well as cost efficiencies achieved in the Chemicals Business.

Profit after tax (PAT) for the year ended June 30, 2017 at PKR 3,296 million is 16% higher than the SPLY due to higher operating profit, higher Dividend Income from NutriCo Pakistan (Private) Limited and lower exchange losses as compared to the SPLY. Earnings per share (EPS) at PKR 35.69 is 16% higher, compared to PKR 30.78 for the SPLY. The Company therefore continues to demonstrate its commitment to value creation and sustainable growth. Comprehensive information on economic performance for the year can be found in the Business Performance section of the Annual Report 2016-17, as well as the Company's financial statements.

As part of our management of economic performance related matters, at ICI Pakistan Limited we have in place systems whereby stakeholders can ask questions, seek information and voice concerns. Annual General Meetings are conducted whereby shareholder queries and concerns are addressed by members of the Board, the Chief Executive and the Company Secretary. Shareholders are invited to AGMs and are encouraged to share their concerns and queries.

We have in place a voluntary, Board-approved investor relations policy which ensures regular and timely dissemination of economic and financial information pertaining to the Company's operations to investors, analysts, shareholders and the general public.

Integrity Management

Key performance indicators

Integrity management		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Code of Conduct confirmed incidents	number	20	5	NR	1	1	0	3	0
Code of Conduct acceptance	% employees	100	100	100	100	100	100	100	100
Management audits including reassurance audits	number	9	7	6	6	0	6	0	6
Serious Incidents - Level 3	number	1	1	0	0	0	0	1	0
Serious Incidents - Level 1, 2	number	0	0	0	0	0	0	4	0
Serious loss of containment - Cat D	number	0	0	0	0	0	0	0	0
Regulatory action - Level 3	number	0	0	0	0	0	0	0	0

Overview 2016-17

To ensure all employees are well-versed with the Code, we include it in our induction training for new employees, as well as organising regular training and refresher sessions at all levels. Upon joining the Company, new employees are required to sign a declaration of compliance to the Code of Conduct after they have read and understood the Code.

This year, three Code of Conduct violation incidents were recorded. These were dealt with in accordance with the standard procedures and policies of ICI Pakistan Limited in this regard.

The HSE&S Management Audit is held to verify the Companywide implementation of, and compliance with, the ICI Pakistan Limited HSE&S Management System. The decision to conduct this audit is based on the assessment of hazards, and the recommendations from the previous audit. In 2015-16, this audit was conducted in the fourth quarter of the year, hence it was not feasible to conduct a new audit before the completion of all audit recommendations.

With regard to HSE&S performance, one Serious Incident (Level 3), and four Serious Incidents (Level 1 and 2) were reported in 2016-17. For details, please refer to the Occupational Health and Safety KPI overview section of this report.

Sourcing

Key performance indicators

Sourcing		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Vendor Policy signed by key suppliers	%	85	92	92	88	94	87	91.3	96
Vendor Policy signed by Central NPR Suppliers*	% employees	28**	28	28	38	63	40	80.8	-
Supportive Supplier Visits	number	31	59	35	99	92	-	30	146

* Major public sector utility suppliers not included in this analysis.

** Monitoring started in 2011 by Polyester Business only.

The Company's supply chain network includes the respective supply chain managers of each Business, along with their teams. The supply chain network aims to enhance the effectiveness of procurement practices and material handling processes. This is done by actively seeking out and applying best practices, and by capitalising on opportunities for synergy between Businesses.

We believe in the cradle to grave approach, ensuring our products are compliant with the ICI Pakistan Limited HSE&S Management System at all stages of the life cycle. With respect to supplier evaluation and selection, we have stringent procedures in place to ensure that only high quality raw materials are purchased through our local and international suppliers.

Through our four Businesses (Polyester, Soda Ash, Life Sciences and Chemicals) we deal in a vast portfolio of products, including light and dense soda ash, refined sodium bicarbonate, polyester staple fibre, a wide range of general and specialty chemicals, pharmaceuticals, nutraceuticals, animal health products, and agricultural products. Our supply chain operations are therefore fairly complex and cover many suppliers, across the country as well as internationally.

With the acquisition of Cirin Pharmaceuticals (Private) Limited (Cirin), we have a manufacturing location in Hattar Industrial

Estate which is a significant change from the previous year. The ICI Pakistan Limited HSE&S Management System now applies to the supply chain practices of Cirin, ensuring that best practices and standard procedures are implemented.

Overview 2016-17

We aim to achieve 100% adherence to our vendor policy. In 2016-17, the percentage of key suppliers who had signed our vendor policy increased by 4.3% as compared to the previous year. This is good progress, but leaves room for improvement.

On the other hand, there was a significant increase in 2016-17, over last year, in the percentage of vendor policies signed for non-product related (NPR) suppliers. With the growth and expansion of the Company, many new NPR supplier inductions were completed during the financial year, which resulted in the 40% increase shown in vendor policy signatories.

Supportive supplier visits have been disclosed this year after a hiatus. The Sustainability Council has planned to increase supplier engagement and development going forward, in order to align suppliers with the ICI Pakistan Limited HSE&S Management System, which complies with international standards. We have set ourselves an ambitious target for 2020-21 in this regard.

Environmental Performance Management Approach

Management approaches for the following material topics are covered in this section: Emissions, Water, Effluents and Waste, Energy. Other disclosures for these topics are presented in the GRI Content Index, or referenced therein if occurring elsewhere in the Annual and Sustainability Report.

As a manufacturing concern, we at ICI Pakistan Limited recognise that our operations have a significant impact on the environment. Monitoring and evaluation of environmental performance comes under the domain of the Corporate Health, Safety and Environment (HSE) department. Our enduring commitment to the highest standards of health and safety for our employees, customers and contractors, as well as to the protection of our environment, leads us to abide by a set of Health, Safety, Environment and Security (HSE&S) beliefs and principles. In line with these principles, we strive to constantly innovate and improve our HSE&S performance, which is the collective responsibility of every individual, from the Executive Management Team right down to each employee. Accordingly, we must all strive to apply the most stringent HSE&S standards to our work.

We have in place an integrated HSE&S policy that governs all HSE&S related matters, providing clear provisions for environmental performance management. The Corporate HSE Department is responsible for overseeing HSE&S as a whole for the Company. Along with this, each of the Company's Businesses have their own individual HSE departments which handle more Business-specific, localised environmental and other HSE&S-related matters. HSE&S is at the core of everything we do, and every employee is responsible for complying with HSE&S policies and procedures, and is held accountable accordingly.

Our HSE&S Management System serves as a guideline for all ICI Pakistan Limited operations, including existing projects and operations as well as new investments, and its scope extends to cover all Businesses and locations of the Company. The HSE&S Management System is in compliance with internationally recognised systems such as ISO 14001:2004 Environmental Management Systems Standard; OHSAS 18001:2007, Occupational Health and Safety Management Systems; and the Responsible Care Management System. Strict compliance with HSE&S standards is a requirement at both the corporate and individual levels. The calculation of KPIs given in this report is based on the HSE&S Management System, and the KPIs reported cover all four Businesses of ICI Pakistan Limited. Policies relating to HSE&S are approved by the Board of Directors, the ultimate governing body of the Company. The currently applicable HSE&S policy was issued in December 2013.

Management of vital environmental performance parameters is carried out in line with regulatory compliance requirements such as NEQS and the Company's belief in sustainable development and growth in line with its vision and brand promise. Environmental performance is monitored and reported on regularly (on a quarterly basis internally, and annual basis externally), through the use of the Company's state-of-the-art Environmental Performance Management (EPM) Database. The EPM Database is a purpose-built application that enables reporting on all HSE&S related parameters, and collates and analyses data against relevant sustainability parameters. This data is then studied and utilised in various ways to aid in the setting of goals and targets for sustainability performance.

The Company's multifunctional Sustainability Council is tasked with reviewing annual performance and setting voluntary targets for future performance. Targets are set for five years, with our current target for the financial year 2020-21 being based on the actual performance achieved in 2015-16. In line with our process, these were approved by Sustainability Council members. However, with upcoming expansions, acquisitions and other new projects, these targets may require subsequent review and revision.

With regard to grievance and reporting mechanisms, we have a guideline titled "Information Notes for Managers: HSE 003 Arrangements for Reporting Health Safety Environment and Safety performance to Corporate HSE." This is a reporting guideline for issues related to HSE, such as injury and illness reporting, motor vehicle and distribution incidents, occupational health performance reporting, environmental reporting, product stewardship reporting and community involvement reporting. It contains the correct procedure for reporting HSE&S violations, and is open to all internal stakeholders. The ownership of this mechanism lies with the Corporate HSE Department, and is intended for use by the HSE departments of individual Businesses. The reporting guidelines are revised regularly with the most recent revision being launched in June 2017.

The Company remains focused on assessing the effectiveness of existing regulatory HSE&S frameworks and approaches on an ongoing basis. This helps us ensure that our systems are sufficiently robust to safeguard both, people and the environment.

Sustainability Highlight

Environmental Performance Management (EPM) Database

Monitoring and reporting accurately on all relevant sustainability reporting parameters is a vital part of sustainability performance and management. At ICI Pakistan Limited, we have systems in place to help ensure we collect information accurately and regularly, across the Company, as this Sustainability Highlight illustrates.

During the year 2016-17, we relaunched our state-of-the-art Environmental Performance Management (EPM) Database. The EPM Database is a purpose-built application that enables reporting on all HSE&S related parameters.

Our continued focus on innovation means modernisation of existing procedures and protocols is a big part of what we do; the EPM Database makes it simpler for our Businesses to report their HSE&S data using three standardised monthly/quarterly datasheets for Health & Safety, Environment and Energy.

While simple and user-friendly on the user interface side, the EPM is actually a sophisticated tool on the back-end. Through it, our Corporate HSE Department is able to consolidate and analyse the gathered data comprehensively, making reporting data more effective. The EPM Database is sure to be an invaluable tool going forward; we anticipate that it will support our benchmarking efforts as well as give us an edge in terms of data gathering and availability that may enable us to enter global competitions and highlight our sustainability initiatives on a wider public platform.



Energy

Key performance indicators

Energy Usage		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total energy consumption	1000Tj	4.3	4.3	2.1	4.9	5.7	6.5	8.2	7.4
Per ton production	GJ/te	10.1	10.4	11.62	11.84	13.03	13.86	17.09	15.38

Overview 2016-17

Over the years, the shortage of natural gas in Pakistan has compelled the Company to turn to coal-based technologies in order to generate steam and power. At ICI Pakistan Limited's manufacturing facilities for Polyester Staple Fibre and Soda Ash, significant investments have been made in coal fired boilers and steam turbines. Intrinsically, these power plants are energy intensive due to the use of coal, a relatively inefficient fuel in comparison with gas. In addition, the base parasitic loads of these plants are significantly higher than similar capacity units operating on natural gas. To counter the effects of coal on the environment, and to maintain emissions

within global standards, limestone is used to reduce emissions. However, the increased energy consumption was reflected in higher per ton energy usage in 2016-17 as compared to the previous year.

We have continued to invest in energy saving initiatives across our sites and locations. Optimum utilisation of available natural gas, day-to-day process optimisation and strict monitoring of key energy parameters at manufacturing sites is in effect. Sustainability projects to meet energy consumption targets are given high priority across the Company.

Sustainability Highlight

Off-Grid Solar Power for Lillah Salt Mine Offices and Staff Residences

Our approach to sustainability at ICI Pakistan Limited encourages innovative thinking. This Sustainability Highlight is an example of exactly that; a solution that met the needs of the Company's operations while also taking into account environmental impact and resource conservation.

ICI Pakistan Limited acquired the rights to the Lillah salt mines in the recent past. Located in the remote village of Lillah, some 30 kilometres from Khewra, the area had no access to WAPDA or any other source of electricity. Prior to the commissioning of our road header salt mining project at the mines in August 2016, the offices and staff residences situated at the mines also subsequently had no access to electricity.

After significant research, the Roadheader E&I Commissioning team decided to make use of solar power to generate the electricity needed for operations at the site. The team designed, selected, and installed a complete, off-grid solar power system to provide power to the roadheader crew and mine staff. The system has an overall capacity of 6.5 kilowatts, and comprises of a total of thirty-six 150 watt mono-crystalline solar panels, along with eighteen sealed VRLA 165 amp-hour batteries. The camp now not only has a twenty-four hour supply of electricity, but as an added advantage, it is powered by a renewable source.



Water

Key performance indicators

Water Usage		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total fresh water use	million m3	4.12	3.48	1.57	3.49	3.73	4.22	4.83	4.35
Per ton production	kg/te	9.7	8.53	8.7	8.44	8.47	8.91	10.01	8.9
% of sites with sustainable fresh water	%	25	25	33	33	33	33	33	100

Overview 2016-17

Water consumption for 2016-17 increased due to major expansion projects undertaken at our Soda Ash site. This was compensated for, to some extent, by the fresh water usage reduction initiatives taken by all our manufacturing sites.

Significant amongst these initiatives was one taken by the Polyester Business, where 14 new water sprinklers were

installed to reuse water from the site's effluent treatment plant, for horticultural use on-site. These sprinklers utilise 10 million litres of water annually from the wastewater treatment facility, which in return enables us to save enough fresh water to serve the drinking needs of 10,000 people for the whole year.

Additionally, the Chemicals Business recycles and reuses 10% of the total water supply used in the Business's manufacturing processes, also through an effluent treatment plant.



Sustainability Highlight

Conserving Resources at the Polyester Business

Steam is an important part of the manufacturing process of Polyester Staple Fibre. Accordingly, the efficient utilisation of steam is also a vital requirement. This Sustainability Highlight explains an initiative implemented by the Polyester Business to improve the utilisation of steam in the manufacturing process, saving energy and water.

After heat dissipates from steam, it converts back into liquid form; this left-over liquid is known as condensate. Condensate is a useful resource, as it can be reused to make more steam, thereby enabling us to use less energy and fresh water in the production of steam. Condensate is important for two reasons; firstly it is already treated and purified in line with the requirements of the process, and secondly, while it has cooled to quite an extent, it still contains a significant amount of energy, which would otherwise go to waste if the condensate were not reused.

This year, our Polyester Business initiated the Condensate Recovery Improvement Project, installing a flow transistor as part of the manufacturing process, to provide better monitoring of condensate. Through this system, we were able to track exactly how much condensate we are recovering. In addition, trends emerging from the gathered data helped us learn if there was any loss of condensate. Through monitoring, we have been able to record and capture multiple instances of condensate loss which would otherwise have gone unnoticed. Through this initiative, the Polyester Business has succeeded in saving not only 1.4 million litres of water, but also 400 GJ of energy. This energy saving is equivalent to a reduction of 27 tons in our CO₂ footprint, while the saving of 1.4 million litres of water translates into enough water saved to fulfill the drinking needs of 1,500 people for an entire year.

Emissions

Key performance indicators

Emissions Control		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total COD emissions	te	53.78	39.52	17.82	16.43	18.05	15.99	20.04	16
Per ton production	kg/te	0.13	0.1	0.1	0.04	0.04	0.03	0.04	0.03
Total VOC emissions	te	72.34	57.12	1.33	3.23	3.45	3.56	3.52	3.2
Per ton production	kg/te	0.17	0.14	0.01	0.01	0.01	0.01	0.007	0.007
Total NOx emissions	te	422.93	420.28	206.06	798.34	1209.18	1611	2387.27	2150
Per ton production	kg/te	0.99	1.03	1.14	1.93	2.75	3.4	4.95	4.4
Total SOx emissions	te	2672.9	2590.15	1402.4	4338.97	3091.74	3562.32	4251.98	3827
Per ton production	kg/te	6.29	6.35	7.75	10.5	7.02	7.53	8.82	7.91
Total Direct CO2 emissions (Scope 1)	million te	0.35	0.35	0.13	0.43	0.52	0.62	0.89	0.8
Per ton production	kg/te	829.5	847.95	737.5	1038.11	1196.13	1318.7	1854.07	1670
Total indirect CO2 emissions (Scope 2)	te	5642	3235.61	706.86	2413.32	2384.2	1501.56	1275.63	1123
Per ton production	kg/te	13.33	7.93	3.91	5.84	5.42	3.17	2.64	2.4

Overview 2016-17

During 2016-17, Operational Eco Efficiency KPI's on gaseous emissions have been affected by the use of coal as a fuel source. In comparison to last year, the Chemical Oxygen Demand (COD) level is higher in 2016-17, due to operation of our steam ejector-powered batch plant at the Polyester Business (the batch plant is a production line which was previously not in use).

A notable initiative was undertaken by the Polyester Business to prevent heat loss across the manufacturing site. This involved identifying surface temperatures of various systems including critical manufacturing equipment and pipelines, by carrying out a thermographic camera audit which enabled the identification of weak insulation points. Action was then taken to reinsulate these areas, resulting in a saving of 2.3 TJ of energy, which translates into a reduction of 150 tons in our CO2 footprint.

Effluents and Waste

Key performance indicators

Waste Management		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total waste	kte	2.73	2.28	0.43	12.88	22.2	28.94	8.86	8
Per ton production	kg/te	6.44	5.6	2.35	31.18	50.44	61.13	18.38	16.4
Total hazardous waste	kte	0.52	0.53	0.001	0.0076	0.24	0.006	0	0
Per ton production	kg/te	1.22	1.3	0.003	0.001	0.001	0.013	0	0
Total non-reusable waste	kte	0.384	0.385	0.001	0.0076	0.24	4.03	4.11	3.8
Per ton production	kg/te	0.9	0.94	0	0.001	0.001	8.76	8.53	8
Total non-reusable hazardous waste	kte	0.327	0.323	0.001	0.008	0.24	0.006	0	0
Per ton production	kg/te	0.77	0.79	0	0	0.001	0.013	0	0
Total hazardous waste to landfill	kte	0	0	0	0	0	0	0	0
Per ton production	kg/te	0	0	0	0	0	0	0	0

Overview 2016-17

Waste at the Soda Ash plant has been reduced significantly after an initiative was put in place to reuse the by-products of the coal combustion process; fly ash and slag waste.

Due to economic reasons, the coal fired boiler (CFB) plant at the Polyester Business remained out of operation, thus a significant reduction in total waste was observed.

Social Performance

Management Approach

Management approaches for the following material topics are covered in this section: Local Communities, Occupational Health and Safety, Diversity and Equal Opportunity, Non-discrimination, Training and Education. Other disclosures for these topics are presented in the GRI Content Index, or referenced therein if occurring elsewhere in the Annual and Sustainability Report.

ICI Pakistan Limited is focussed on ensuring that our impact on society is positive and geared towards growth and development. Society in this context covers a broad range of people, but most significantly, the following identified stakeholder groups: our own employees and local communities.

As an employer of over 1,300 people across Pakistan, we have a significant impact on the livelihoods, opportunities and growth prospects of the people who work with us. As such, it is important for us to monitor and share information on these aspects. As a corporate entity that operates within the context of a wider community, we are aware of our effects on, and responsibilities to, the populations of communities that are situated near, or are otherwise affected by, our operations. These include people from local communities that are geographically close to our major manufacturing sites, for example.

Material topics relevant to the Company's social operations have been identified based on ongoing practice, on the basis of stakeholder consultation, influence of social impacts on stakeholder decisions, severity of impacts and business strategy. Social performance at the Company is the joint responsibility of three stakeholders, each responsible for their own specified area; HSE&S, Corporate Social Responsibility, and Human Resources.

The Company has well defined policies and procedures that govern health and safety, human resources, and community investment. The HSE&S Management system governs HSE&S performance within the Company, and complies with

internationally recognised systems such as ISO 14001:2004 Environmental Management Systems Standard; OHSAS 18001:2007, Occupational Health and Safety Management Systems; and Responsible Care Management System. It serves as a guideline for all operations and investments as well as existing projects and operations, and covers all Businesses and locations of the Company. Strict compliance with HSE&S standards is required at both, Company and individual level. The calculation of KPIs given in this report is based on the HSE&S Management System. More detailed information on the functioning of the HSE department, including priorities, functioning and management of data and targets, is included in both; the Environmental Performance Management Approach as well as the Sustainability Strategy and Sustainability Council section of this report (Page 118).

Community investment and CSR at the Company is managed primarily by the Corporate Communications and Public Affairs Department, under the guidance and approval of the Board of Trustees of the ICI Pakistan Foundation. Additionally, multifunctional CSR teams situated within Businesses or at our locations also carry out and manage CSR projects. The ICI Pakistan Foundation is a trust registered under the Trusts Act 1882. All CSR initiatives undertaken by the Company, as well as all related major investments, are approved by the Board of Trustees, and monitored regularly. The Board of Trustees is empowered to approve commitments to support social investment initiatives; and manage, utilise and invest the assets of the Foundation. The Company makes an annual contribution of its profit after tax for the year to the Foundation, with the approval of the Board of Directors of ICI Pakistan Limited.

Guided by our CSR Policy, which was approved by the Board of Directors in January 2017, the Foundation's initiatives (under the umbrella of the Hamqadam Programme) focus primarily on the following broad areas: education, health, community and environment. Through the Foundation, we also support civic development through investment in community projects, disaster relief and rehabilitation activities as needed.

The Human Resources Department operates in accordance with the ICI Pakistan Limited Human Resource Policy, a comprehensive, Board-approved document which covers the principles and guidelines for efficient and effective Human Resource management at ICI Pakistan. The policy is designed to be flexible and dynamic to cater to a variety of circumstances and contexts, and its implementation is driven by sound judgement, Company policies, management systems and compliance with applicable laws.

The highest governing body relating to HR practices at the Company is the Human Resource & Remuneration Committee, which comprises members of the Board of Directors, the Chief Executive and the General Manager HR. This committee is responsible for recommending HR management policies to the Board of Directors, along with other responsibilities relating to the appointment, remuneration, succession-planning and reporting lines of key senior executives of the Company.

The Company aims to establish policies and practices to attract, develop, and retain highly motivated and professionally competent people, and to provide them with an enabling work environment and direction required to achieve

sustainable business growth. Great emphasis is placed on adhering to, and living by, the Company values (Customer Centricity, Integrity & Responsibility, Innovation, Passion for People and Delivering Enduring Results) in all dealings, both internal and external. All individuals are also expected to act in accordance with the Code of Conduct; there is a zero tolerance policy in terms of any acts or practices which are in conflict with both, the values and the Code of Conduct. A robust whistleblowing process known as the Speak Up programme, is in place which provides a reliable and independent framework to highlight and raise any violations to our values and Code of Conduct.

Overall, voluntary targets for each of these areas of operation are set by the heads of the respective departments, in consultation and agreement with the Chief Executive, Executive Management Team, or Board of Directors, as and where applicable. In addition to these stakeholders, specific governing bodies/management teams (such as the Sustainability Council for HSE&S matters, or the Trustees of the ICI Pakistan Foundation for community and CSR matters) are also responsible for approving and setting targets in collaboration with other key stakeholders.

Clear grievance mechanisms exist in the Company to support ethical and fair social performance. Our whistleblowing programme, Speak Up, is open to all employees and is a provision made for the confidential reporting of Code of Conduct violations. Detailed information on the Code of Conduct can be found in the Corporate Governance and Compliance section of the Annual Report (page 58). Other complaints or issues can be raised and discussed directly with line managers.

Sustainability Highlight

HSE&S Champions Project, Life Sciences Business

The HSE&S Champions Project was an initiative of our Life Sciences Business that aimed to improve HSE&S awareness and compliance at all levels throughout the Business, which includes ten offices and eight sites. We have included it in this report as a Sustainability Highlight as this project was a great example of the management living and actively propagating our HSE&S values across Businesses and functions of the Company.

Led by the Business Executive Team, or BET, (which includes the Vice President, heads of the Business's three Divisions, as well as the supply chain manager, HR manager and finance manager), the initiative aimed not just to promote a safe and healthy working environment, but also to engage employees in ongoing learnings regarding health, safety and environmental issues. The seven-month long campaign focussed on a new HSE&S topic each month, with BET members taking turns to lead each month's efforts, which included awareness campaigns, trainings and other activities.

Each month's project was executed by a team, with assigned responsibilities for each team member. Frequent communication was supplemented by reviews and risk assessments which later led to action planning. The core objectives of the project included: defining KSIs that would potentially impact KPIs; and motivating and enabling teams across the Business to understand and own HSE&S policies and procedures, thereby creating a culture of Behaviour Based Safety in which individuals adopt good practices on a personal level.

Key Achievements

Road Safety Awareness Month (December 2016)

Awareness and training was carried out for over 700 employees on road safety in collaboration with the Motorway Police. The campaign was extended to the local public with road safety brochures and emergency stickers distributed in collaboration with the Motorway Police.



Fire Safety Awareness Month (January 2017)

Site inspections, basic first aid, fire safety management and firefighting trainings were carried out at various locations.

Plant and Warehouse Safety Awareness Month (February 2017)

Plant and warehouse safety training sessions were conducted at all Life Sciences Business sites to emphasise our aim of 'zero injuries by choice.' Risk assessments were conducted following these, and improvement areas were highlighted and communicated to the relevant teams for further action.

Health and Hygiene Awareness Month (March 2017)

Training of 460 employees was conducted during the Annual Business Conference 2017 in Thailand. Weekly fitness and hygiene challenges, along with online quizzes, helped employees achieve better health and motivation at work.

Office Safety Awareness Month (April 2017)

Employees were encouraged to own HSE&S by seeking out and remedying office safety hazards themselves. Some great insights into office safety were achieved, as well as fun activities such as a scavenger hunt, and quizzes, with prizes and mementoes presented to participants at the month's end.

	2016	2017					
HSE&S Project	Dec	Jan	Feb	Mar	Apr	May	Jun
Road Safety							
Fire Safety							
Plant Safety							
Health and Hygiene							
Office Safety							
Environment and Conservation							
Product Stewardship							

Environment and Conservation Awareness Month (May 2017)

The team converted 0.2 tons of used A4 paper from across the Business's locations into note pads, saving three trees, 10,000 litres of water, 130 kg of waste, 440 kg of CO₂, 3 gigajoules of energy and 0.5 kg of nitrous oxide. Employees also adopted about 150 plants, and attended a training session conducted in collaboration with the WWF Green Office initiative on environmental impact and resource conservation.

Product Stewardship Awareness Month (June 2017)

Customer awareness sessions were held, along with a product waste risk management exercise being completed, and relevant SOPs being updated. Quizzes and creative challenges were planned to encourage employee engagement.

Occupational Health and Safety

Key performance indicators

Health, Safety and Security		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total reportable injury rate employees/ supervised contractors	\million hours	0.18	0.34	0	0.33	0.16	0	0.44	0
Occupational illness rate employees	\million hours	0	0	0	0	0	0	0	0
Total illness absence rate employees	%	1.76	1.72	1.83	1.51	1.23	1.17	1.43	1.15
Fatalities: employees, supervised and independent contractors	number	0	1	0	0	0	0	1	0
Total reportable injury rate independent contractors	\million hours	0	0	0	0.56	0	0	0.33	0
Lost time injury independent contractors	number	0	0	0	2	0	0	0	0
% of sites with BBS programme	%	100	100	100	100	100	100	100	100
Distribution incidents	number	1	0	0	0	0	0	1	0
Motor vehicle incident with injury	number	2	0	0	0	1	0	2	0

Overview 2016-17

The reportable injury rate for employees, and supervised and independent contractors was 0.44 and 0.33 respectively in 2016-17. During the year there were four reportable incidents involving employees and supervised contractors, and one injury involving an independent contractor. The Life Sciences Business reported two road incidents, one of which resulted in a fatality. The incident was thoroughly investigated, following which new protocols and risk assessment regimes were developed to avoid recurrence of such an unfortunate incident in the future.

In the Chemicals Business, we had an injury incident regarding handling of hazardous materials. Following this, an internal investigation was carried out, and based on the recommendations of the investigation, material-handling procedures were scrutinised and the system was improved to avoid any recurrences. The Head Office reported a food poisoning incident, which resulted in thorough investigation and review, and the subsequent transformation of food handling

and canteen management practices at ICI Pakistan Limited.

The HSE&S performance of our Polyester, Soda Ash, Life Sciences and Chemicals Businesses stood at: 10.05, 12.3, 1.05, and 0.27 million man-hours without Lost Time Injury, respectively, in 2016-17.

A comprehensive site security review was undertaken for all Businesses and locations, including the newly acquired Cirin Pharmaceuticals (Private) Limited manufacturing site. In 2016-17, major focus was placed on employee training on various facets of HSE&S, including upgradation of existing procedures and protocols. A sharper focus on operational discipline and even stricter adherence to the Company's Health, Safety, Environment and Security Management System and investigation outcomes is being planned for 2017-18 to avoid any future mishaps. The focus on improving the Operational Eco Efficiency (OEE) footprint continues, with sustainability plans in place for implementation in all Businesses.

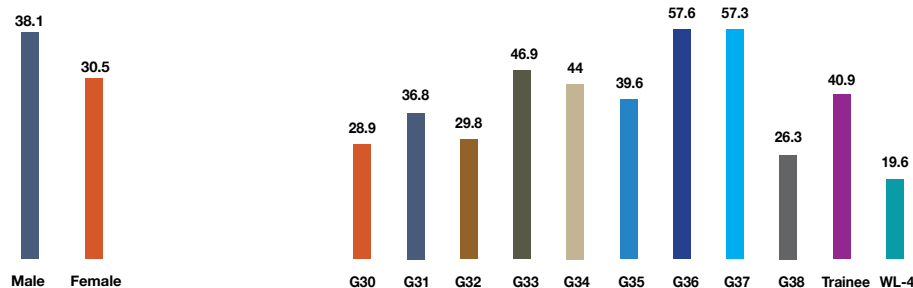
Training and Education

Key performance indicators

Training and Education		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Average hours of training per employee (gender and grade)								Average per employee: 33.2; Male: 38.1; Female: 30.5	4.35
On-line P&DD participation	%	83	NR	NR	98	98	98	98.5	100%
Management Development Programme	No. of Managers	211	NR	NR	NR	NR	572	886	90%
Employee Engagement Index*	% / percentile	82	87	NR	NR	35	58	68	75

*Numbers reported for 2011-12 are percentages of scores achieved on a five-point rating scale. From 2014-15 onwards, these numbers are a percentile of engagement score in terms of all participating organisations.

Average Hours of Training Per Employee (Gender and Grade)



Overview 2016-17

During 2016-17, a renewed focus on training and development prevailed. A total of 33,036 man-hours were invested in employee training, focussing on functional and leadership development, which translated to an increase of 17% over the same period last year.

A critical component for the successful training and development of employees is having a regular, ongoing performance evaluation and feedback system. Our Performance and Development Discussion (P&DD) process, accessed via an online application, continues to be an essential tool in providing constructive and regular feedback to employees at all levels. This comprehensive measurement system allows employees and their managers to assess performance against set targets and objectives, serving as a barometer for the Company's overall performance. We achieved a 98.5% participation rate for this process in 2016-17, and hope to raise this number even higher going forward.

Our popular Leadership Development Roadmap continues to be a key ingredient for training and development, providing a structured and integrated talent development framework. With customised training modules, executive coaching sessions and learning projects, more than 886 managers participated in the development journey throughout the year.

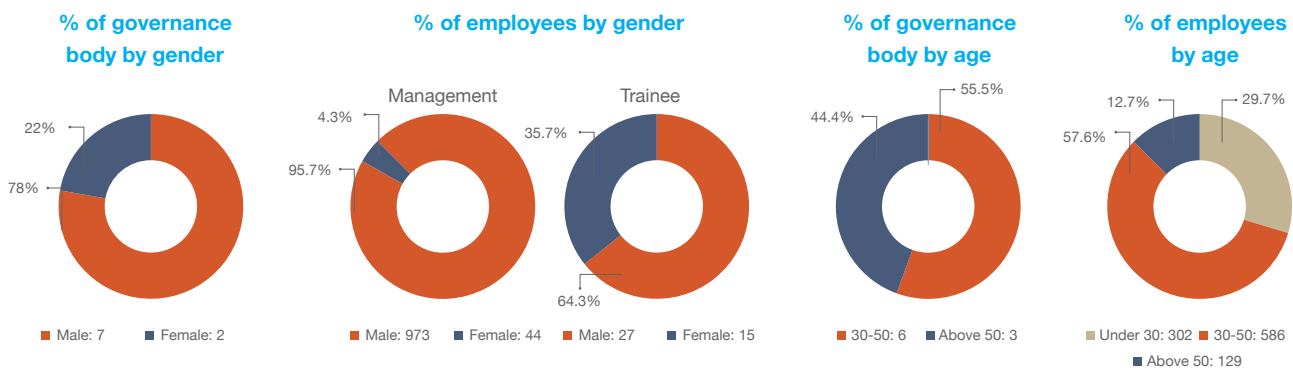
In order for line managers to bridge the gap on their HR roles, our flagship HR for Non HR Managers programme continued with an additional 69 managers participating this year. The Core Development Programme for engineers continued with a renewed focus, training 64 managers, while functional and managerial trainings progressed as per the training needs assessment.

Along with well-structured training interventions, our employees are also exposed to exciting on the job learnings, challenging project work, networking opportunities and external professional forums to fast-track their career growth.

Diversity and Equal Opportunity

Key performance indicators

Diversity and Equal Opportunity	2016-17
Percentage of governance body by gender	Male: 7, Female: 2 (22% F, 78% M)
Percentage of employees by gender	Total: 94.4% Male, 5.6% Female Management: Male 973, Female 44 Trainees: Male 27, Female 15
Percentage of governance body by age	Under 30: 0, 30-50: 6 (55.5%), Above 50: 3 (44.4%)
Percentage of employees by age	Under 30: 302 (29.7%) . 30-50: 586 (57.6%) , Above 50: 129 (12.7%)



Overview 2016-17

At ICI Pakistan Limited we are committed to promoting diversity in the workplace and equal opportunities for all, based on merit and suitability. Our Code of Conduct clearly spells out these principles and they are also supported by our core values (Passion for People; Integrity and Responsibility).

Gender diversity within our workforce is an area where we intend to make greater progress in the coming years. Today,

women executives comprise twenty-two percent of our Executive Management Team, the body responsible for the management of the organisation on an ongoing basis. While the percentage of women in our overall workforce is still relatively low (at 5.6%) we are focussed on increasing this number going forward. Our gender diversity forum 'iMPACT' was created to support and promote gender diversity in the Company, and is the platform through which diversity-related initiatives are run.

Non-Discrimination

Key performance indicators

Non-Discrimination		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total number of incidents of discrimination	No.	NR	NR	NR	NR	NR	NR	0	0

Overview 2016-17

As enshrined in our Code of Conduct, non-discrimination is an important part of our value system and cultural ethos at ICI Pakistan Limited. For example, the Code explicitly states that suitability of candidates for job opportunities will be determined solely on the basis of objective and non-discriminatory criteria.

We also have in place a whistleblowing programme known as Speak Up, which is open to all employees for the confidential reporting of any Code of Conduct violations. This ensures that checks and balances are in place with regard to not just discriminatory practices, but also any other violations of the Code.

In the year 2016-17, there were no reported incidents of discrimination at the Company. Our five-year target, determined during this year, is to maintain this status quo, which we will aim to bolster with our ongoing focus on ethical and responsible behaviour in all our operations.

Sustainability Highlight

Providing Accessible Healthcare with the Hamqadam Community Clinic

Investing in basic infrastructure and critical services in our communities is an important part of our sustainability approach as it allows us to impact communities near us in indirect, but profoundly important and life-affirming ways. This Sustainability Highlight illustrates the clearly demonstrated positive impact of a well-managed community investment project that is aligned with local community needs.

Despite its geographically remote location, Khewra is home to a local population of over 80,000 people. One of the main issues facing this population for many years has been that quality healthcare services can be hard to come by locally. This was of particular concern with regard to at-risk or vulnerable groups, such as women and children. Previously, pregnant women and young children had to travel long distances to access adequate healthcare facilities.

In 2016, ICI Pakistan Limited set up a mother and child healthcare community clinic in Khewra in response to this need. Funded by the ICI Pakistan Foundation and run in partnership with Marie Adelaide Leprosy Centre (MALC), the clinic has now been in operation for over a year, and is proving to be a valuable addition to Khewra's healthcare infrastructure.

The clinic is run by a lady doctor with the support of a lady health worker, along with a leprosy, ophthalmic and tuberculosis technician, and an ambulance driver. Within the first eighteen months of its operations, recorded numbers of patient visits to the clinic have demonstrated its clear value to the local community. Since the clinic's inception in February 2016, a total of 6,944 OPD cases have been catered to, with 346 pregnant women registered at the clinic, and 998 children under the age of five being monitored for immunisation and nutrition through the 'Road to Health' chart. These numbers translate into human stories of safer pregnancies and childbirth, improved early childhood development, and better overall mother and child health and wellbeing. Adequate medical care and nutrition during pregnancy and early childhood has been demonstrated to have impacts on the health of individuals later in life.

Recently, an ultrasound machine has also been provided to the clinic to aid in examination and diagnosis of patients. A state-of-the-art ambulance was also donated to the clinic at the time of inauguration to cater to emergencies in the local area. So far, the ambulance has been utilised for 74 trips and has addressed emergency needs to transfer patients from Khewra to Rawalpindi/Islamabad, Lahore, Pind Dadan Khan, Chakwal, Kalarkahar, Sargodha, Jhelum, and Mandi Bahauddin.



Local Communities

Key performance indicators

Local Communities		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Community programme investment	PKR Million	24.3	6	7.45	17.45	20	20	20	30

Overview 2016-17

A percentage of the Company's annual after tax profits are allocated to the ICI Pakistan Foundation to fund approved community investment initiatives. While in 2016-17, there was no increase or decrease in our community investment commitment as compared to last year, going forward, with the growth and expansion of the Company, we anticipate the allocation of an increased amount to support community investment.

Currently, the community investment programme supports commitments to several ongoing projects, as well as collaborating with reputed partners on new projects as well. Detailed information on community investment initiatives is available in the Community Investment section of the Annual Report (page 53).

GRI Content Index

CORE DISCLOSURES

Indicators		Response/Section
Organisational Profile		
Disclosure 102-1	Name of the organisation	Section: Company Information – Page 67, AR
Disclosure 102-2	Activities, brands, products and services Activities, brands, products and services	Section: ICI Pakistan Limited at a Glance – Page 2-5, AR Section: Soda Ash Business – Page 92-95, AR Section: Life Sciences Business – Page 96-103, AR Section: Chemicals – Page 104-107, AR Section: Polyester – Page 108-111, AR
Disclosure 102-3	Location of headquarters	Section: Company Information – Page 67, AR
Disclosure 102-4	Location of operations	Section: ICI Pakistan Limited at a Glance – Page 2-5, AR
Disclosure 102-5	Ownership and legal form	Section: ICI Pakistan Limited at a Glance – Page 2-5, AR Section: Corporate Governance and Compliance – Page 58-61, AR
Disclosure 102-6	Markets served	Section: ICI Pakistan Limited at a Glance – Page 2-5, AR
Disclosure 102-7	Scale of the organisation	Section: ICI Pakistan Limited at a Glance – Page 2-5, AR Section: Report of the Directors for the Year Ended June 30, 2017 – Page 74-86, AR Section: ICI Pakistan Limited Unconsolidated Financial Statements – Page F36-F37

Disclosure 102-8	Information on employees and other workers	<p>Section: ICI Pakistan Limited Unconsolidated Financial Statements – Page F36-F37</p> <p>Section: Diversity and Equal Opportunity – Page 144, AR</p> <p>Non-Management Staff – 382 (100% Male, 0% Female)</p> <p>Trainees (42) are employees on temporary employment contracts.</p> <p>Employees perform significant portion of ICI Pakistan Limited's activities.</p> <p>No variations in the numbers reported.</p> <p>Data was compiled by the Corporate HR Department as per actual and no assumptions are made.</p> <p>ICI Pakistan Limited will be reporting Region wise data in next year's report.</p>
Disclosure 102-9	Supply chain	Section: Sourcing – Page 129, AR
Disclosure 102-10	Significant changes to the organisation and its supply chain	<p>Section: Sourcing – Page 129, AR</p> <p>Section: ICI Pakistan Limited Consolidated Financial Statements – Page F68-F69</p>
Disclosure 102-11	Precautionary principle or approach	Section: Corporate Governance and Compliance: Code of Conduct – Page 58, AR
Disclosure 102-12	External initiatives	Response: GRI Standards adopted for the 2016-17 Sustainability Report
Disclosure 102-13	Membership of associations	<p>Response: Chamber of Commerce; Environmental Protection Agency (all provinces); Competition Commission of Pakistan; National Board of Boilers and Pressure Vessels; National Environmental Quality Standards; Pakistan Business Council (PBC); Pakistan Institute of Corporate Governance; Management Association of Pakistan (MAP); Overseas Islamic Chamber of Commerce and Industry (OICCI); WWF Green Office</p>
Strategy		
Disclosure 102-14	Statement from senior decision-maker	Section: Message from the CE – Page 16-17, AR

Ethics and integrity

Disclosure 102-16	Values, principles, standards and norms of behaviour	Section: Our Vision – Page 10, AR Section: Our Values – Page 11, AR Section: Our Code of Conduct – Page 14, AR Section: Sustainability Guiding Principle – Page 15, AR
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Governance

Disclosure 102-18	Governance structure	Section: Board and Management Committees – Page 66, AR Section: Company Information – Page 67, AR Section: ICI Pakistan Limited at a Glance – Page 2-5, AR Section: Sustainability Strategy & Sustainability Council – Page 118-119, AR
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Stakeholder Engagement

Disclosure 102-40	List of stakeholder groups	Section: Stakeholder Engagement – Page 123, AR
Disclosure 102-41	Collective bargaining agreements	Response: 382 employees, i.e., all non-management staff, covered by collective bargaining agreements (27% of employees) Total number of employees: management 1,017; non-management 382; trainees 42
Disclosure 102-42	Identifying and selecting stakeholders	Section: Stakeholder Engagement – Page 123, AR
Disclosure 102-43	Approach to stakeholder engagement	Section: Stakeholder Engagement – Page 123, AR
Disclosure 102-44	Key topics and concerns raised	Section: Stakeholder Engagement – Page 123, AR

Reporting Practice

Disclosure 102-45	Entities included in the consolidated financial statements	Section: ICI Pakistan Limited at a Glance – Page 2-5, AR Section: ICI Pakistan Limited Consolidated Financial Statements – Page F68-F69 Response: The ICI Pakistan Group consists of: 1. ICI Pakistan Limited 2. ICI Pakistan PowerGen Limited 3. Cirin Pharmaceuticals (Private) Limited 4. NutriCo Morinaga (Private) Limited However the Sustainability Report 2016-17 only covers ICI Pakistan Limited
Disclosure 102-46	Defining report content and topic boundaries	Section: About the Report – Page 120, AR Section: Materiality Assessment – Page 121-122, AR
Disclosure 102-47	List of material topics	Section: Materiality Assessment – Page 121, AR

Disclosure 102-48	Restatements of information	Response: Not applicable – no restatements of information given
Disclosure 102-49	Changes in reporting	Response: ICI Pakistan Limited transitioned to GRI Standards for sustainability reporting, while also reporting the list of material topics and topic boundaries for the first time. Section: About the Report – Page 120, AR
Disclosure 102-50	Reporting period	Section: About the Report – Page 120, AR
Disclosure 102-51	Date of most recent report	Response: October 25, 2016 (Sustainability Report 2015-16)
Disclosure 102-52	Reporting cycle	Section: About the Report – Page 120, AR
Disclosure 102-53	Contact point for questions regarding the report	Section: About the Report – Page 120, AR
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	Section: About the Report – Page 120, AR
Disclosure 102-55	GRI Content Index	Section: About the Report – Page 120, AR GRI Content Index – Page 148-157
Disclosure 102-56	External Assurance	Section: About the Report – Page 120, AR Section: External Assurance – Page 158-159, AR

TOPIC SPECIFIC STANDARDS

Category: Economic

GRI 201 ECONOMIC PERFORMANCE

Disclosure 201-1	Direct economic value generated and distributed	Section: ICI Pakistan Limited Unconsolidated Financial Statements – Page F04-F09
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	Response: Information Unavailable. ICI Pakistan Limited employs a robust Enterprise Risk Management (ERM) framework, which is integrated across the organisation to identify and address risks. Impact of climate change will be assessed in the forthcoming year and will become part of next year's report.
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	Response: Information unavailable. ICI Pakistan Limited has a benefit and retirement plan in place for its employees. The relevant department has been intimated of GRI requirements against this disclosure and will be a part of next year's report.
Disclosure 201-4	Financial assistance received from government	Section: ICI Pakistan Limited Unconsolidated Financial Statements – Page F36

GRI 202 MARKET PRESENCE

Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Response: Confidentiality Constraints. ICI Pakistan Limited adheres to all local and federal laws with regards to minimum wage and ensures zero discrimination on the basis of gender
Disclosure 202-2	Proportion of senior management hired from the local community	Response: Karachi: 66%; Lahore: 100%; Sheikhpura: Nil; Khewra: Nil. Senior management is defined as employees at G37-plus-level, excluding EMT. Local community defined as those residing in and/or hailing from the significant location identified. Nil in Khewra and Sheikhpura due to lack of qualified local personnel.

GRI 203 INDIRECT ECONOMIC IMPACTS

Disclosure 203-1	Infrastructure investments and services supported	Section: Local Communities – Page 147, AR Section: Community Investments: Giving back to our communities – Page 53-55, AR
Disclosure 203-2	Significant indirect economic impacts	Section: ICI Pakistan Limited Unconsolidated Financial Statements – Page F36

GRI 204 PROCUREMENT PRACTICES

Disclosure 204-1	Proportion of spending on local suppliers	Response: Information Unavailable. The data related to this disclosure is not present as a consolidated quantifiable value. Will be made part of the report next year.
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GRI 205 ANTI-CORRUPTION

Disclosure 205-1	Operations assessed for risks related to corruption	Response: Information Unavailable. ICI Pakistan Limited does not assess Businesses/operations individually, but covers these through its Code of Conduct, which is signed by all employees and vendors upon engagement with the Company, and must be adhered to.
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Response: Information Unavailable. ICI Pakistan Limited does not assess Businesses/Operations individually, but covers it through the Code of Conduct that is signed by all employees and vendors upon engagement with the company.
Disclosure 205-3	Confirmed incidents of corruption and actions taken	Response: None

GRI 206 ANTI-COMPETITIVE BEHAVIOR

Disclosure 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Response: None
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Category: Environmental

GRI 302 Energy

Disclosure 302-1	Energy Consumption within the organisation	Section: Energy – Page 132, AR Response: Standard calorific values of fuels are used for conversion
Disclosure 302-2	Energy Consumption outside of the organisation	Response: None
Disclosure 302-3	Energy intensity	Section: Energy – Page 132, AR

GRI 303 Water

Disclosure 303-1	Water withdrawal by source	Section: Water – Page 134, AR Response: At the Polyester Business: Groundwater At the Soda Ash Business: Groundwater and river water Percentage of sites with sustainable fresh water: This percentage represents sites that have the capability to contain contaminated water within the plant premises.
Disclosure 303-2	Water sources significantly affected by withdrawal of water	Response: None
Disclosure 303-3	Water recycled and reused	Section: Water – Page 134, AR

GRI 305 Emissions

Disclosure 305-1	Direct (Scope 1) GHG emissions	Section: Emissions – Page 136, AR Response: ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS) Factors used in the calculation of emissions are based on the current International Energy Agency
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Section: Emissions – Page 136, AR Response: ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS) Factors used in the calculation of emissions are based on the current International Energy Agency
Disclosure 305-4	GHG emissions intensity	Section: Emissions – Page 136, AR Response: ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS)
Disclosure 305-5	Reduction of GHG emissions	Section: Emissions – Page 136, AR Response: ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS)
Disclosure 305-6	Emissions of ozone-depleting substance (ODS)	Response: No chemical classified as an ODS is listed in the Chemical Substance Inventory of ICI Pakistan Limited

Disclosure 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Section: Emissions – Page 136, AR Response: ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS)
GRI 306 Effluents and Waste		
Disclosure 306-1	Water discharge by quality and destination	Response: Information Unavailable. The total volume of water discharged to specific water bodies was not quantified, however, each Business maintains a record of all water discharge to municipal sewers and other in-house storage options. A proportion of water used is recycled for horticultural purposes.
Disclosure 306-2	Waste by type and disposal method	Section: Effluents and Waste – Page 137, AR
Disclosure 306-3	Significant spills	Response: None
Disclosure 306-4	Transport of hazardous waste	Response: None
Disclosure 306-5	Water bodies affected by water discharge and/or runoff	Response: None
GRI 307 Environmental Compliance		
Disclosure 307-1	Non-compliance with environmental laws and regulations	Response: ICI Pakistan Limited has not identified any non-compliance with environmental laws and/or regulations for the year 2016-17
Category: Social		
GRI 401 EMPLOYMENT		
Disclosure 401-1	New employee hires and employee turnover	Response: New Hires: Management 243; Trainee 29 Employee Turnover (Voluntary, Dismissal, Retirement, Death included) Total leavers (Management): 177 Rate: 17%
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Response: Life insurance, healthcare, disability coverage, parental leave, and retirement provisions are all provided to ICI Pakistan Limited employees as per the Company's Policy. Significant locations of operation are all ICI Pakistan Limited manufacturing sites, offices and warehouses.
Disclosure 401-3	Parental leave	Response: Information Unavailable. ICI Pakistan Limited has a parental leave policy for all its employees. Quantified data will be reported in next year's report.
GRI 402 LABOR/MANAGEMENT RELATIONS		
Disclosure 402-1	Minimum notice periods regarding operational change	Response: Four weeks also mentioned in collective agreements

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

Disclosure 403-1	Workers representation in formal joint management-worker health and safety committees	<p>Response: Our manufacturing sites have various systems in place to promote such programmes. Monthly joint management and worker safety meetings are one such process, steered by line managers and occasionally the section head of all functional departments. The agenda is set by the HSE Department and feedback is recorded.</p> <p>These meetings ensure 100% participation by the workforce</p>
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Section: Occupational Health & Safety – Page 142, AR
Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	<p>Response: As per the ICI Pakistan Limited HSE&S Management System and the company's Occupational Health Policy, areas at all manufacturing sites have been assessed for health risks, and, accordingly, Health Monitoring Programmes have been developed for employees. For example, Laboratory employees are assessed for lung-related diseases that may rise due to fume inhalation. Employees working in high noise areas are annually checked for any depletion in hearing.</p>
Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	Response: None

GRI 404 TRAINING AND EDUCATION

Disclosure 404-1	Average hours of training per year per employee	Section: Training & Education – Page 143, AR
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs Leadership Essentials:	<p>Response: Code of Conduct, HSE Awareness, Performance Management System, HR for Non HR Managers, Discovering the Leadership Within, Behavioural Based Interviewing Skills. Leadership Development Roadmap: Leadership Development Journey, Leading Beyond, Leading and Developing Teams, Self-development Programme, Creative Thinking & Collaboration, Greater Self, Leading Teams for Impact. Functional skills development programs: Core Development Program for Engineers.</p>
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Section: Training & Education – Page 143, AR

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

Disclosure 405-1	Diversity of governance bodies and employees	Section: Diversity & Equal Opportunity – Page 144, AR
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Response: Confidentiality Constraints. ICI Pakistan Limited is an equal opportunity employer and does not differentiate on the basis of gender in benefits, salary and remuneration.

GRI 406: NON-DISCRIMINATION

Disclosure 406-1	Incidents of discrimination and corrective actions taken	Section: Non-Discrimination – Page 145, AR
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GRI 410: SECURITY PRACTICES

Disclosure 410-1	Security personnel trained in human rights policies or procedures	Response: 100% of security staff is on various security and safety procedures of ICI Pakistan Limited that cover human rights policies.
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GRI 413: LOCAL COMMUNITIES

Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	Section: Local Communities – Page 147, AR Section: Community Investment – Page 53-55, AR
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	Section: Local Communities – Page 147, AR Community Investment – Page 53-55, AR

GRI 415: PUBLIC POLICY

Disclosure 415-1	Political contributions	Response: None. ICI Pakistan Limited did not make any political contribution in 2016-17
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GRI 416: CUSTOMER HEALTH AND SAFETY

Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	Response: ICI Pakistan Limited firmly believes in product stewardship and covers this through the ICI Pakistan Limited Standard on Product Management, Distribution and Use. Response: 100% of products and services are covered by, and assessed for compliance to the procedure.
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Response: ICI Pakistan Limited did not identify any incidents of non-compliance with regulations and/or voluntary codes in 2016-17.

GRI 417: MARKETING AND LABELING

Disclosure 417-1	Requirements for product and service information and labelling	<p>Response: ICI Pakistan Limited covers the product and service information and labelling via its HSE&S Management System Standard – Guidelines for HSE Classification, Labelling and Documentation for Distribution, which ensures all information pertaining to sourcing of components, content, safe use and handling, disposal are covered.</p> <p>Response: 100% of our products and services are covered by and assessed for compliance with the procedures.</p>
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labelling	<p>Response: ICI Pakistan Limited did not identify any incidents of non-compliance with regulations and/or voluntary codes 2016-17.</p>
Disclosure 417-3	Incidents of non-compliance concerning marketing communications	<p>Response: ICI Pakistan Limited did not identify any incidents of non-compliance with regulations and/or voluntary codes 2016-17.</p>

GRI 418: CUSTOMER PRIVACY

Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>Response: ICI Pakistan Limited has not identified any substantiated complaints in 2016-17.</p>
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GRI 419: SOCIOECONOMIC COMPLIANCE

Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	<p>Response: None</p>
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Independent Limited Assurance Report on the Sustainability Report of ICI Pakistan Limited for the Year Ended June 30, 2017

To the Board of Directors of ICI Pakistan Limited

1. Introduction and scope

We have undertaken a limited assurance engagement on the Sustainability performance contained on pages 112 to 157 of the Annual Report 2016-17 of ICI Pakistan Limited (the Company) for the year ended June 30, 2017 prepared by the management of the Company. The Company's Sustainability performance (the Sustainability Report) has been prepared by the management in accordance with the Core criteria of GRI Standards. The Company has defined the scope of the Report in the section "About the Report" on page 120 of the Annual Report 2016-17.

The scope of our limited assurance engagement included:

- a) review of structure of the Sustainability Report; and
- b) review that the subject matter and information (except for data/information verification and appropriateness thereof) presented in the Sustainability Report are in accordance with the Core Criteria of the GRI standards.

2. Criteria

The criteria used by the Company to prepare the Sustainability Report is the Core Criteria of the GRI Standards, as described on page 120 of the Annual Report 2016-17 (the Criteria).

3. Management's responsibility

The Company's management is responsible for the preparation of the Sustainability Report in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

4. Limitations

Our scope excluded verification of the data reported for sustainability KPIs and verification of quantitative and qualitative data / information presented in the Sustainability Report.

5. Our independence and quality control

We have complied with the independence and the other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

6. Our responsibility and summary of work performed

Our responsibility is to express a limited assurance conclusion on the Sustainability Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagement (ISAE) 3000, 'Assurance Engagements other than audits or reviews of historical financial statements' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of Company's use of the Criteria as the basis for the preparation of the Sustainability Report, assessing the risks of material misstatement of the Sustainability Report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Sustainability Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, the procedures selected were based on our professional judgement. Within the scope of our work, we performed amongst other the following procedures:

- reviewed the Sustainability Report to check that it complies with the requirements of section 2 of GRI 101 (Foundation) including clauses 2.1 to 2.6;
- reviewed the Sustainability Report to check that it complies with the reporting requirements of GRI 102 (General Disclosures);
- reviewed the Sustainability Report to check that it complies with the reporting requirements of GRI 103 (Management Approach) for each material topic; and
- reviewed the Sustainability Report to check that it complies with the reporting requirements for at least one topic specific disclosure.

7. Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that

the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the Company's Sustainability Report for the year ended 30 June, 2017 is not prepared, in all material respects, in accordance with the Criteria.

8. Restriction on use

Our responsibility in performing our limited assurance activities is to the Board of Directors of ICI Pakistan Limited only and in accordance with the terms of engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance that any third party may place on the Sustainability Report is entirely at its own risk.



A.F.Ferguson & Co.

Chartered Accountants
(a member firm of the PwC network)*
Karachi, Pakistan

Date: August 16, 2017

Engagement Partner: Syed Fahim ul Hasan

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