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Message from the Chief Executive

Dear Stakeholders,

The tenth annual Sustainability Report of ICI Pakistan Limited marks one decade of consistent year-on-year voluntary sustainability reporting by the Company; a testament to our intent to continue to embed sustainable practices in every area of our operations.

Last year, we became one of the first companies in Pakistan to adopt the newly introduced, and not as yet mandatory, GRI Standards to report on our sustainability efforts. This year, I am pleased to say that in an effort to further elevate our sustainability reporting practices, in addition to adhering to the GRI Standards, we have aligned our reporting to the United Nations Development Programme Sustainable Development Goals (SDGs).

The SDGs are a set of 17 goals that build on the progress of the Millennium Development Goals, and are 'a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.' Their scope has been expanded to include pressing concerns such as climate change, economic inequality, innovation, sustainable consumption and more. There has never been a more urgent requirement to address such areas as there is today, and at ICI Pakistan Limited, we are committed to doing our part, which includes timely and transparent disclosures on sustainability parameters.

ICI Pakistan Limited is a growing manufacturing concern. As such, it is inevitable that we have impacts on the environment, on the economy, and of course, on the society within which we operate. Our brand promise, Cultivating Growth, encapsulates our purpose and the spirit of our operations – that is, that we must cultivate, nurture and encourage growth in all forms in everything that we do. Therefore, we continue to manage our impacts, working to offset the negative and to maximise positive contributions, alongside ensuring the growth of the business and value creation for our stakeholders.

As we complete our first full decade of sustainability reporting, I can say with confidence that over time we have developed a clear understanding of our key areas of interest and our priorities in terms of material topics. Last year, we adopted the GRI Standards which afforded us the opportunity to consider and re-evaluate the parameters against which we report our sustainability progress. These remain largely unchanged from 2016-17. Health and safety has emerged as an area of even greater focus than last year. Regrettably, during 2017-18 there were some safety incidents, including one fatality of a contractual employee at the Company-operated limestone quarry. This unfortunate loss of life was a cause for great concern, and as I shared with colleagues in my last Chief Executive's Communication session and other communications, it is my personal ambition to make ICI Pakistan Limited one of the safest companies to work for in Pakistan. We simply must raise the bar on safety.

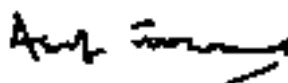
Rising energy consumption has been a challenge in recent years, however, during the financial year, gas was more readily available as compared to last year. We were accordingly able to reduce our reliance on coal-fired boilers (CFBs), instead utilising gas turbines and power generation engines that run on furnace oil. As CFBs are comparatively more energy-intensive to run, with this shift in power generation methods, the Company has been able to achieve an overall reduction in per ton energy consumption as compared to the last three years. To minimise our environmental impact, we have also adopted the use of low-sulphur-content coal in addition to the use of limestone, improving our performance against our target for 2020-21 in 2017-18.

As the conservation of water becomes an increasingly critical issue, not just nationally but on the world stage, we too have begun taking more stringent measures to prevent wastage of this precious resource. You will find details in this report of the various water conservation initiatives we have undertaken across our Businesses. Waste reduction, too, is being actively pursued, with teams in various Businesses devising solutions to better utilise generated waste.

Across the board, we endeavour to adopt an innovative, solution-oriented mindset; teams are encouraged and empowered to implement process optimisation and other improvements with not just business success, but sustainability targets in mind. Our EPM database, launched last year, has been a useful tool in this regard, enabling the ongoing collection and timely analysis of data on sustainability parameters across the Company.

As we now focus on consolidating our growth, post recent acquisitions and capacity expansions, we will continue to manage our impacts in line with regulatory compliance requirements such as the National Environmental Quality Standards (NEQS). Beyond this, investment in people – both, within the Company and those in our communities remains a key focus, as does managing our environmental impacts (including energy conservation, emissions, water management and waste reduction). Going forward, I look to not only our HSE&S Department and our multi-functional Sustainability Council to continue to drive our sustainability agenda, but also to every individual at ICI Pakistan Limited to do his/her part to act in accordance with building a more sustainable operation at ICI Pakistan Limited, Cultivating Growth in the truest sense for our shared future.

Best regards,



Asif Jooma,
Chief Executive,
ICI Pakistan Limited

Sustainability Performance 2017-18 at a Glance

A new series of corporate guidelines 'Information Notes for Managers' was launched. These guidelines provide managers a detailed overview of the concepts of risk assessment, hazard identification, and environmental emissions, and also explain the latest ICI Pakistan Limited reporting standards for health, safety, environment and energy KPIs throughout the fiscal year.

The Company's HSE&S audit system was further strengthened and detailed audits for newly acquired assets (subsidiary company Cirin Pharmaceuticals (Pvt) Ltd, and a manufacturing facility acquired from Wyeth Pakistan Limited and Pfizer Pakistan Limited), were conducted in preparation for the implementation of the ICI Pakistan Ltd HSE&S Management System. Action plans were also made accordingly to manage hazards and risks.

The ICI Pakistan Limited 2017-18 Sustainability Report was prepared in accordance with GRI Standards and in alignment with the UNDP SDGs.

An HSE Training Calendar 2017-18 was developed and fully implemented. Significant training courses included the Accident Investigation Workshop, Arrangements for Immediate Reporting and Hazard Identification & Risk Assessment. 4,489 man-days of training were successfully completed.



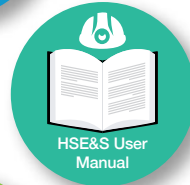
Occupational Illness Compliance

This year ICI Pakistan Limited revised its Occupational Health Manual in reference to newly upgraded international standards and requirements. One hundred percent compliance to the Company's Health Assessment and Work Environmental Monitoring programmes was achieved; no occupational illness was reported.



Hazard Identification

ICI Pakistan Limited Corporate Engineering Guidelines related to engineering standards were reviewed, and relevant employees trained.



HSE&S User Manual



Crisis Management Plan

Significant hazards and top risks to the Company continue to be highlighted through our active learning event database. For convenience of employees, a new mobile application has been designed for easy logging, marking of learning events and prompt communication of any significant event to the executive team. The Chief Executive's Best HSE&S Initiative Award continued to recognise the best solutions to mitigate the risks assessed through these learning events.



Chief Executive's HSE&S Award



GRI Standards

The Environmental Performance Management (EPM) Database, an application for the collation and analysis of the Company's HSE&S data, and the reduction of the Company's operational eco-efficiency (OEE) footprint was successfully relaunched. Reports on health, safety, energy and environment performance indicators are now generated regularly (on a monthly and quarterly basis). These reports are discussed in Business HSE Committee meetings, Sustainability Council meetings and ICI Pakistan Ltd Executive Team meetings. Based on the Sustainability KPI targets, an action plan is prepared to reduce the Company's eco-efficiency footprint.

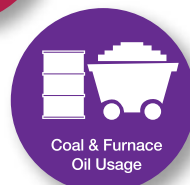


EPM Database



HSE&S Training Calendar

The use of coal and furnace oil continued due to the prevailing energy situation, negatively influencing gaseous emissions and total energy per ton production. In order to control these emissions ICI Pakistan Limited is now importing lower sulphur content coal to meet sustainability targets, despite the higher price of this coal.



Coal & Furnace Oil Usage

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

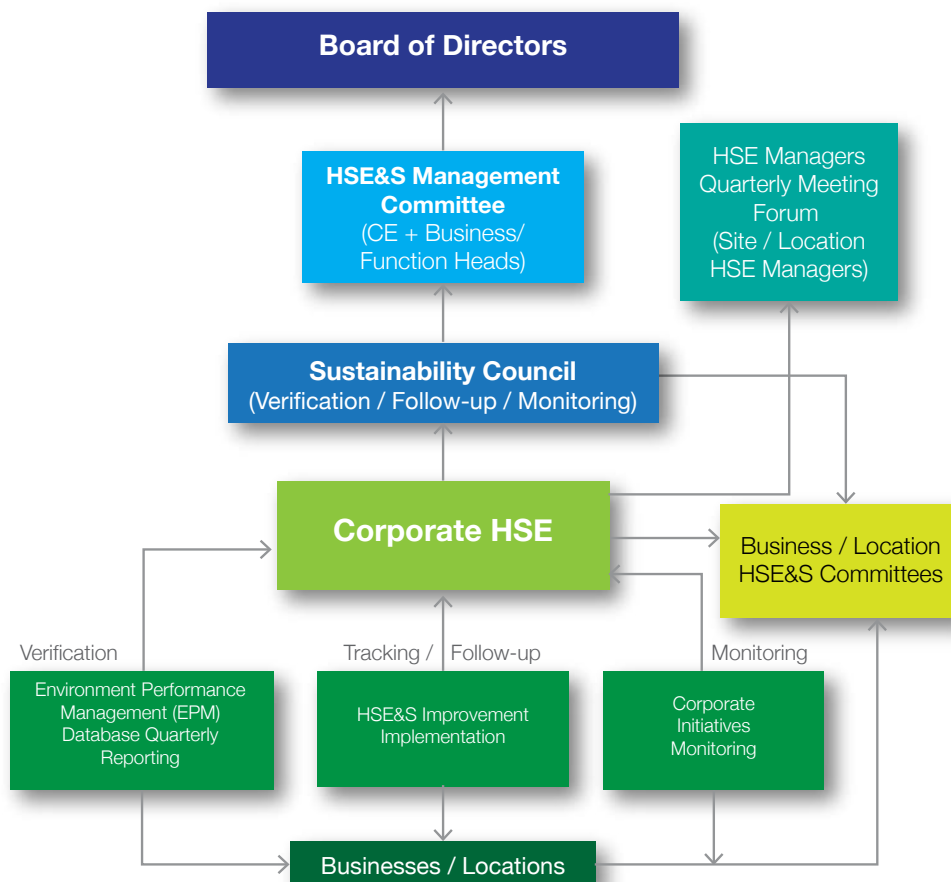
Established in the FY 2013-14, the Sustainability Council is a multi-disciplinary team comprising members from all Business and Functional areas of the Company. The Council was established to foster the ongoing sustainable growth of ICI Pakistan Limited.

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 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.

The Corporate Health, Safety, Environment and Security (HSE&S) 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 tenth annual Sustainability Report of ICI Pakistan Limited, and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This report also contains reference to the UNDP SDGs. ICI Pakistan Limited began the practice of voluntary sustainability reporting in 2008, and this continues to be an important part of the Company's 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, unless otherwise indicated.

Reporting Period

The reporting period corresponds with the Company's financial year 2017-18 (from July 1, 2017 to June 30, 2018). The cycle of reporting is annual.

Report Content

This report provides information on topics that have been assessed to be material to the Company based on significance of impacts on economy, environment and society, and are significant for stakeholder interests and decision making. The content of this report has been developed keeping in consideration the GRI 101 Foundation (2016) 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 the material topics that have been set internally by the Company's sustainability reporting governing body, the Sustainability Council. Key Performance Indicators (KPIs) shared in this report were set during 2016-17, and presented for the first time in that year's report alongside presenting achievements on the previous five years' targets.

The five-year target for KPIs set in 2016-17 is the year 2021; 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. There was no change in material topics and topic boundaries from the previous year.

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 Health, Safety, Environment & Security (HSE&S) parameters.

Our 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, Environment and Security (HSE&S) 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.

Assurance

Independent review of this report was conducted by CSRPC Pakistan, in accordance with GRI Standards requirements and principles of inclusivity, materiality and responsiveness. A statement from the independent external reviewer is included at the end of this sustainability report, and outlines the scope of the assurance, activities carried out and opinion.

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:

sustainability.council@ici.com.pk

If you are unable to access this resource or need further information, please contact the following at ICI Pakistan Limited:

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*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 which are deemed to be of greatest significance and value to the Company's continued growth, performance and success; have significant impacts on the economy, environment and society; and that are potentially of significant interest to the most vital stakeholder groups. 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 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 stakeholders' concerns and feedback, 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
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
Social	Employment and labour relations	ICI Pakistan Limited
	Training and Education	ICI Pakistan Limited
	Occupational Health and Safety	ICI Pakistan Limited
	Diversity and Equal opportunity	ICI Pakistan Limited
	Non-Discrimination	ICI Pakistan Limited
	Local Communities	ICI Pakistan Limited, 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 attached with 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.

ENVIRONMENTAL

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.

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." Furthermore, according to a 2017 United Nations report titled 'World Water Development' Pakistan ranks seventh in the world amongst the countries facing water scarcity.

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).

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.

SOCIAL

Employment and labour relations: The employment topic is critical to us and is driven by our core value of Passion for People. At ICI Pakistan Limited, we aspire to be an employer of choice, and recognise that development of employees in terms of training and education, growth opportunities, compensation and benefits are of utmost importance. We maintain a strong focus on providing skills and value to employees while our policies and employment practices ensure an environment that encourages diversity, engagement, personal growth and professional development. To attract, retain and bring out the best in our people, we invest in leadership and development training and offer rewarding careers where employees are able to continuously learn and grow.

Training and Education: Closely linked to the material topic of employment, training and education remains an ongoing focus for ICI Pakistan Limited, in pursuit of the Company's ambition to be an employer of choice, recruiting and retaining the best and the brightest. Training, education and development of our people is therefore a topic of critical importance to us. It is one we work towards 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.

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.

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, which take into account operations for development of communities, and the impacts of these on local communities, 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.

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, and 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, and which can significantly affect the ability of ICI Pakistan Limited to implement its strategies or achieve its objectives.

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 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 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 outlined accordingly.

Key Stakeholder Groups

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. Engaging 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, social media presence
Academic Institutions	Occasional	Guest speaker sessions, recruitment drives, internship programme, participation in career fairs	Career development, opportunities and placements, leadership and workplace insights	The Company has participated in multiple guest speaker sessions that enable sharing of experiences and advice imparted by professionals to the student body. The Company also holds regular recruitment drives and takes part in campus drives.
Civil Society/ NGOs	Regular	Meetings, one-on-one engagement	Funding for programmes; logistical and technical support.	ICI Pakistan Foundation-led and funded partnerships to support community development initiatives; volunteer programme and activities

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 also available at these occasions to answer queries and address concerns of shareholders, investors and analysts. An Investor Relations Policy is 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 82nd percentile with a score of 4.52 in 2018. 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.

In 2018, the Company was also awarded the prestigious Gallup Great Workplace Award, a global award that is Gallup's highest honour, reserved for the world's most distinguished workplaces. The Company has won this award based on its demonstrable efforts in linking engagement with business outcomes through focussed local and Company-wide initiatives. This award sets the Company apart as an employer of choice and stands as a testament to its workplace culture and values.

The Company's Leadership Development Roadmap (LDRM) continues to be a key ingredient in building the capabilities of the Company's employees. Through a structured and integrated talent development framework, which provides customised training modules, executive coaching sessions and learning projects, more than 700 managers participated in this initiative in 2017-18. In addition, to further supplement learning and development, the Lynda learning platform powered by SuccessFactors was launched, making over 1,600 training online courses on a variety of subjects available to employees throughout the organisation.

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 2017-18, at the Polyester Business focussed on several initiatives relating to customer satisfaction including technical team visits to customer plants to ensure that customer needs and concerns about the product are addressed. On average, 53 customer visits per month were carried out by the technical team during the year. Terylene Talk (a monthly brochure) and Terylene Express (daily email updates) are initiatives to provide customers an edge by sharing updated information on market dynamics. Both these initiatives keep our customers well informed about global and local textile market dynamics. Once every two years, the Business holds a customer conference. These conferences are attended by the directors of the textile houses, and provide a valuable opportunity for both, the textile industry and the Company's representatives to interact and exchange views and obtain feedback. Customer lunches are also held frequently to engage customers in an informal setting and obtain frank and open feedback.

In 2015, Black Fibre was launched. This product variant was well received by customers, with ICI Pakistan Limited attaining 55% market share within a two-year period.

Another variant successfully developed in 2017-18 was AntiMicrobial Polyester, which was developed in response to the growing demand for increased hygiene in the hospitality and medical sectors. Yet another variant that we have successfully developed is Terylene Green, a more environmentally sound option.

In addition to its ongoing regular customer engagement initiatives such as meetings and technical assistance, in 2017-18, the Soda Ash Business has begun work on an initiative to provide soda ash to its customers in bulk. This project, once completed will reduce the environmental impact of the business by reducing the amount of polythene liners utilised, as well as a reduction in fuel consumption associated with transportation. The project will also result in the sharing of savings with customers. The Business initiated an initiative in which the technical personnel from the customers visited the Soda Ash Business plant site for sharing of best-practice related to safety and product stewardship. These visits

provided an opportunity for both parties to engage and interact. On an ongoing basis, the Business continues to engage actively with its customers through meetings and informal gatherings.

In the Life Sciences Business, both Divisions of the Business conduct 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 conferences, meetings, and discussions. In the cardiovascular segment, a series of medical group meetings, ward presentations, triglyceride assessment camps and patient care drives succeeded in engaging over 2,000 healthcare professionals with respect to solutions for cardiovascular disease offered by ICI Pakistan Limited. A number of Health Care Professionals (HCPs) were also engaged in Continuing Medical Education (CME) programmes. Previously untapped Cirin customers were also engaged through improved in-chamber conversations, interactive e-detailing and CME programmes. Efforts to engage directly with end consumers for OTC brands were further built upon through the use of social media marketing and e-commerce platforms.

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 2017-18 were technical sessions for customers and talks by foreign delegates invited to share insight on current challenges in the livestock and poultry industries. Teams are also regularly trained on new product technologies, the latest farm management practices and key industry challenges, to help them serve customers better. One example of a major initiative to educate customers was initiated following the launch of the Cavac poultry biologicals range; the Division held seminars and sessions in major urban areas (Karachi, Lahore, Faisalabad etc) in collaboration with the University of Veterinary Sciences to educate farmers about the potency of vaccines. Farmers have traditionally selected vaccines based on brand names, with bigger brands usually charging a premium. The goal of

this training was to spread awareness that the primary indicator of a vaccine's effectiveness is its potency, not its brand name or price point. Following these successful sessions, a second phase of trials is also planned to demonstrate the efficacy of vaccines with the correct potency.

In the Chemicals & Agri Sciences Business, the General Chemicals Division co-sponsored the 4th Pakistan Coating Show 2018 at the Lahore International Expo Centre, in January 2018. The Pakistan Coating Show is the country's mega event for paints, inks, coatings, adhesives and sealants. It served as an excellent opportunity for showcasing the Company's products and technologies to new and potential customers, and also provided the opportunity to strengthen ties with the existing customer base.

In the Specialty Chemicals Division, the following customer engagement initiatives were carried out: the Textiles and Water Chemicals Treatment team participated in the GTex Textile exhibition in January 2017 to develop new and promising customer leads in the segment. 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. 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.

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 approached 260,000 farmers across Pakistan. The Division undertook a series of business partner conferences to ensure close customer connect and improve partnerships through various trainings/discussions. The Sales Force Effectiveness programme, an online application which allows sales representatives to plan and track their field visits to customers, continues to improve the level of service provided to customers by enhancing transparency and accountability. A toll-free helpline number has also been made available to customers through which any issues or queries related to Agri Division products can be communicated and resolved.

Local community

In 2017-18, new projects were launched in addition to ongoing longstanding initiatives that 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 second full year of operations with an excellent track record. Large numbers of women and children are now regularly treated at the clinic; previously these patients had to travel long distances to access adequate healthcare facilities.

So compelling was the success of the clinic, and the feedback of local community women, that we carried out a feasibility study and subsequently launched a second community clinic in Sheikhpura, near our Polyester plant. Since the clinic's inception in May 2018, we have already seen 1,052 OPD cases catered to, 43 pregnant women registered, and 145 children under the age of five monitored for immunisation and nutrition through the 'Road to Health' chart.

Other major new initiatives taken during the year include the completion of the ICI Pakistan Foundation's three-year pledge to the Child Life Foundation, a non-profit institution which operates and manages the Paediatric Emergency wards in several major government hospitals in Karachi; the successful launch of the Roshan Lyari vocational training programme for youth in Lyari; and the provision of funds to upgrade Karachi-based Murshid Hospital School of Nursing & Midwifery to college level, which will offer nursing students an upgraded four-year degree programme which in turn offers higher employability.

In addition, long-running community initiatives such as ICI Pakistan Limited's eye clinic programme in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT) continue to operate sustainably, with monthly camps for over 25 years running. As of June 30, 2018, 294 eye camps have been held as part of the LRBT Eye Clinic programme, during which 152,418 OPD consultations have been carried out, 17,182 surgeries completed and 29,844 refractions have been 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 entertained 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 has expanded significantly on its social media presence in 2017-18 to better inform the media and the general public about its plans, operations and initiatives. A corporate film was also launched on digital media in an effort to increase awareness about the Company's operations.

Civil Society / NGOs

In response to ongoing socio-economic gaps, the ICI Pakistan Foundation funds and partners with reputed NGOs and other non-profit organisations (such as the Layton Rehmatullah Benevolent Trust [LRBT], Marie Adelaide Leprosy Centre [MALC] and the CARE Foundation) to support community development initiatives in the areas of health, education, and the environment. In 2017-18, the Company has also launched its first ever structured volunteer programme, Pehchan, to enable employees to give back to local communities. Through the Pehchan Volunteer Programme, the Company provides employees two full working days or sixteen working hours annually to engage in community development initiatives with approved partner organisations.

Academic Institutions

The Company has participated in multiple guest speaker sessions that enable sharing of experiences and advice by professionals with the student body. Notable sessions include an appearance by Chief Executive Asif Jooma at the Leaders at LUMS forum, as well as many others. The Company also holds regular recruitment drives and takes part in campus drives.

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 2017-18.

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; formulating policies and guidelines that outline the way forward in achieving set goals and objectives; and periodically reviewing and updating these policies and guidelines.

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. For the purposes of sustainability management, the goals and targets set for the Company were agreed in 2016-17 and are expected to be achieved in a five year period (by 2020-21).

Target values expected to be achieved against each material topic are provided in this report.

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 Board is assisted by a number of sub-committees comprising mainly of independent/non-executive 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 Chief Financial Officer and the heads of Businesses and functions. Under the guidance of the EMT, the commercial teams of each of the Company's Businesses, as well as the Finance team, are responsible for delivering on and managing the economic performance of the Company in line with set targets. Achievement of set economic performance targets is linked to incentives across the Company, and these targets form a core part of annual performance appraisals as well. Where targets are not met, the reasons for the same are investigated and ascertained through performance appraisals as well as periodic business review meetings; learnings and feedback from these evaluation processes guide subsequent alterations in business strategy and/or goals, which are then implemented going forward.

The Company's economic performance for 2017-18 was strong. Net turnover of PKR 49,108 million for the year under review is 19% above net sales for the year ended June 30, 2017, which were recorded at PKR 41,364 million. The sales revenue growth is attributable to growth across all Businesses.

Net turnover in the Polyester Business grew by 26% on account of increased demand and higher prices across the petrochemical chain. Soda Ash revenues grew by 14% on the back of enhanced sales volumes and higher selling prices. The Life Sciences Business recorded a 22% growth in sales owing to business expansion as a consequence of integration of selected assets of Wyeth Pakistan Limited (Wyeth) and improved commercial execution and new partnerships. Net turnover in the Chemicals & Agri Sciences Business's grew by 7% against the same period last year (SPLY) owing to improved performances across all the Chemicals Divisions of the Business.

Operating profit for the year at PKR 4,398 million is 9% higher than the SPLY, with improved performances in the Polyester and Life Sciences Businesses, which compensated for the decline in performance in the Agri Sciences Division housed within the Chemicals & Agri Sciences Business. In the Soda Ash Business the impact of higher selling prices and increased sales volumes was offset by an increase in raw material prices, rupee devaluation, and increased depreciation charges due to capitalisation of the Business's 75,000 tons per annum (TPA) capacity expansion project; resultantly the operating profit remained at par with the SPLY.

Profit after tax (PAT) for the year ended June 30, 2018 at PKR 3,060 million is 7% lower than the SPLY owing to financing costs on account of higher debt, exchange losses following rupee devaluation, and lower Dividend Income from Associate

as compared to the SPLY. Earnings per share (EPS) at PKR 33.13 is 7% lower, compared to PKR 35.69 for the SPLY.

The Company continues to demonstrate its commitment to fulfilling its promise of 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 2017-18, as well as the Company's financial statements. The Company's financial statements are prepared in accordance with approved accounting standards and The Companies Act, 2017.

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 by the Company Secretarial Department, 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 an 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. This information is disseminated in accordance with SECP requirements, and the Code of Corporate Governance.

Integrity Management

Key performance indicators

Integrity management		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Code of Conduct confirmed incidents	number	NR	1	1	0	3	5	0
Code of Conduct acceptance	% employees	100	100	100	100	100	100	100
Management audits including reassurance audits	number	6	6	0	6	0	6	6
Serious Incidents - Level 3	number	0	0	0	0	1	1	0
Serious Incidents - Level 1, 2	number	0	0	0	0	4	2	0
Serious loss of containment - Cat D	number	0	0	0	0	0	0	0
Regulatory action - Level 3	number	0	0	0	0	0	0	0

Overview 2017-18

The Code of Conduct is a significant part of employee induction at ICI Pakistan Limited. Upon joining the Company, all new hires are required to read, understand and finally sign a declaration of compliance to the Code of Conduct. This year, the Learning & Development department has introduced a Code of Conduct and Health Safety Environment & Security (HSE&S) training e-module that is mandatory for all employees to complete.

In 2017-18, five Code of Conduct violations were recorded. These violations were dealt with in accordance with the

standard procedures and policies of ICI Pakistan Limited in this regard. The HSE&S Management Audit ensures 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. With regard to HSE&S performance, one Serious Incident (Level 3), and two Serious Incidents (Level 1 and 2) were reported in the year 2017-18. For details, please refer to the Occupational Health and Safety KPI overview section of this report.

Sourcing

Key performance indicators

Sourcing		2013 H1	2013-14	2014-15	2015-16	2016-17	2016-18	2020-21 Target
Vendor Policy signed by key suppliers	%	92	88	94	87	91.3	98	100
Vendor Policy signed by Central NPR Suppliers*	%	28	38	63	40	80.8	83.3	90
Supportive Supplier Visits	number	35	99	92	-	30	48	146

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

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 & Agri Sciences) 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 certain assets of Wyeth Pakistan Limited in August 2017, (the physical asset among these a manufacturing facility known as the Hawke's Bay plant) we now have an additional pharmaceutical manufacturing location in Hawke's Bay, Karachi. As a part of the Life Sciences Business of the Company, the supply chain practices of the Hawke's Bay plant are required to comply with the ICI Pakistan Limited HSE&S Management System.

Overview 2016-17

In order to achieve sustainable growth, it is essential for us to build strong business relationships with suppliers whose working practices meet our requirements. We aim to do business with partners who endorse ethical values as well as our social and environmental standards.

Our aim is 100% adherence to our vendor policy, and in 2017-18, we made significant progress towards this goal. In 2017-18 our focus was to further increase our engagement with our key suppliers so that each supplier is well-versed with our vendor policy. There is a significant increase in the percentage of key suppliers who had signed our vendor policy with growth and expansions in the Company the percentage of vendor policies signed for non-product related

(NPR) suppliers has increased by 3%, while supportive supplier visits have increased by 6%.

Health, Safety, Environmental and Security standards are formulated in accordance with our Code of Conduct and legislative programme of on-site visits to critical suppliers to develop them as sustainable partners. Through formal feedback and follow-up visits, we work together with our suppliers to improve their overall sustainability performance. In addition, HSE audits of their workplace are regularly conducted and improvement plans are shared. Traditional dimensions such as price, cost, time, delivery, punctuality and product quality no longer define a sustainable business. Our vendor partnerships are linked to suppliers and vendors accepting a code of behaviour similar to ours. Breaking this Code of Conduct jeopardises future relationships and agreements. Our efforts for the future entail continuing to bring all our direct suppliers, both product and non-product related, under the umbrella of our sustainability efforts.

During the reporting period, as stated above, one significant change to the organisation and its supply chain occurred following the acquisition and integration of the Hawke's Bay pharmaceutical manufacturing facility in Karachi, previously owned by Wyeth Pakistan Limited. This increased the number of the Company's manufacturing facilities in the city from two to three. The impact of this development on the Company's supply chain included integration of existing suppliers (from ICI Pakistan Limited and the Hawke's Bay plant) as well as the additional of several new suppliers, primarily for raw material procurement, and in some cases for packaging. For the rest of the Company's operations, no significant changes occurred in structure or location, except for the restructuring of the Life Sciences and Chemicals Businesses. The Agri Division, formerly of the Life Sciences Business, was placed under the renamed Chemicals & Agri Sciences Business to better capitalise on synergies. However, no physical change in location or structure occurred as a consequence of this restructuring, and as such, no changes occurred in supply chain.

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 Health, Safety, Environment and Security (HSE&S) 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 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 Health, Safety, Environment and Security (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 in 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 state-of-the-art Environmental Performance Management (EPM) Database, an application for the collation and analysis of the Company's HSE&S data, and the reduction of the Company's operational eco-efficiency (OEE) footprint. Data collected via the EPM Database is studied against relevant sustainability parameters and utilised in various ways including the analysis of each Business's sustainability performance, and to aid in the setting of goals and targets for future 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 any sort of issue 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 focussed 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.

Energy

Key performance indicators

Energy Usage		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Total energy consumption	1000TJ	2.1	4.9	5.7	6.5	8.2	6.75	7.4
Per ton production	GJ/te	11.62	11.84	13.03	13.86	17.09	12.88	15.38

Overview 2017-18

At ICI Pakistan Limited, investment in coal fired boilers and steam turbines continued in 2017-18 for the production of steam and power. However, during the financial year, gas was more readily available as compared to previous years. Therefore, the Company was able to reduce its reliance on coal fired boilers, particularly at the Polyester plant. Energy needs were instead met through the utilisation of gas turbines and power generation engines that run on furnace oil. Coal power plants are energy intensive due to their high requirement of coal, however, this year with improved availability of gas and reduced consumption of coal, the Company was able to achieve an overall reduction in per ton energy consumption as compared to the last three years. To counter the effects of coal on the environment, and to maintain emissions within global standards, the Company adopted the use of low-sulphur-content coal throughout the year in addition to the use of limestone. While we have improved our performance against the target in 2017-18, the

target for 2020-21 remains unchanged due to the prediction of increased gas outages in coming years.

Energy saving initiatives were continued by each Business; significant amongst these was detection of heat losses due to poor / weak insulation. For this purpose, thermographic cameras were used to identify areas requiring insulation improvement. Day-to-day process optimisation and close monitoring of key energy parameters further helped improve energy conservation. For example, a reduction in steam condensate was achieved following the installation of condensate flow transmitters, thus identifying steam loss in hidden areas.

At the Chemicals & Agri Sciences Business, improved insulation of reaction vessels was carried out during the year to reduce heat losses occurring during the heating process. Additionally, condensate heat recovery was improved from 70% to 75% by the installation of an improved steam trap on the Henkel vessel.

Sustainability Highlight

Moving Towards a Green Supply Chain Strategy

Reducing our impact on the planet and delivering more sustainable products and solutions to our customers means reviewing every aspect of our business to see where we can improve. This is not only in line with our Sustainability Guiding Principle, but also our core values: Innovation, Customer Centricity and Delivering Enduring Value. As illustrated in this Sustainability Highlight, we actively seek out and prioritise initiatives that will optimise processes and procedures for greater sustainability.

At our Soda Ash Business, this focus translated into our embarking on an innovative journey to become the first soda ash supplier in South Asia to transport soda ash in bulk. The 'green supply chain strategy' for soda ash is the first for any soda ash producing company in Pakistan.

On a monthly basis, our largest customers procure several thousand tons of Dense Ash. Currently, ICI Pakistan Limited provides the required material in 50kg plastic bags, which means that customers must employ manual labour on their end for the unloading of these bags into open conveyors, which in turn feed the raw material into their soda ash silos. This process results in the wastage of approximately 0.4% of total volume of soda ash handled, amounting to losses close

to PKR 8 million in a year. In addition, we can factor in the expense of manual labour involved, and most significantly, environmental impact in the form of polythene packaging, and CO₂ emissions.

The Soda Ash Business team proposed a simple improvement to the existing process; the use of bulk trucks. These vehicles are especially designed to transport unpackaged bulk cargo. Bulk trucks are pneumatically unloaded, thereby making the entire process automatic, cost-effective and eco-friendly. By unloading bulk quantities of soda ash directly into customers' silos, we will effectively prevent pollution, and eliminate wastage and manual handling. The solution allows savings on packaging, reduces product loss, and labour and transportation costs for our customers.

Additionally, the solution leads to a reduction of our environmental footprint by eliminating the use of over one million polythene bags, and the reduction of 350 tons of CO₂ from the atmosphere annually. As a manufacturing company, we are keenly conscious of our environmental impact and believe every effort counts when it comes to offsetting this impact and improving the environment that sustains us all. Moreover, the solution will effectively reduce energy usage as we shift to more efficient and improved machinery.



350 tons
of CO₂ eliminated from the
atmosphere annually



Water

Key performance indicators

Water Usage		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Total fresh water use	million m3	1.57	3.49	3.73	4.22	4.83	5.4	4.35
Per ton production	kg/te	8.7	8.44	8.47	8.91	10.01	10.48	8.9
% of sites with sustainable fresh water	%	33	33	33	33	33	25	100

Overview 2017-18

This year, water consumption remained on the higher side, due to the 75 kiloton per annum (KTPA) expansion project at the Soda Ash Business. However, all our manufacturing sites continued with their conservation initiatives to compensate for the increase in water consumption. At our Polyester site, ordinary taps in high usage areas (approximately 15% of the total number of taps) were replaced with special faucet nozzles which utilise 98% less water than regular taps. This initiative succeeded in reducing water consumption significantly by 336,000 litres per annum equivalent, which is equivalent to drinking water for 336 people for a whole year.

At the Soda Ash Business, cross-functional teams were formulated to monitor water usage, as well as to identify and take immediate action against instances of water leakage or overuse. Operational optimisation of the Process Condensate Distributor (PCD) system at the plant has resulted in a reduction in the amount of fresh water used for producing steam. Condensate recovered as a result of this optimisation

process is being used instead of fresh water, resulting in substantial water savings.

At the Polyester and Chemicals plant sites, focus was maintained on using water treated at each site's effluent treatment plant for horticultural purposes. At the Polyester plant, more sprinklers were installed for horticultural usage on site this year.

In 2016-17, the Chemicals & Agri Sciences Business utilised 10% of effluent water in its production processes. This year, the Business increased use of effluent treated water in its processes by another 15%, bringing the percentage of effluent-treated water used to 25% of total water consumption.

Furthermore, in view of the projected water scarcity in the country by 2025, and in alignment with UN SDG 6 (relating to availability of clean water and sanitation) the Sustainability Council is considering assigning stringent targets for reducing water consumption to each Business and function in the coming year.

Sustainability Highlight

Altered Nozzle Faucet for Water Conservation

Conserving water for a sustainable future is the need of the hour. According to a 2017 United Nations report titled 'World Water Development' Pakistan ranks seventh highest in the world amongst the countries facing water scarcity. One major reason for this is the excessive use and wastage of water.

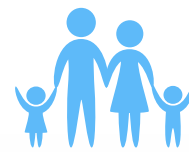
It is imperative that we all act to counter this state of affairs, on all levels possible. To this end, the Company's Polyester Business recently took on an initiative to conserve water by replacing regular faucets installed onsite with special faucets known as altered nozzle faucets. The altered nozzle works by atomising water, and dispensing it not as a stream, but

as a mist. This is an excellent step towards reducing the consumption of water. The altered nozzle faucet has two different modes of usage, and in the first mode (mist) it utilises 98% less water than a conventional faucet.

In its second mode, the altered nozzle releases water as a conventional stream, but even this mode still consumes 85% less water than a regular faucet. While these altered nozzles are costly, this is literally a small price to pay for conserving our most precious and life-giving resource. After this successful trial run of altered nozzles at the Polyester plant, the Company is looking into the feasibility of installing these nozzles at all its sites going forward.



336,000 litres
Estimated yearly savings*



336
People served for their drinking water needs for a whole year*

*These statistics represent the water savings from the initial trial phase of the altered nozzles in 2017-18

Emissions

Key performance indicators

Emissions Control		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Total COD emissions	metric te	17.82	16.43	18.05	15.99	20.04	26.90	16
Per ton production	kg/te	0.10	0.04	0.04	0.03	0.04	0.05	0.03
Total VOC emissions	te	1.33	3.23	3.45	3.56	3.52	3.31	3.20
Per ton production	kg/te	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Total NOx emissions	te	206.06	798.34	1209.18	1611.00	2387.27	2017	2150
Per ton production	kg/te	1.14	1.93	2.75	3.40	4.95	3.84	4.40
Total SOx emissions	te	1402.40	4338.97	3091.74	3562.32	4251.98	3438	3827
Per ton production	kg/te	7.75	10.50	7.02	7.53	8.82	6.55	7.91
Total Direct CO2 emissions (Scope 1)	metric te	130,000	430,000	520,000	620,000	890,000	65,0000	800,000
Per ton production	kg/te	737.50	1038.11	1196.13	1318.70	1854.07	1247	1670
Total indirect CO2 emissions (Scope 2)	te	706.86	2413.32	2384.20	1501.56	1275.63	1864	1123
Per ton production	kg/te	3.91	5.84	5.42	3.17	2.64	3.55	2.40

Overview 2017-18

During the year, ICI Pakistan Limited's focus on the reduction of Operational Eco-Efficiency KPIs remained one of the top priority deliverables. However, the use of coal negatively influenced emissions. In order to control these emission levels within NEQS, ICI Pakistan Limited is now using low-sulphur-content coal. Process conditions / combustion ratios were also optimised to reduce SOx and NOx emissions; this included the use of limestone. The usage of low-sulphur-content coal has resulted in significant reduction in the quantity of SOx and NOx per ton of production.

We are continuously working on steam optimisation through various initiatives to reduce direct CO2 emissions.

At two of our major manufacturing sites, high demand steam is one of the contributing factors towards CO2 emissions. In order to mitigate this, the Polyester Business took the initiative of installing flow transmitters on condensate return headers, which help to calculate the amount of condensate being recovered. This monitoring enables the identification of various sections of the plant where loss of steam was occurring, allowing these issues to be rectified immediately. This initiative resulted in a significant drop in fresh steam generation. Furthermore, at the Soda Ash Business we have also been working on carrying out process optimisation that has contributed towards reducing direct CO2 emissions.

Sustainability Highlight

Reduction in Steam Usage

Every manufacturing facility has its environmental impacts; this is an inescapable fact. But the amount of effort that goes into minimising or optimising these impacts is what sets sustainable operations apart from the rest. At ICI Pakistan Limited, we are focussed on achieving reductions wherever possible. This Sustainability Highlight illustrates one such example.

Steam is one of the major utilities consumed at our manufacturing facilities, such as our Polyester Staple Fibre manufacturing site. The usage of steam constitutes a significant energy cost per ton of fibre. Therefore, we are continuously working on steam optimisation through various initiatives.

Recently, at the Polyester Business, devices called flow transmitters were installed on the condensate return headers of steam consumers. Installation of the flow transmitters enabled us to calculate the amount of condensate being recovered more accurately. As a result of this monitoring, not only are we able to track exactly how much steam is being used, we were also able to identify a number of areas in the plant where loss of steam was occurring, and remained undetected by the conventional systems. With this improvement in place, the loss locations were identified and the problem rectified, hence resulting in a significant drop in fresh steam generation. As a result of this optimisation process, we have made significant progress on reducing our emissions.



0.08 Te of Steam / Te of Fibre Saved
(Compared with previous fiscal year)



1,528 Tons of CO2 Reduced
(Carbon foot print reduction)



**7,800 Trees
Offset**

Sustainability Highlight

Enhancing Biodiversity at our Sites

Managing our impact on the environment and the planet isn't just about mitigating any possible negative impacts – it's also about working to actively enhance the positive ones. One such example is illustrated in this Sustainability Highlight.

One of the ways we can ensure a positive contribution to the environment is by focussing on the biodiversity of our sites, particular our largest manufacturing sites, Soda Ash and Polyester, situated in Khewra and Sheikhupura respectively. Khewra in particular is located in a dry, barren region where vegetation is scare and industry abounds. Sheikhupura, while located in a more fertile part of Punjab province, is also a primarily industrial region, therefore biodiversity is of particular significance at both sites.

During 2017-18, our Soda Ash Business team engaged a team of specialists from the World Wildlife Fund (WWF) to conduct a survey at the Soda Ash site to assess and monitor the biodiversity of the area (in terms of flora and fauna), and suggest further areas for improvement. A field survey was conducted, including interviews with estate workers and local community members. A total of 2,113 birds from 82 species (with a Shannon-Weiner diversity index value of 3.24), eight species of mammals, two species

of reptiles, 12 species of butterflies and 293 species of plants were recorded at the Soda Ash site overall by the WWF survey team in April. It should be noted that there has been a 74% increase in the number of plants being reported as compared to the last study of this kind conducted by WWF in 2003. It is encouraging to note that WWF has appreciated the efforts of the Company in adding to the local ecosystem and enhancing the biodiversity of flora and fauna at this site.

At the Polyester Business site, there is a similar focus on the preservation and enhancement of forest ecosystems. As per the Company's HSE&S regulations, prior to the authorisation of any new development, a survey is carried out to determine the status of flora and fauna at the site. New developments are accordingly modified if found harmful to the existing ecosystem. This focus on conserving the ecosystem is visible at the Polyester plant site where one is greeted by lush green lawns and heavily forested areas. Over 30 different species of trees can be found onsite, as well as wildlife; there are peacocks, ducks, fish and monitor lizards onsite as well as six different species of butterflies. Moreover, the Polyester plant site is notable for being a site for migratory birds from Siberia, which regularly come and nest at the premises during their annual seasonal migration.



2,113 birds from 82 species
(with a Shannon-Weiner diversity
index value of 3.24)



74% increase
in the number of plants reported as
compared to 2003



Effluents and Waste

Key performance indicators

Waste Management		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Total waste	kte	0.43	12.88	22.2	28.94	8.86	40.83	8
Per ton production	kg/te	2.35	31.18	50.44	61.13	18.38	77.88	16.4
Total hazardous waste	kte	0.001	0.0076	0.24	0.006	0	0.20	0
Per ton production	kg/te	0.003	0.001	0.001	0.013	0	0.38	0
Total non-reusable waste	kte	0.001	0.0076	0.24	4.03	4.11	0.20	3.8
Per ton production	kg/te	0	0.001	0.001	8.76	8.53	0.38	8
Total non-reusable hazardous waste	kte	0.001	0.008	0.24	0.006	0	0.20	0
Per ton production	kg/te	0	0	0.001	0.013	0	0.38	0
Total hazardous waste to landfill	kte	0	0	0	0	0	0	0
Per ton production	kg/te	0	0	0	0	0	0	0

Overview 2017-18

The significant increase in total waste in 2017-18 was due to quantities of waste material left over after the completion of several major projects, particularly the Soda Ash Business 75 KTPA capacity expansion project. Despite the closure of coal-fired boilers at the Polyester Business and the reuse of fly ash and slag at the Soda Ash Business, waste quantities remained high. This was due to the consumption of coal in the steam and power generation process at our Soda Ash plant, which creates waste (fly ash and slag) as a byproduct of the process.

In 2018-19, the Soda Ash Business plans to further optimise the utilisation of waste at its site, an initiative started in 2017-18 by reusing coal waste generated onsite as fuel for

two of its other coal-fired boilers. This allows the Business to extract the maximum possible energy from the existing waste, thus reducing fresh coal consumption.

To control environmental impact due to the consumption of various fuels, teams have been nominated to reduce waste; this initiative is being run as a competition in order to maximise interest and participation. Another waste reduction initiative was undertaken by a team at the Polyester Business, where waste generated from mechanical and electrical disposable parts was salvaged and converted into daily-use items such as flower pots (made out of plastic containers), table clocks (using pistons and connecting rods) furniture and decoration items (made from rejected bearings and tools).

Sustainability Highlight

Putting Waste to Good Use

A significant portion of any manufacturing company's environmental impacts include the waste that is generated as a byproduct of its operations. Therefore, it is the responsibility of a sustainable company to utilise its waste materials sensibly and responsibly. This Sustainability Highlight illustrates one such case at ICI Pakistan Limited where we have developed solutions that allow for the optimal utilisation of generated waste products – turning waste into something valuable.

At ICI Pakistan Limited, we remain focussed on operating our Businesses in a way that minimises the impact of our manufacturing operations on the environment. This includes the minimum possible usage of raw materials and the lowest production of waste.

One such example can be found in the Soda Ash Business. Currently, the soda ash manufacturing process relies on the operation of coal fired boilers (CFBs) to meet energy requirements in the form of steam and power. As a by-product of their operation, CFBs produce solid waste in the form of two substances: fly ash and bottom

ash. The management of these waste substances is a challenge for the industry.

Even with our older boilers, the Company has always tried to minimise the production of waste by using a mix of high and low ash coal, and by working on process optimisation. By utilising a mix of low and high ash coal the quantity of waste was reduced by 25%. Furthermore, of the four CFBs installed at our Soda Ash plant site, the two newer boilers installed in 2016 are especially designed to operate on low ash-producing coal, which in turn reduces coal consumption. This goes on to reduce emission levels as well.

To further optimise the performance of our boilers, the Business initiated a practice whereby waste generated by the older boilers is salvaged and reused as fuel for the two new boilers onsite. Trials were carried out by utilising small amounts of bottom ash and were found to be successful. As a result, now the total quantity of bottom ash produced by the older boilers is being used in the newer boilers. This efficient use of bottom ash has reduced the environmental burden of bottom ash, as well as the carbon content of this substance contributing towards the improved efficiency of the new boilers.



Waste reduced by 25%
by using a mix of low and high ash coal



100%
of bottom ash produced by older boilers
now used in new boilers



Social Performance

Management Approach

Management approaches for the following material topics are covered in this section: Employment, 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 focused 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 1,600 people across Pakistan, we have a significant impact on livelihoods, opportunities and growth prospects for the people who work for us. As such, it is important to 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 a 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&S 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 122).

As a responsible and ethical company driven by values such as Passion for People and Integrity and Responsibility, ICI Pakistan Limited places high value on the health and wellbeing of its employees. Health monitoring programmes and health assessments are carried out annually for each employee. A separate Occupational Health Manual has been developed for the benefit of employees, and must be adhered to from the time of an employee's joining the Company. All requirements mentioned in the manual are mandatory at each workplace where the employee is stationed.

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. CSR initiatives are planned out on an annual basis, with some projects having a limited duration, while others are long-term, ongoing projects. The Board of Trustees is empowered to approve commitments to support social investment initiatives; this approval is granted based on criticality of need and a thorough assessment of each proposal in accordance with the Board-approved CSR Policy. The Board of Trustees is also empowered to manage, utilise and invest the assets of the Foundation. The Company makes an annual contribution of a percentage 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.

For the Human Resources department, practices and policies are governed by the Company's Code of Conduct, as well as complying with other policies and regulations including the Factories Act 1932, which covers labour laws at manufacturing sites. Depending on the nature of the HR initiative, approval is given by either the Board of Directors or the Executive Management Team of the Company.

Goals and targets for material topics are identified by our HR department through annual discussions by the HR fraternity in which challenges, requirements, etc, are reviewed

and medium and long-term organisational objectives are identified. These goals then trickle down to become part of the P&DD system. Training needs, education, and growth are also assessed through the Company's annual performance appraisal tool, P&DD.

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 60). Other complaints or issues can be raised and discussed directly with line managers.

Effectiveness of the Company's social performance is gauged in various ways. In the area of HSE&S, effectiveness is determined through the Learning Event Database, management audits and the EPM database. For Human Resources, effectiveness is gauged through the Company's performance appraisal system and annual employee engagement surveys. For corporate social responsibility, effectiveness is gauged on the successful disbursement of the annual approved budget for the ICI Pakistan Foundation, as well as the KPIs of the individual ongoing CSR initiatives.

Occupational Health and Safety

Key performance indicators

Health, Safety and Security		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17
Total reportable injury rate employees/supervised contractors	\million hours	0	0.33	0.16	0	0.44	0.10	0
Occupational illness rate employees	\million hours	0	0	0	0	0	0	0
Total illness absence rate employees	%	1.83	1.51	1.23	1.17	1.43	1.51	1.15
Fatalities: employees, supervised and independent contractors	number	0	0	0	0	1	1	0
Total reportable injury rate independent contractors	\million hours	0	0.56	0	0	0.33	0.45	0
Lost time injury independent contractors	number	0	2	0	0	0	2	0
% sites with BBS programme	%	100	100	100	100	100	100	100
Distribution incidents	number	0	0	0	0	1	2	0
Motor vehicle incident with injury	number	0	0	1	0	2	0	0

Overview 2017-18

In 2017-18 there was one reportable injury to a supervised contractor employee, and two reportable injuries to independent contractor employees. The total reportable injury rate of employees and supervised contractors was 0.10, while for independent contractors it was 0.45. There was one fatality during 2017-18; an independent contractor employee at the Company-operated limestone quarry was hit by the tailgate of a dumper truck, resulting in his demise. Two distribution incidents were reported in 2017-18. In the first incident, a coal-carrying vehicle misbalanced and flipped over on the road, near the Soda Ash plant. In another incident at the Life Sciences Business (Cirin Pharmaceuticals), a cold chain container truck transporting pharmaceutical products caught fire due to short-circuiting. These incidents were investigated and action plans were formulated and implemented against each finding to avoid recurrence.

The HSE&S performance of each of our Businesses with regard to million-man hours without lost time injury in 2017-18 was as follows: Soda Ash, 16.18; Life Sciences, 4.04; Chemicals & Agri Sciences, 1.11; and Polyester, 0.48.

The Health & Hygiene Assessment and Monitoring Programme was robustly practised across the Company resulting in zero reportable occupational illnesses. Furthermore, with the availability of the Occupational Health Manual, more significant improvements are expected in work place safety and occupational health of employees. The training of employees on vital HSE&S topics remained a key strategic item on the corporate agenda this year.

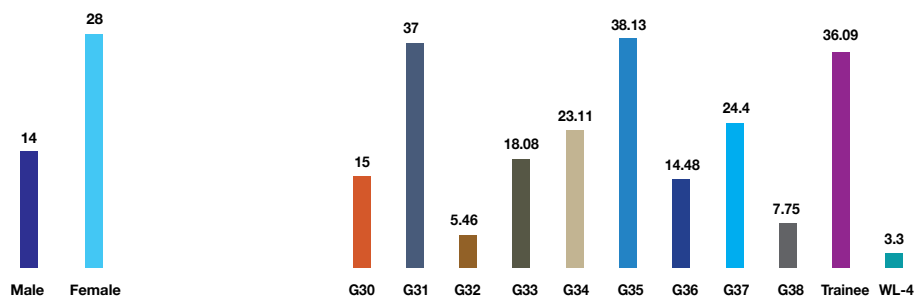
Training and Education

Key performance indicators

Training and Education		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Average hours of training per employee (gender and grade)						Male: 38.1, Female: 30.5 G30: 28.9; G31: 36.8; G32: 29.8; G33: 46.9; G34: 44; G35: 39.6; G36: 57.6; G37: 57.3; G38: 26.3; Trainee: 40.9; WL-4: 19.6	Male: 14, Female: 28 G30: 15; G31: 37; G32: 5.46 ; G33: 18.08; G34: 23.11; G35: 38.13; G36: 41.48; G37: 24.4; G38: 7.75; Trainee: 36.09; WL-4: 3.3	43.5
On-line P&D Discussion participation	%	NR	98	98	98	98.5	98.5	100%
Management Development Programme	NO. of Managers	NR	NR	NR	572	743	643	90%*
Employee engagement index	%	NR	NR	35	58	68	82	75

* Percentage of total managers

Average Hours of Training Per Employee (Gender and Grade)



Overview 2017-18

Employee training and development holds paramount importance for ICI Pakistan Limited. Building on our value of Passion for People, a renewed focus on learning and development prevailed in the year 2017-18 – both through online as well as face-to-face trainings.

In November 2017, with the introduction of Lynda powered by SAP Success Factors, 1,600 online courses were made available to employees throughout the organisation. These courses ranged from finance, sales and marketing to soft skills trainings by renowned professionals worldwide. 42% of required Training Needs Analysis (TNA) courses were mapped out with Lynda courses – accessible 24/7 to all employees. Moreover, additional in-house e-modules regarding Code of Conduct and HSE&S were developed and assigned as mandatory to all employees.

A total of 12,800 man-hours (online and face-to-face) were invested in employee training, focusing on soft skills, as well as functional and leadership development.

To build on and sustain the successful training and development of employees, a robust performance management and feedback system is crucial. 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, gauging the Company's overall performance. We achieved a 98.5% participation rate for this process in June 2018, and hope to raise this number even higher going forward.

Our Leadership Development Roadmap (LDRM) continues to be a key ingredient for training and development, aimed at taking our objective of a sustainable leadership pipeline to the next level while ensuring alignment with our values and business strategy. With customised training modules, executive coaching sessions and learning projects, more than 700 managers participated in the development journey this year. Moreover, our flagship corporate-run, HR for Non HR Managers training programme continued with an additional 35 managers from various streams and businesses trained this year.

With regard to the training and development of our engineering population, we introduced 83 Engineers Toolkit technical e-modules on Success Factors. These e-modules incorporate specifications and technical information sheets including Engineering Guides (EDG), Engineering Procedures (EDP) and Engineering Specifications (EDS). They provide thorough and concise guidelines for plant design, operations and maintenance to all engineers and have been segregated into chemical, electrical and mechanical streams to better suit the requirements of each engineering type.

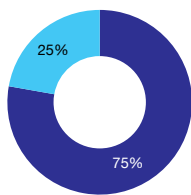
Diversity and Equal Opportunity

Key performance indicators

Diversity and Equal Opportunity	2016-17	2017-18
Percentage of governance body by gender	Male: 7, Female: 2 (22% F, 78% M)	Male 6, Female* 2 (75%M,25%F)
Percentage of employees by gender	Management - Male 973, Female 44 Trainees - Male 27, Female 15 94.4 Male, 5.6% Female	Management – Male 1154, Female 49 Trainees - Male 26, Females 21 94.4% M 5.6% F
Percentage of Governance body by age	Under 30: 0, 30-50: 55.5% , Above 50: 44.4%	30-50:62.5% (5) Above 50 37.5% (3)
Percentage of Employees by age	Under 30: 302 (29.7%). 30-50: 586 (57.6%) , Above 50: 129 (12.7%)	Under 30: 384 (30.7%). 30-50: 660(52.8%) , Above 50: 206 (16.5%)

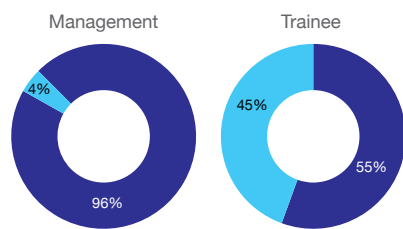
*As of June 30, 2018

% of governance body by gender*



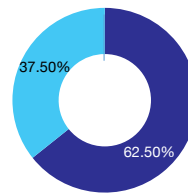
■ Male: 7 ■ Female: 2

% of employees by gender



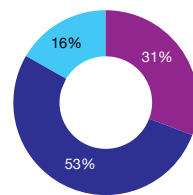
■ Male: 1,154 ■ Female: 49 ■ Male: 26 ■ Female: 21

% of governance body by age



■ 30-50: 5 ■ Above 50: 3

% of employees by age



■ Under 30: 384 ■ 30-50: 660 ■ Above 50: 206

Overview 2017-18

ICI Pakistan Limited is committed to promoting diversity in the workplace and equal opportunities for all, based on merit and suitability. Our Code of Conduct and core values (Passion for People; Integrity and Responsibility) clearly inculcate these principles and are followed by everyone associated with ICI Pakistan Limited.

Gender diversity within our workforce is a growing demand of our diversity agenda, and gender sensitisation is a key part of this area. As of June 30, 2018, women comprised twenty-five percent of our Executive Management Team, the body responsible for the management of the organisational affairs of the Company on an ongoing basis.

As an organisation committed to championing gender diversity, ICI Pakistan Limited has been conducting Lean-In Circles for women at the workplace to promote a healthy working environment leading to growth and development for women. We have a total of nine Lean-In Circles throughout the organisation, with 91 female employees participating in these Circles. Moreover, in order to work towards our gender diversity goal, a gender sensitisation power-house session titled Growing Together was conducted this year; this session covered a total of 224 participants, motivating colleagues and whole communities to think, act and be more gender-inclusive.

Non-Discrimination

Key performance indicators

Non-Discrimination		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Total number of Incidents of discrimination	No.	NR	NR	NR	NR	0	0	0

Overview 2017-18

Non-discrimination is an integral part of our Code of Conduct and value system. The Code explicitly states that suitability of candidates for job opportunities depends solely on the basis of objective and non-discriminatory criteria. Moreover, ICI Pakistan Limited also has a whistleblowing policy in place known as Speak Up which is open to all employees for confidential reporting of any Code of Conduct violations. This programme ensures that all checks and balances are in place

with regard to not only discriminatory practices, but also any other sort of violations of the Code. In the year 2017-18, there were no reported incidents of discrimination at the Company. Our target is to maintain this status quo, which we will aim to strengthen with our ongoing focus on ethical and responsible behaviour in our organisation.

Sustainability Highlight

Scaling up Healthcare with the Shiekhupura Hamqadam Community Clinic

Effective and relevant community investment initiatives are a great way to maximise a Company's positive impact on its communities. This Sustainability Highlight shows how we scaled up a successful healthcare project to ensure a wider scope of positive impact.

We set up our first mother and child healthcare community clinic in Khewra in partnership with Marie Adelaide Leprosy Centre, (MALC) in 2016 in response to the critical need for accessible healthcare in this remote area. The clinic did exceptionally well, with a total of 9,247 OPD cases catered to, 962 pregnant women registered, and 2,585 children under the age of five monitored for immunisation and nutrition since the clinic's inception in February 2016. A state-of-the-art ambulance was also donated to the clinic to cater to emergencies in the local area, and has been heavily utilised since to transfer patients to surrounding localities.

Following the ongoing success of the Hamqadam Community Clinic, Khewra, and in view of the positive impact the clinic was making on healthcare in the local

community, we decided to look into the feasibility of scaling up the project by adding another clinic; this time in the Sheikhupura community, located near the manufacturing site of our Polyester Business. While Sheikhupura is different from Khewra in that it is a heavily-populated, bustling industrial centre, the feasibility study confirmed our assumptions that the need for a reliable, accessible mother and child healthcare facility was high even in this busy urban township. Following the conclusion of the feasibility study, approval for the project was granted, and the wheels set in motion for the establishment of the new clinic.

The Hamqadam Community Clinic Sheikhupura opened its doors in May 2018, and already so far 1,052 OPD cases have been catered to, with 43 pregnant women registered at the clinic, and 145 children under the age of five monitored for immunisation and nutrition through the 'Road to Health' chart. This is a great start for the newest addition to our healthcare initiatives, and a great example of how a company can successfully scale up existing projects to expand the scope and reach of its community support initiatives.



9,247 OPD cases
catered to since 2016 (in Khewra)



1,052 OPD cases
catered to since May 2018 (in Sheikhupura)



Local Communities

Key performance indicators

Community Investment		2013 H1	2013-14	2014-15	2015-16	2016-17	2017-18	2020-21 Target
Community programme investment	PKR Million	7.45	17.45	20	20	20	30	30

Overview 2017-18

In 2017-18, a significant increase was achieved in the allocation of a portion of the Company's annual after tax profits to the ICI Pakistan Foundation. Funds allocated to the ICI Pakistan Foundation are used to fund the Company's approved community investment initiatives under the CSR umbrella of the Hamqadam Programme.










In fact, we were fortunate to achieve our 2020-21 target during 2017-18. Not only did the ICI Pakistan Foundation receive a

substantial increase in funds, it also succeeded in disbursing the total amount of PKR 30 million to approved partners and projects in line with the Company's CSR agenda. This increase demonstrates the Company's commitment towards bolstering and further building on its already strong community investment programme, in line with the Company's brand promise, Cultivating Growth. Detailed information on community investment initiatives for the year is available in the Community Investment section of the Annual Report (page 55).

GRI Content Index

Full Compliance: Partial Compliance: 

GRI STANDARD CORE DISCLOSURES			
Disclosures		Response	Compliance
General Disclosures			
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Name of the organisation	Section: Company Information - Page 69, AR	<div></div>
102-2	Activities, brands, products and services	Section: ICI Pakistan Limited at a Glance - Page 2-5, AR Section: Soda Ash - Page 94-97, AR Section: Life Sciences - Page 98-105, AR Section: Chemicals & Agri Sciences - Page 106-111, AR Section: Polyester - Page 112-115, AR	<div></div>
102-3	Location of headquarters	Section: Company Information - Page 69, AR	<div></div>
102-4	Location of operations	Section: ICI Pakistan Limited at a Glance - Page 2-5, AR	<div></div>
102-5	Ownership and legal form	Section: ICI Pakistan Limited at a Glance - Page 2-5, AR Section: Corporate Governance and Compliance - Page 60-63, AR	<div></div>
102-6	Markets served	Section: ICI Pakistan Limited at a Glance - Page 2-5, AR	<div></div>
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 – Page 76-88, AR Section: ICI Pakistan Limited Unconsolidated Financial Statement - Page F41-F43	<div></div>

102-8	Information on employees and other workers	<p>Section: ICI Pakistan Ltd Unconsolidated Financial Statement - Page F41-F43</p> <p>Section: Diversity and Equal Opportunity - Page 152, SR</p> <p>Response: Permanent – 1203 (Male 1154, Female 49)</p> <p>Temporary Staff – 124 (77 contractual and 47 Trainees) 74% Male, 26% Female)</p> <p>Trainees (47) 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>	
102-9	Supply chain	Section: Sourcing - Page 135, SR	
102-10	Significant changes to the organisation and its supply chain	<p>Section: Sourcing - Page 135, SR</p> <p>Section: ICI Pakistan Unconsolidated Financial Statements - Page F76-F78</p>	
102-11	Precautionary principle or approach	Section: Corporate Governance and Compliance: Code of Conduct - Page 60, AR	
102-12	External initiatives	Response: GRI Standards adopted for the 2017-18 Sustainability Report	
102-13	Membership of associations	Response: Chamber of Commerce, EPA – 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, MAP, OICCI	
Strategy			
102-14	Statement from senior decision-maker	Section: Message from CE - Page 18, AR	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	<p>Section: Our Vision - Page 10, AR</p> <p>Section: Our Values - Page 11, AR</p> <p>Section: Our Code of Conduct - Page 14, AR</p> <p>Section: Sustainability Guiding Principle - Page 15, AR</p>	
Governance			
102-18	Governance structure	<p>Section: Board and Management Committees - Page 68, AR</p> <p>Section: Company Information - Page 69, AR</p> <p>Section: ICI Pakistan Limited at a Glance - Page 2-5, AR</p> <p>Section: Sustainability Strategy & Sustainability Council - Page 122-123, SR</p>	

Stakeholder Engagement

102-40	List of stakeholder groups	Section: Stakeholder Engagement - Page 128, SR	
102-41	Collective bargaining agreements	Response: 124 employees covered by collective bargaining agreements (9.3% of employees)	
102-42	Identifying and selecting stakeholders	Section: Stakeholder Engagement - Page 127-131, SR	
102-43	Approach to stakeholder engagement	Section: Stakeholder Engagement - Page 127-131, SR	
102-44	Key topics and concerns raised	Section: Stakeholder Engagement - Page 127-131, SR	

Reporting Practice




102-45	Entities included in the consolidated financial statements	Response: ICI Pakistan Limited at a Glance - Page 2-5, AR Section: ICI Pakistan Unconsolidated Financial Statements - Page	
102-46	Defining report content and topic Boundaries	Section: About the Report - Page 124, SR Section: Materiality Assessment - Page 125-126, SR	
102-47	List of material topics	Section: Materiality Assessment - Page 125-126, SR	
102-48	Restatements of information	Response: Not Applicable - no restatements of information given	
102-49	Changes in reporting	Section: About the Report - Page 124, SR	
102-50	Reporting period	Section: About the Report - Page 124, SR	
102-51	Date of most recent report	Response: July 28, 2017 Sustainability Report 2016-17	
102-52	Reporting cycle	Section: About the Report - Page 124, SR	
102-53	Contact point for questions regarding the report	Section: About the Report - Page 124, SR	
102-54	Claims of reporting in accordance with the GRI Standards	Section: About the Report - Page 124, SR	
102-55	GRI Content Index	Section: About the Report - Page 124, SR Section: GRI Index - Page 156-165	
102-56	External Assurance	Section: About the report - Page 124, SR Section: External Assurance - Page 166-167, SR	

Material Topics


Category: Economic

ECONOMIC PERFORMANCE

GRI 103: Management Approach 2016




103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Economic Performance Management Approach - Page 132-133, SR	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach - Page 132-133, SR	

GRI 201: Economic Performance 2016



201-1	Direct economic value generated and distributed	Page - F06-09	
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MARKET PRESENCE




GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Economic Performance Management Approach - Page 132-133, SR	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach - Page 132-133, SR	


GRI 202: Market Presence 2016

202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Response: ICI Pakistan Limited adheres to all local and federal laws with regards to minimum wage and the ratio of entry level wage by gender is above than the minimum wages at all location of operations.	
202-2	Proportion of senior management hired from the local community	Response: Karachi: 66%, Lahore: 100%, Sheikhupura: Nil, Khewra: Nil Local: Residence and belonging to the significant location identified	

INDIRECT ECONOMIC IMPACTS**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Economic Performance Management Approach - Page 132-133, SR	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach - Page 132-133, SR	




GRI 203: Indirect Economic Impacts 2016

203-1	Infrastructure investments and services supported	Section: Local community - Page 155, SR	
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Category: Environmental**ENERGY****GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Environmental Performance Management Approach - Page 137, SR	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 137, SR	



GRI 302: Energy 2016

302-1	Energy Consumption within the organisation	Section: Energy - Page 138, SR Response: Standard calorific values of fuels are used for conversion	
302-3	Energy intensity	Section: Energy - Page 138, SR	
302-4	Reduction of energy consumption	Section: Energy - Page 138, SR	

WATER**GRI 103: Management Approach 2016**




103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Environmental Performance Management Approach - Page 137, SR	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 137, SR	

GRI 303: Water 2016







303-1	Water withdrawal by source	Section: Water - Page 140, SR	
303-3	Water recycled and reused	Section: Water - Page 140, SR	

EMISSIONS

GRI 103: Management Approach 2016




103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Environmental Performance Management Approach - Page 137, SR	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 137, SR	

GRI 305: Emissions 2016


305-1	Direct (Scope 1) GHG emissions	Section: Emissions - Page 142, SR Response: ICI Pakistan Limited reporting is compliant with National Environmental Quality Standards (NEQs) Factors used in the calculation of emissions are based on the current International Energy Agency	
305-2	Energy indirect (Scope 2) GHG emissions	Section: Emissions - Page 142, SR	
305-4	GHG emissions intensity	Section: Emissions - Page 142, SR	
305-5	Reduction of GHG emissions	Section: Emissions - Page 142, SR	
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	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Section: Emissions - Page 142, SR	

EFFLUENTS AND WASTE

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Environmental Performance Management Approach - Page 137, SR	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 137, SR	

GRI 306: Effluents and Waste 2016

306-2	Waste by type and disposal method	Section: Effluents and Waste - Page 145, SR	
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Category: Social

EMPLOYMENT AND LABOUR RELATIONS

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 147-148, SR	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 147-148, SR	

GRI 401: Employment 2016

401-1	New employee hires and employee turnover	Response: New Hires: Management 386, Trainee 40 Employee Turnover (Voluntary, Dismissal, Retirement, Death included) Total leavers (Management) 77 Rate 10.95%	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Response: Life Insurance, Health Care, Disability Coverage, Parental Leave, Retirement Provision Significant locations of operation are all ICI Pakistan manufacturing sites, offices and warehouses.	

GRI 402: Labor/Management Relations 2016




402-1	Minimum notice periods regarding operational change	Response: 4 weeks Also mentioned in collective agreements	
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OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2016




103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 147-148, SR	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 147-148, SR	

GRI 403: Occupational Health and Safety 2016

403-1	Workers representation in formal joint management-worker health and safety committees	<p>Response: Our manufacturing sites have different systems in place to promote such programs. Monthly joint management and worker safety meetings are one such process, steered by line managers and occasionally section head of all functional departments. The agenda is set by the HSE&S department and feedback is recorded.</p> <p>These meetings ensure 100% participation by the workforce</p>	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<p>Response: Occupational Health & Safety - Page 149, SR</p>	
403-3	Workers with high incidence or high risk of diseases related to their occupation	<p>Response: Workers involved in occupational activities that have a high risk of specific diseases are trained on, and well-versed in, the appropriate health and safety protocols, provided appropriate equipment, and regularly monitored. For example, laboratory employees are provided with protective equipment and training, and are assessed for lung-related diseases that may rise due to fume inhalation. Similarly, employees working in high noise areas are provided with appropriate protective equipment, and are annually checked for any hearing loss. These procedures are as per the ICI Pakistan 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 Programs have been developed for employees.</p>	

TRAINING AND EDUCATION

GRI 103: Management Approach 2016



103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 147-148, SR	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 147-148, SR	

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee	Section: Training and Education - Page 150-151, SR	
404-2	Programs for upgrading employee skills and transition assistance programs	Response: Leadership Essentials: Code of Conduct, HSE Awareness, Performance Management System, HR for Non HR Managers, Discovering the Leadership Within, Behavioral based interviewing skills Leadership Development Roadmap Leadership Development Journey, Leading Beyond, Leading and Developing Teams, Self-development Program, Creative Thinking & Collaboration, Greater Self, Leading Teams for Impact Functional skills development programs Core Development Program for engineers	
404-3	Percentage of employees receiving regular performance and career development reviews	Section: Training & Education - Page 150-151, SR	

DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach 2016









103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 147-148, SR	

103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 147-148, SR	
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Section: Diversity & equal Opportunity - Page 152, SR	
NON-DISCRIMINATION			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 147-148, SR	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 147-148, SR	
GRI 406: Non-Discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Section: Non-discrimination – Page 153, SR	
LOCAL COMMUNITIES			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 125-126, SR	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 147-148, SR	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 147-148, SR	
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Section: Local Communities - Page 155, SR	

SDGs

Index

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	GRI Index page	202-1
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	54, F06-F09	201-1, 203-1
	Ensure healthy lives and promote well-being for all at all ages	142, 156 - 165, 145, 149	305-1, 305-2, 305-6, 305-7, 306-2, 403-2, 403-3
	Ensure inclusive and quality education for all and promote lifelong learning	156-165	404-1
	Achieve gender equality and empower all women and girls	156-165, 155, 150 - 151, 152, 153, 52, 54, F06-F09	201-1, 202-1, 203-1, 401-1, 404-1, 404-3, 405-1, 406-1
	Ensure access to water and sanitation for all	36-37, 41-43	303-1, 303-3, 306-2
	Ensure access to affordable, reliable, sustainable and modern energy for all	155, 138, F06-F09	201-1, 203-1, 302-1, 302-3, 302-4

SDGs	PAGE NO.	GRI STANDARDS DISCLOSURE
 <p>Promote inclusive and sustainable economic growth, employment and decent work for all</p>	156-165, 138, 140, 149, 150-151, 152, F06-F09	102-8, 102-41, 201-1, 202-1, 202-2, 302-1, 102-8, 102-41, 201-1, 202-1, 202-2, 302-1, 302-3, 302-4, 303-3, 401-1, 401-2, 402-1, 403-1, 403-2, 403-3, 404-1, 404-2, 404-3, 405-1
 <p>Build resilient infrastructure, promote sustainable industrialization and foster innovation</p>	155, F06-F09	201-1, 203-1
 <p>Make cities inclusive, safe, resilient and sustainable</p>	155	203-1
 <p>Ensure sustainable consumption and production patterns</p>	138, 140, 142, 156-165, 145	302-1, 302-3, 302-4, 303-3, 305-1, 305-2, 305-6, 305-7, 306-2
 <p>Take urgent action to combat climate change and its impacts</p>	138, 142	302-1, 302-3, 302-4, 305-1, 305-2, 305-4
 <p>Conserve and sustainably use the oceans, seas and marine resources</p>	142	305-1, 305-2, 305-4, 305-5, 305-7
 <p>Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p>	142	305-1, 305-2, 305-4, 305-5, 305-7
 <p>Promote just, peaceful and inclusive societies</p>	10, 11, 14, 15, 153	102-16, 406-1



Independent Assurance Statement for the ICI Pakistan Limited Sustainability Report 2018

Corporate Social Responsibility Centre Pakistan (CSRCP) performed an independent review of the ICI Pakistan Limited Sustainability Report 2018, which was prepared 'in accordance' with Global Reporting Initiative's (GRI) Standards' Core option. The objective of the critical independent review is to provide ICI Pakistan Limited's Management with an independent opinion about the quality of the report and adherence to the principles of Inclusivity, Materiality, and Responsiveness.

Responsibility of ICI Pakistan Limited and of CSRCP

The Management of ICI Pakistan Limited is responsible for the preparation of the Sustainability Report and for the information and statements contained within it. The Management is responsible for determining the sustainability goals, performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to express independently a conclusion on the Sustainability Report as defined within the scope of work to The Management of ICI Pakistan Limited only in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the report is entirely at its own risk.

Scope of Assurance

CSRCP was asked to express an opinion in relation to the review scope, which includes the following aspects:

- Review of the policies, initiatives, practices and performance described in the non-financial - qualitative and quantitative information (sustainability performance) reported and referenced in the report.
- Evaluation of the disclosed information in the report to check adherence to the GRI's Universal and Topic Specific Standards.
- Adherence to International Standard on Assurance Engagement (ISAE) 3000, 'Assurance Engagements other than audits or reviews of historical financial statements' to provide limited assurance on performance data within the Sustainability Report.
- Adherence to the principles of Inclusivity, Materiality and Responsiveness.

Assurance methodology

Our activities included a desk review of the final draft report. We communicated with ICI Pakistan Limited to determine the accuracy and authenticity of report content, data points, methodologies and policies around the organization's social, environmental and economic data and activities.

Our procedures on this engagement included:

- Critical review of the Sustainability Report 2018 and respective Content Index to check consistency and adherence to GRI's Universal and Topic-Specific Standards
- Evaluation of report adherence to the in accordance: Core option
- Critical review of the Sustainability Report to obtain limited assurance about whether the Sustainability Report is free from material misstatement
- Analysis of the report content against principles of Inclusivity, Materiality and Responsiveness
- Elaboration of an adjustment report
- Final review of the report content

The work was planned and carried out to provide limited, rather than absolute assurance and we believe that the desk review of the ICI Pakistan Limited Sustainability Report completed by CSRCP provides an appropriate basis for our conclusions.

Opinion

GRI Standards in accordance option

ICI Pakistan Limited declares the report to be in accordance with GRI Standards: Core option. CSRCP evaluated the quality of the application of GRI Universal and Topic Specific Standards. Based on the evaluation, CSRCP made a series of recommendations to complete the content or adjust the disclosure level in the Content Index, which have been accepted by the company. Based on the rectifications, we can confirm that the report is attending the above mentioned 'in accordance' option, giving a complete overview of ICI Pakistan Limited's sustainability governance and management systems in place to report on a relevant set of disclosures related to the identified material topics.

Main Conclusions on Adherence to Principles of Inclusivity, Materiality and Responsiveness

Inclusivity – addresses the stakeholders' participation

in the process of developing and implementing a transparent and strategic sustainability management process.

- ICI Pakistan Limited report addresses how company identifies and engages with different stakeholders, including ICI Pakistan Limited focus for engagement and ICI Pakistan Limited response to stakeholders' concerns. The material issues emerging from the stakeholder engagement were collected, prioritized and the results are fairly reflected in the report.

Materiality – issues required by stakeholders to make decisions on the organization's economic, environmental and social performance.

- Material issues have been identified by ICI Pakistan Limited in a Materiality Matrix which considers the influence on stakeholder assessment and decisions and the significance of environmental, social and economic impacts, using a commonly accepted approach. The parameters of risks and opportunities were considered in the materiality determination process, which makes the process more focused on prioritizing issues relevant to ICI Pakistan Limited.

Responsiveness – addresses the action taken by the organization as a result of specific stakeholders' demands.

- ICI Pakistan Limited has appropriate policies and externally certified quality, environmental and health & safety management systems, which involve a high level of analysis of risks, non-compliance and corrective actions.
- Sustainability management at ICI Pakistan Limited maintains high level support in the shape of Sustainability Council, conforming ICI Pakistan Limited's commitment to address sustainability challenges, stakeholder concerns, and promoting sustainable practices in its supply chain.



Muhammad Arfan Nazir,
Director,
Corporate Social Responsibility Centre Pakistan.

Statement of conclusion

Based on the scope of our work and the assurance procedures we performed using the International Standard on Assurance Engagement (ISAE) 3000, 'Assurance Engagements other than audits or reviews of historical financial statements', we conclude that nothing has come to our attention that causes us to believe that the information in ICI Pakistan Limited's Sustainability Report 2018 is in all material aspects not fairly stated.

We confirm that the report is aligned with the requirements of the GRI Standards and reports its material topics in an adequate manner. The compliance with GRI Standards has been disclosed in more detail in the Content Index which provides overview of which standards have been fully complied and which have been partially complied in the report. In our opinion ICI Pakistan Limited has appropriate systems for collection, aggregation and analysis of the data presented in the report.

Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Physical verification of data, content of ICI Pakistan Limited's Sustainability Report;
- Positional statements (expression of opinion, belief, aim or future intention of ICI Pakistan Limited) and statements of future commitment.

Statement of independence, impartiality and competence

CSRCP operates strict conflict of interest checks and has confirmed our independence to work on this engagement with ICI Pakistan Limited. The members of the review team have not provided consulting services and were not involved in the preparation of any part of the report. CSRCP is a consulting firm specialized in sustainability. The review team has the required combination of education, experience, training and skills for this engagement.



Muhammad Imran,
Muhammad Imran & Co.,
Cost & Management Accountants Pakistan.
CMAP Membership # 1382