



**SDGme**  
global goals, local action

# AL-KARAM TEXTILE MILLS (PVT.) LTD

## SUSTAINABILITY ASSESSMENT REPORT

SDGme is a comprehensive, all-purpose, sustainability self-assessment tool. It can be used by any-size organisation, in any sector, in any country. It may be especially helpful for small- and medium-sized enterprises (SMEs), and large organisations with minimal or no sustainability staff.

SDGme is a first step on the road to leveraging long-term market advantage.

Your completed assessment highlights the areas of Environmental, Societal and Governance (ESG) performance that requires more rigorous focus.

Additionally, mapping these results against the UN Sustainable Development Goals (SDGs) provides a new lens through which to translate global needs and ambitions into business solutions.

The tool assesses an organisation's progress on reducing / eliminating its harmful impacts on the environment, its employees, and society. It also gives bonus points if the organisation is being regenerative, either directly or indirectly. It automatically expresses the results three ways:



As scores on progress toward science-based goals for core sustainability / ESG issues.



As scores on contributions to the 17 Sustainable Development Goals (SDGs).  
Scores on ESG issues are used as proxies for scores on their aligned, primary SDGs.



As scores on impacts on the 3 non-financial capitals (natural, human, and social).  
Scores on ESG issues are used as proxies for scores on aligned natural, human and social capitals.

Organisations can express their sustainability scores in whichever framework's terminology (ESG, SDG or non-financial capitals) is most appropriate for their purposes or preferred by the stakeholder that is requesting the disclosure.

## The SDGme Assessment

### Environmental, Social and Governance (ESG)



Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that investors are increasingly using to screen potential investments.

Environmental (E) criteria consider how a company performs as a steward of nature. Social (S) criteria examines how it manages relationships with employees, suppliers, customers, and the communities where it operates and Governance (G) deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

## Your ESG Self-Assessment Scores

### Governance

Your Score: 68.75%



Sustainable organisations embed sustainability considerations in their governance and management systems.

The "G" in ESG refers to the governance factors of decision-making, principally the distribution of rights and responsibilities among different participants in corporations, including the board of directors, managers, shareholders, and stakeholders.

The purpose of the corporation, the role and makeup of boards of directors, and the compensation and oversight of top executives have emerged as core issues in companies' corporate governance structures.

Gender diversity and equity is another high-profile governance issue, with many institutional shareholders demanding better representation of women on corporate boards and in senior management teams, and equal compensation and mobility for women and ethnic minorities.

More companies are emphasising the financial benefit of creating inclusive workplaces to increase diversity and inclusivity. Research from the global ratings agency Standard & Poor's has revealed that firms with more women on their boards of directors and in leadership positions had greater financial performance than less diverse companies.

# Energy

Your Score: 31.11%

Energy is sustainable if it meets the needs of the present without compromising the ability of future generations to meet their own needs. Most definitions of sustainable energy include considerations of environmental aspects such as greenhouse gas emissions and social and economic aspects such as energy poverty. Renewable energy sources such as wind, hydroelectric power, solar, and geothermal energy are generally far more sustainable than fossil fuel sources.

Sustainable organisations use only renewable energy.

To address climate change, business must transition to a low-carbon economy powered by renewable energy.



## Energy includes both electricity and fuels consumed by:

- buildings and equipment at all locations, whether owned or leased (e.g., lighting, heating and computers)
- transport vehicles that the company owns or leases
- any other energy that the company consumes to conduct its business.

# Water

Your Score: 58.5%

On a global scale, having sustainable water means to provide each person on the planet with affordable access to the minimum 20 to 50 litres of daily water required to sustain life.

This follows the United Nations General Assembly recognition of *"the right to safe and cleaning drinking water and sanitation as a human right that is essential for the full enjoyment of life and all human rights"*.



Sustainable water management means the ability to meet the water needs of the present without compromising the ability of future generations to do the same.

Sustainable organisations do not use water from water stressed areas and ensure that all discharged water is adequately treated.

Water sustainability also means effective and holistic management of water resources. There are now multiple demands on water resources, which drive the need for sustainable, integrated and holistic water management.

Water usage includes water consumed during manufacturing, transportation, and distribution of products; during the provision and delivery of services; and by workers for drinking and sanitation purposes.

Water stress occurs when the demand for water exceeds the available amount, or when poor quality restricts its use. Companies must ensure that their use of water doesn't undermine the quantity and quality of water available for people and ecosystems that depend on the watersheds concerned.

Water discharged must be verifiably treated and returned to safe quality before it is emitted back into nature. Discharged water may be treated by third parties such as municipal wastewater treatment plants, public sewage infrastructure or private water service providers.



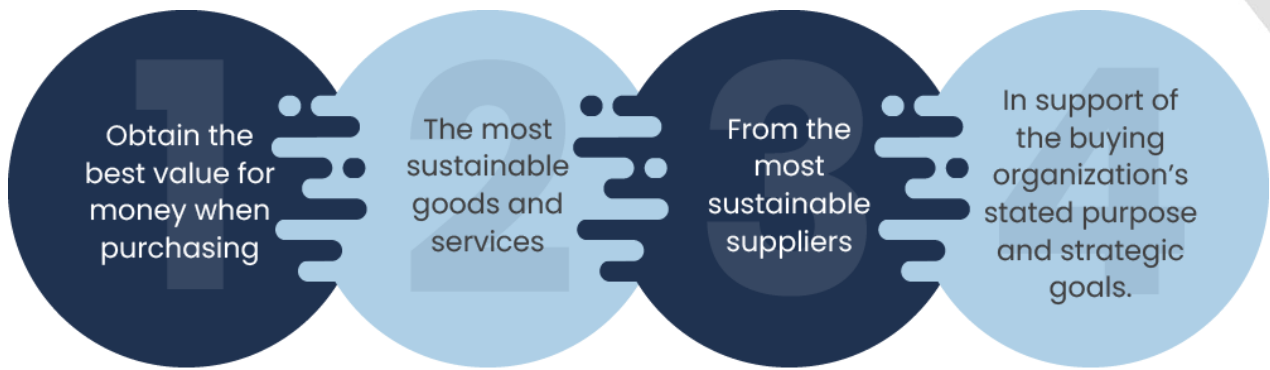
## Procurement

**Your Score: 46.65%**

Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a life-cycle basis while addressing equity principles for sustainable development, therefore benefiting societies and the environment.

Organisations practicing sustainable procurement meet their needs for goods, services, utilities and works not only on a private cost-benefit analysis, but also with the intention to maximizing net benefits for themselves and the wider world.

Sustainable procurement involves a higher degree of collaboration and engagement between all parties in a supply chain. Many businesses have adopted a broad interpretation of sustainable procurement and have developed tools and techniques to support this engagement and collaboration.

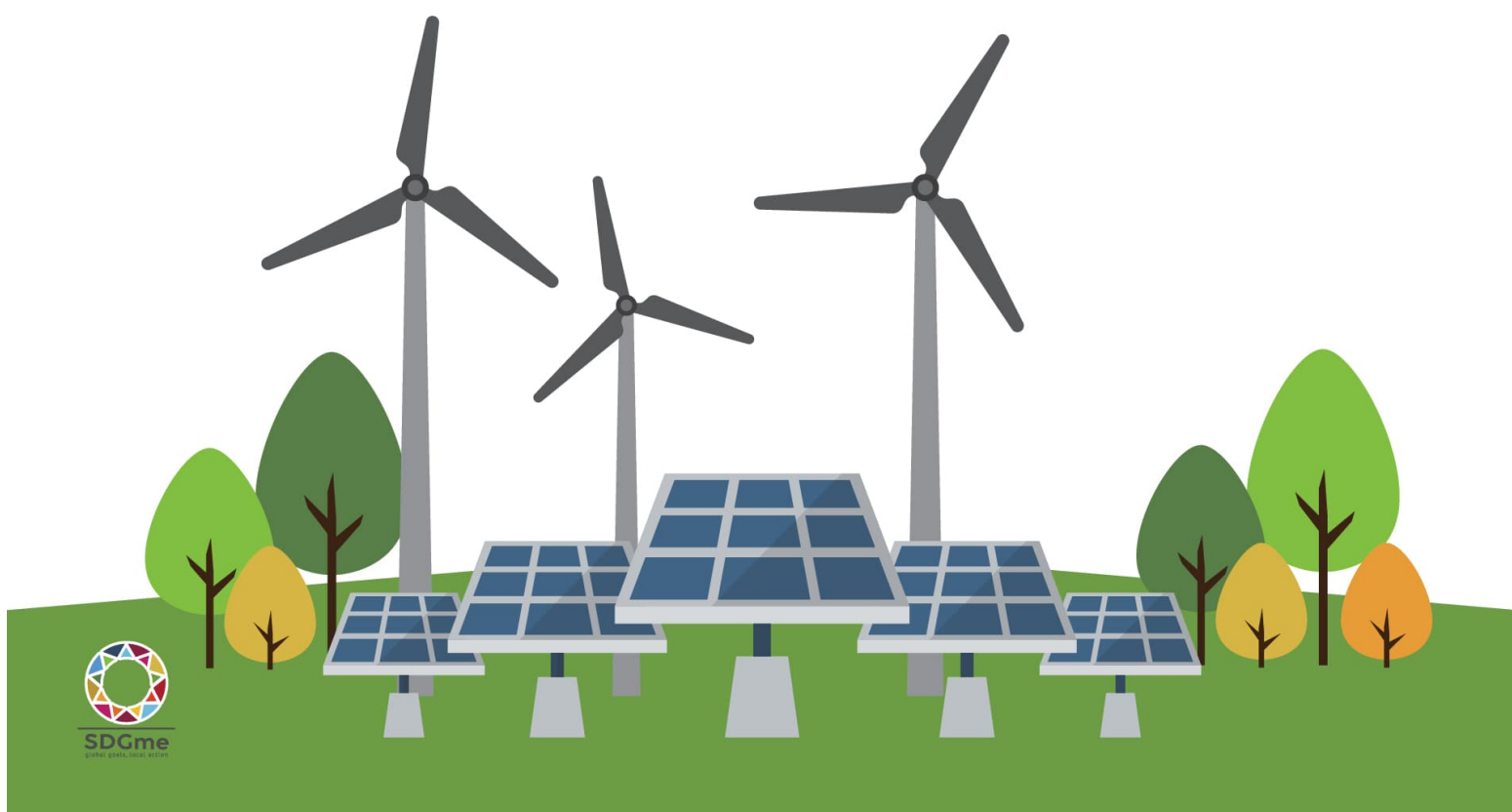
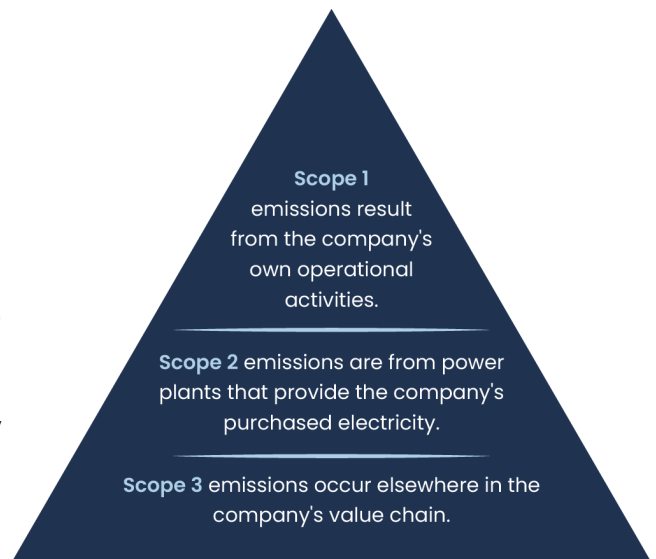


## Green House Gas Emissions (GHG)

Your Score: 42.25%

Sustainable organisations eliminate all direct operational and indirect greenhouse gas (GHG) net emissions, also known as Scope 1, Scope 2, and Scope 3 emissions.

Net GHG emissions means total GHG emissions, less any emissions that are permanently sequestered or adequately offset



# Non-Green House Gas Emissions (Non-GHG)\*

Your Score: 46.04%



\*(Note: These do not include liquid, gaseous, or solid wastes which are contained by the company and sent to a third-party for treatment or disposal. They are included in Waste.)



## Waste

Your Score: 81.83%

Sustainable organisations eliminate all avoidable hazardous and non-hazardous waste and repurpose all remaining forms of waste.

Waste is materials generated as by-products of production and other operational activities which the company manages to contain, and which require treatment, repurposing, or disposal. This includes both hazardous and non-hazardous manufacturing materials, as well as non-production waste (e.g., office paper, food, retired equipment).

The goal is to eliminate all avoidable hazardous and non-hazardous waste generation and then repurpose all remaining forms of waste in ways that minimize quality loss (and thus prolong the life of the materials concerned).

(Note: Liquid, gaseous, or solid wastes which are accidentally or intentionally discharged directly into the environment are covered by Non-GHG Emissions.)



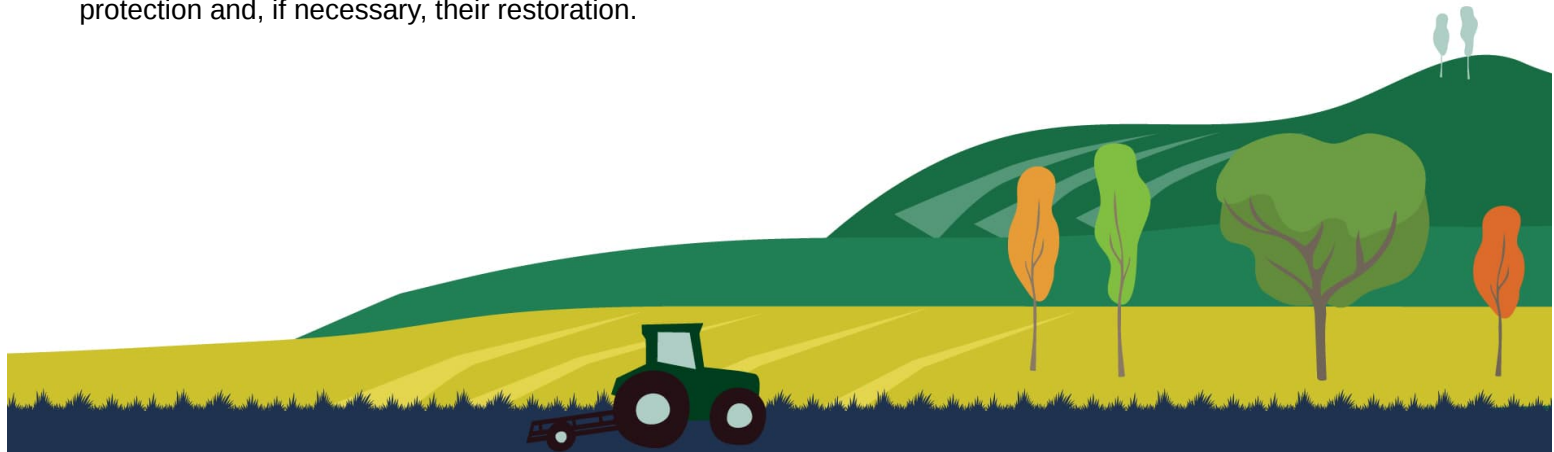
# Encroachment

Your Score: 0%

Facilities and fixed assets that are owned or controlled by sustainable organisations do not encroach on marine or terrestrial ecosystems, or on culturally sensitive areas.

A sustainable company protects natural ecosystems and communities where it is already present and takes steps to avoid or mitigate negative outcomes when moving into new areas.

Companies work in collaboration with local communities adjacent to pristine ecosystems in order to foster their protection and, if necessary, their restoration.



# Wages

Your Score: 66.07%

Sustainable organisations pay their employees at least a living wage, so that they can afford a decent standard of living for their families.



A sustainable company ensures that all its employees and their families have the means to afford access to health care, a nutritious diet and to be free of concerns about meeting basic needs. That is, that they earn at least a living wage that affords a decent standard of living for workers and their families.

Living wage estimates vary by region and guidance is offered by government agencies, academics and NGOs.

# Health

Your Score: 53.4%

Sustainable organisations provide a safe and healthy workplace. "Health" includes physical, mental and emotional health.

Companies that do not adequately address workplace health issues may cause serious long-term negative health problems for their employees. Note that "health" extends beyond physical safety to mental and emotional wellness and encompasses stress management and mitigation.

When it comes to physical safety, companies should take steps to minimize and mitigate the effects of accidents, and strive continuously to reduce work-related injuries, illnesses, and fatalities to zero.



# Employee Terms

Your Score: 80%



Sustainable organisations provide fair employment terms, aligned with human rights.

Employees who work reasonable hours, who feel secure in their employment, and who are afforded adequate time off are more likely to thrive physically, emotionally, and mentally – in and outside work.

Fair employment terms align with human rights as defined by the Universal Declaration of Human Rights and Associated Covenants and the International Labor Organisation (ILO) Declaration on the Fundamental Principles and Rights at Work.

# Diversity, Equality & Inclusion

Your Score: 69.87%



Sustainable organisations provide a safe and healthy workplace. "Health" includes physical, mental and emotional health.

Companies that do not adequately address workplace health issues may cause serious long-term negative health problems for their employees. Note that "health" extends beyond physical safety to mental and emotional wellness and encompasses stress management and mitigation.

When it comes to physical safety, companies should take steps to minimize and mitigate the effects of accidents, and strive continuously to reduce work-related injuries, illnesses, and fatalities to zero.

## Community

Your Score: 83%

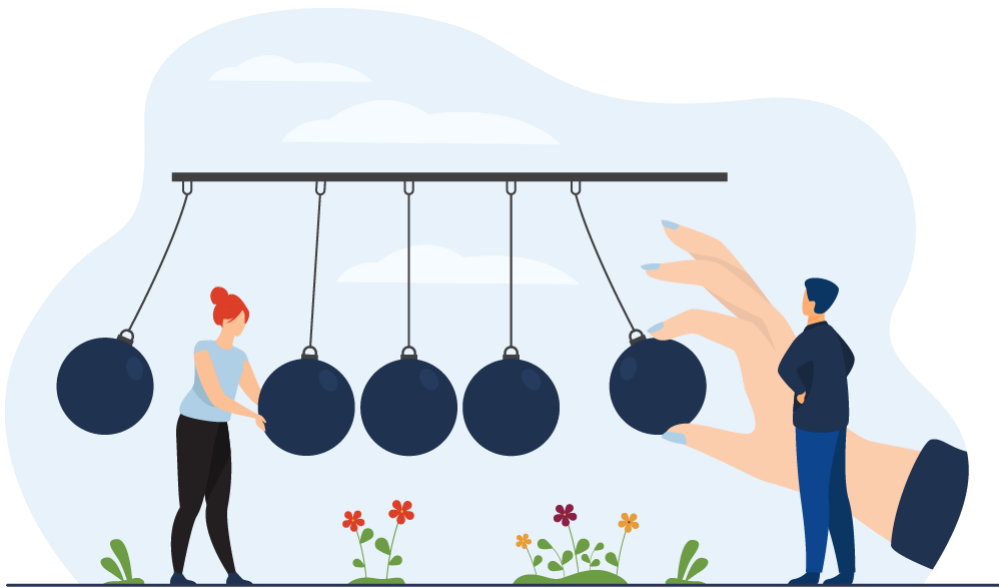
Sustainable organisations build communities and behave ethically, fairly and responsibly. Ethical behaviour is critical to a company's goodwill and reputation.

Companies should proactively identify and pre-emptively prevent, specific issues which could lead to ethical breaches such as: anti-competitive practices (e.g. unfair supplier treatment, price fixing); dis-information (e.g. misrepresenting or failing to disclose information which could influence stakeholder decisions or wellbeing); abuse of trust (e.g. inappropriate use of personal data); and wilful ignorance (e.g. neglecting to investigate supply chains in which human rights abuses are suspected).



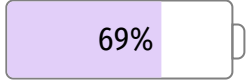
# Positive Impacts

Your Score: 65%



Sustainable organisations may go beyond causing no harm to people and planet; they may intentionally have positive, regenerative and restorative impacts on others and on the environment, directly or indirectly.

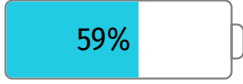
# Your Core ESG Scores



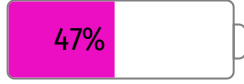
Governance



Energy



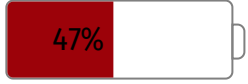
Water



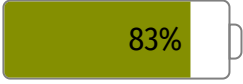
Procurement



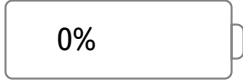
GHG Emissions



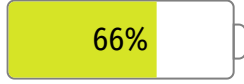
Non-GHG Emissions



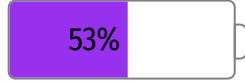
Waste



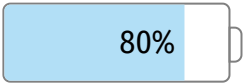
Encroachment



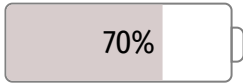
Employee Wages



Employee Health



Employee Terms



Employee Discrimination



Ethical Practices

# Sustainable Development Goals (SDG's)

The Sustainable Development Goals (SDGs) are the product of extensive multi-stakeholder negotiations involving a wide range of sectors, including business. Endorsed by all 193 United Nations Member States in 2015, they set out a framework of 17 Goals to tackle the world's most pressing social, economic, and environmental challenges in the lead-up to 2030.

The private sector can play a critical role in providing solutions that can contribute to solving these challenges, while also generating new business opportunities. Hence, the SDGs provide a new lens through which to translate global needs and ambitions into business solutions.

These solutions will enable companies to better manage their risks, anticipate consumer demand, build positions in growth markets, secure access to needed resources and strengthen their supply chains, while moving the world towards the delivery of the SDGs, which are anticipated to generate at least US\$12 trillion worth of market opportunities by 2030.

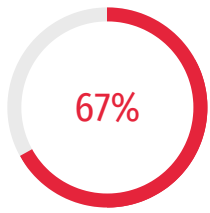
By identifying and mitigating risks to people and the environment and by providing new products and services that support sustainable development, businesses can reap benefits for themselves and for the markets they depend upon.

The SDGs are becoming increasingly important also for investors, as they are an articulation of the world's most pressing environmental, social and economic issues and, as such, act as a definitive list of the material ESG (environmental, social and governance) perspectives that should be considered as part of an investor's fiduciary duty.

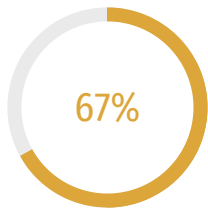
There is a strong business case for investing in opportunities aligned with the SDGs, including helping investors secure stable returns, better represent the values of their clients and offer sustainable financial products that differentiate them in the marketplace.



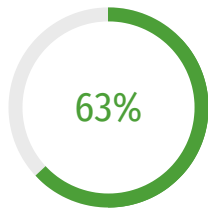
YOUR SDG SCORES:



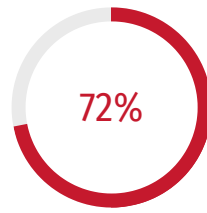
1 NO POVERTY



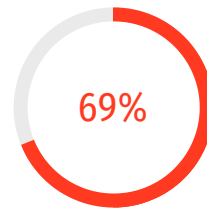
2 ZERO HUNGER



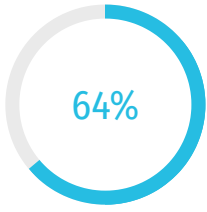
3 GOOD HEALTH AND WELL-BEING



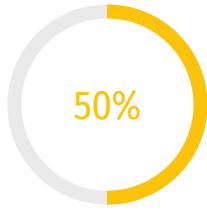
4 QUALITY EDUCATION



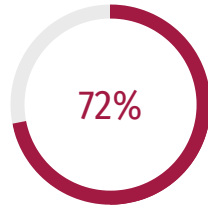
5 GENDER EQUALITY



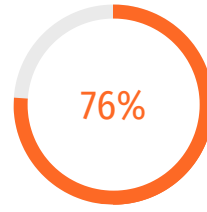
6 CLEAN WATER AND SANITATION



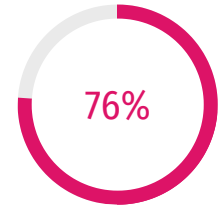
7 AFFORDABLE AND CLEAN ENERGY



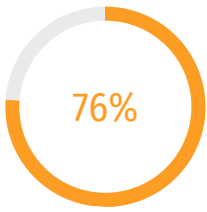
8 DECENT WORK AND ECONOMIC GROWTH



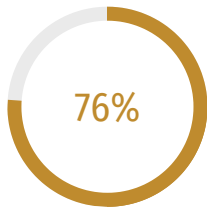
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



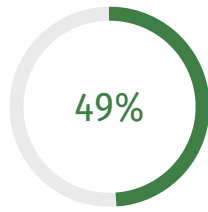
10 REDUCED INEQUALITIES



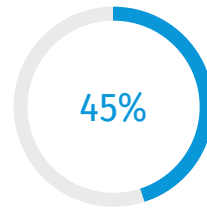
11 SUSTAINABLE CITIES AND COMMUNITIES



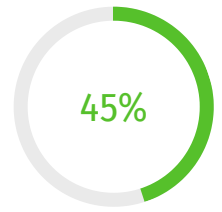
12 RESPONSIBLE PRODUCTION AND CONSUMPTION



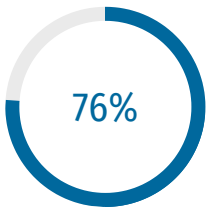
13 CLIMATE ACTION



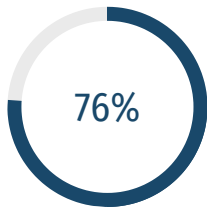
14 LIFE BELOW WATER



15 LIFE ON LAND

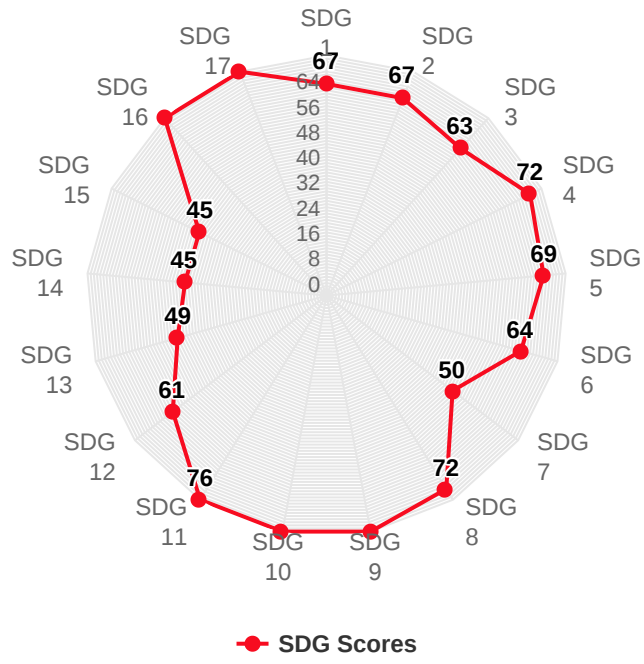


16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS




YOUR SDG SPIDER CHART:





## NON-FINANCIAL CAPITALS

Natural Capital is any stock or flow of energy and material that produces goods and services. It includes:

		
Resources - renewable and non-renewable materials	Sinks - that absorb, neutralise or recycle wastes	Processes - such as climate regulation

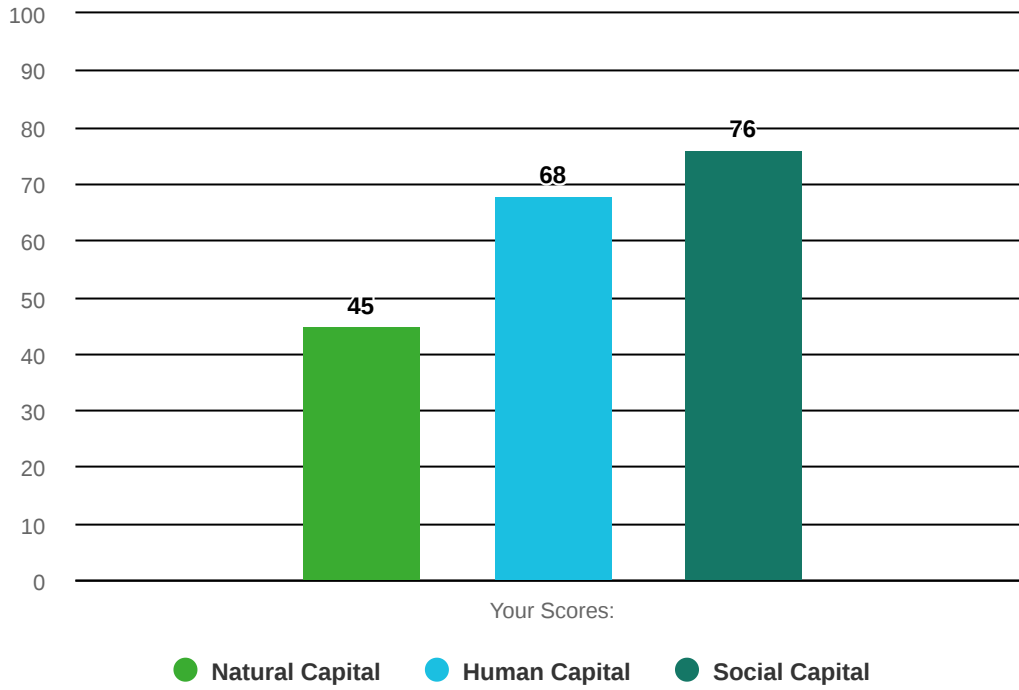
Natural capital is the basis not only of production but of life itself!

**Human Capital** consists of people's health, knowledge, skills and motivation. All these things are needed for productive work.

Enhancing human capital through education and training is central to a flourishing economy.

**Social Capital** concerns the institutions that help us maintain and develop human capital in partnership with others; e.g. families, communities, businesses, trade unions, schools, and voluntary organisations.

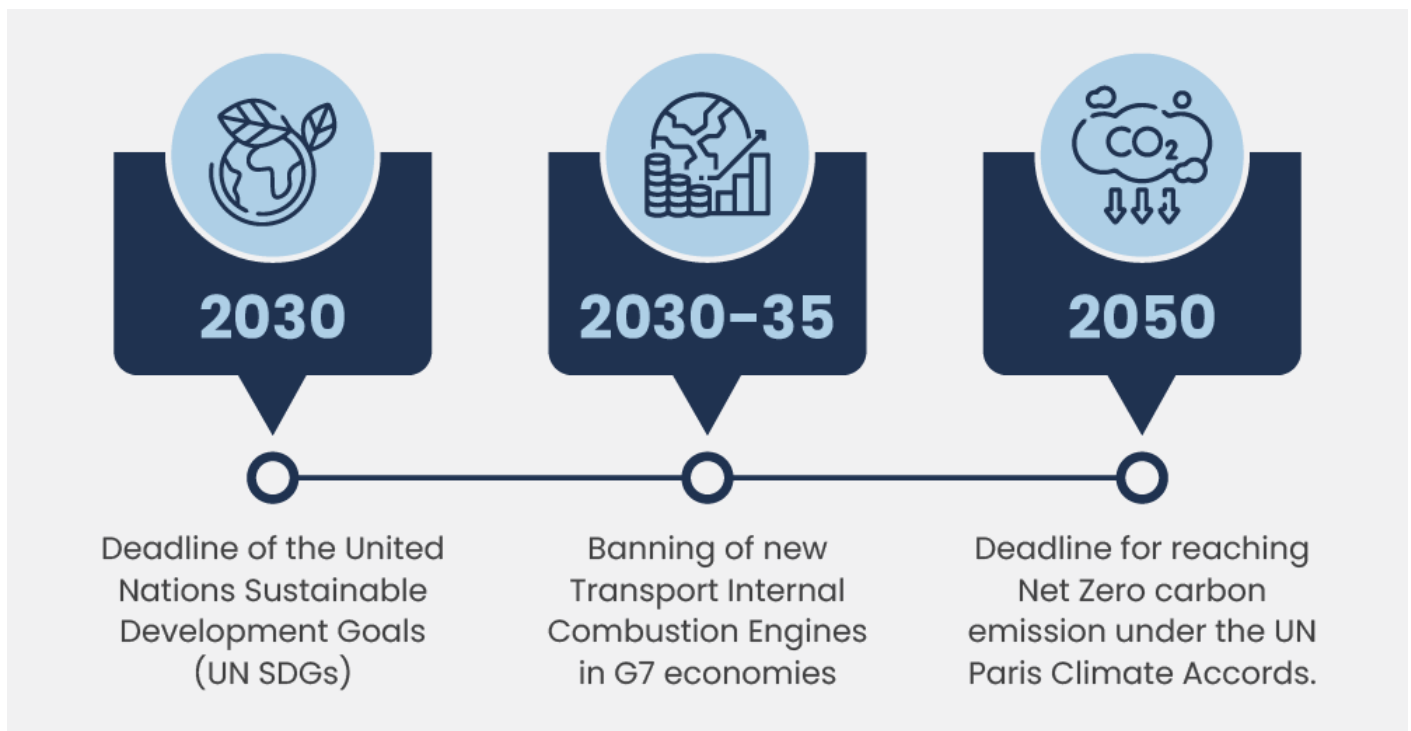
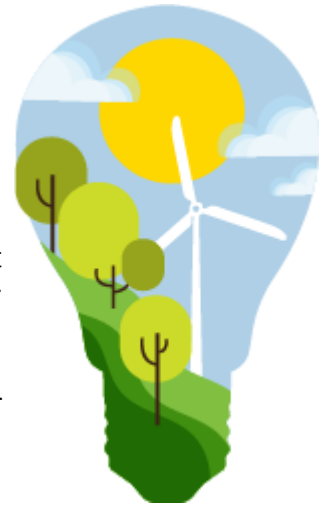
## Your Non-Financial Capitals Scores:



## Why invest in Sustainability?

Over the past 18 months, sustainability has reached a tipping point, as concerns about sustainability challenges – especially climate change – have come front and centre for many businesses, investors, regulators, boards, employees and customers.

The business world is changing fast, and that transformation is going to speed up over the next decade.



Transforming business processes take time and those that respond quickest to this challenge will **save money, increase revenue and build reputation** compared to those who wait until they are forced to change by customer demand or external regulation.

# Three key reasons why businesses need to invest in sustainable practices if they want to prosper in 2021 and beyond are:



**Improve brand value and reputation** - It's becoming increasingly clear that consumers are seeking alternative and more sustainable options when they shop. A survey by Nielsen found that 75% of millennials (aged 24 to 39) believe that they will change their purchasing habits to reduce their impact on the environment. Furthermore, 90% of this group said that they would spend more on products if they were made sustainably.

**Staff retention and job attraction** - Investing in sustainability is not just about the planet and your customers. Team members increasingly

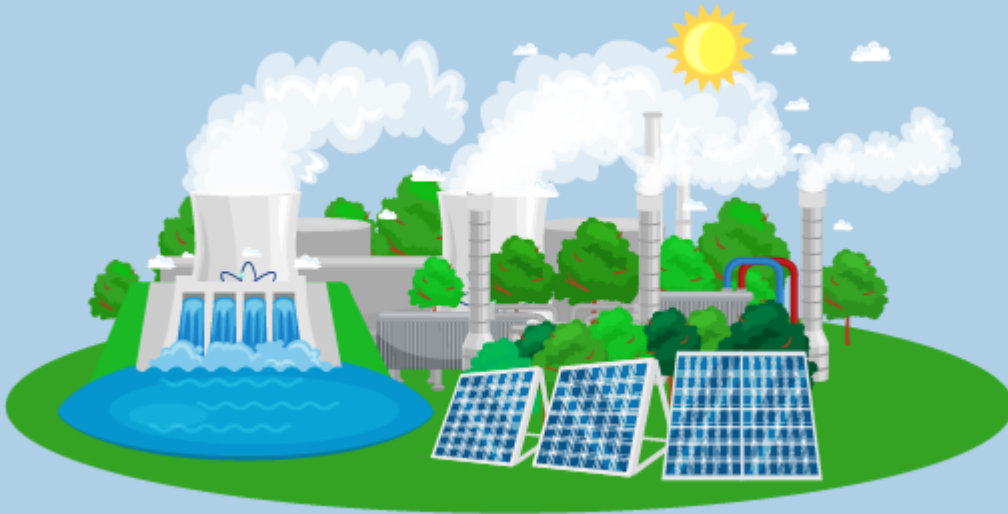
expect to work for a company that they think is making a difference in the world.



**Increase revenue and reduce expenses** - Sustainable practices will help you to keep your energy costs down, reduce waste and monitor supply chains, potentially increasing your bottom line.



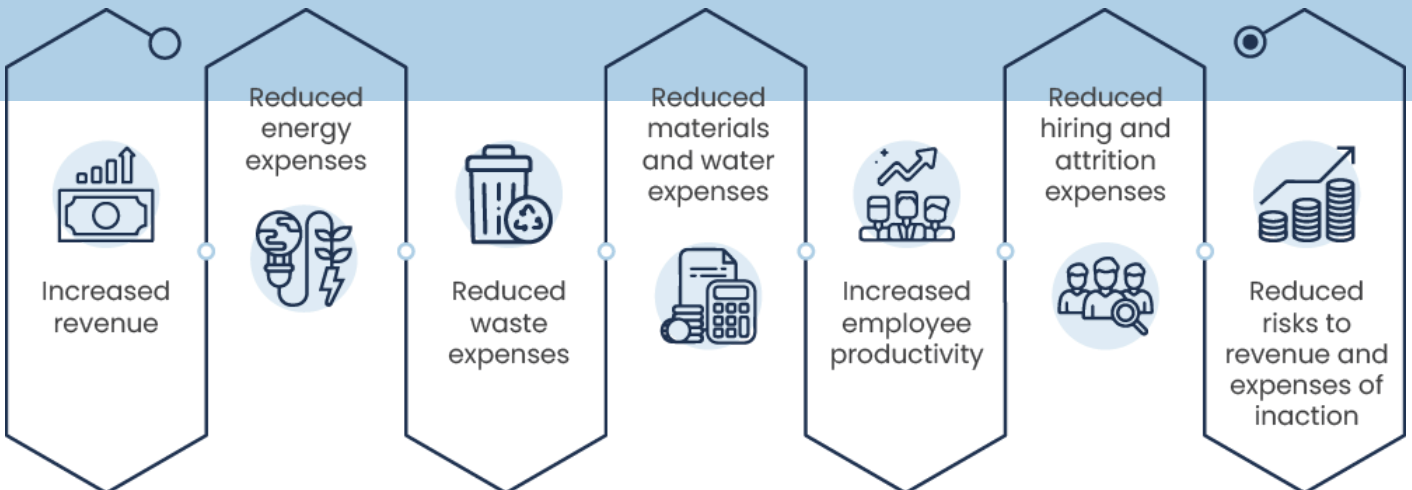
## Building the Business Case for Change:



Re-gearing business to reduce Greenhouse Gas emissions, use less water and create less waste requires expertise, time and investments. Some of these investments take years to show a return yet demand for resources are always competitive within a business.

However, failure to make the business case for these investments will leave some companies stranded when global sentiment and regulation changes. This tipping point will likely come years before legal enforcements as customers and consumers favour ethical and sustainable brands and products.

Therefore, the time to build the internal momentum and support for change is now. The Business Case for Change can be built around the most significant sustainability-related contributors to profit, which are:



## Significant business benefits are:

### Capture new opportunities



### Manage new risks



### Build Trust



This Sustainability Report should help build the internal business case and start the conversation with stakeholders on how the company and its leaders have a purpose-driven strategy for the future.

## Prioritisation for Action

It is unlikely that an organisation will undertake improvements on its scores in this report all at once. Several stakeholder-related factors should be taken into consideration when determining which should be prioritised for action, these could include:



The organisation's senior management's focus on SDGs that are key to achieving the organization's purpose, strategic plan, and long-term success.

A lender's interest in SDGs that might affect the organisation's risk profile and eligibility for preferential treatment (e.g., sustainability-linked loans)



An important customer or buyer's high-priority SDGs that they are asking about in their request for proposal.



SDGs that could significantly affect the organisation's image, reputation or brand value.



The SDGs which are of most interest to investors, depending on the organisation's industry sector (e.g., as indicated by the SASB Materiality Map).

Governments, foundations, and rating agencies may be very interested in particular impacts that the organisation is having on people and planet.



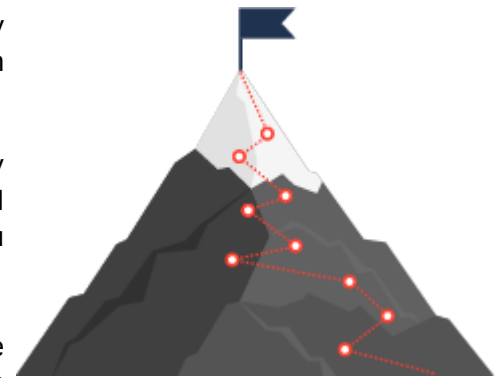
## Next Steps

At this time of political and economic uncertainty, strong and visionary leadership is essential to achieving the transformation needed to usher in the inclusive and sustainable economic growth that the SDGs represent.

Your company has already have embarked on a sustainability journey. By reporting your progress against the SDGs, you will join this global movement and by reaching out across sectors and supply chains, you can collectively accelerate this agenda.

Sustainable businesses are more successful. Through addressing the sustainability agenda now and getting ahead of the change curve which will eventually impact all your competitors and can leverage a competitive advantage through proactive business transformation that aligns the business with future buyer and customer trends and requirements.

You can use this baseline to start internal discussions to determine your company's roadmap and next steps, such as:



This tool can also be used to bring in your suppliers, contractors and shareholders onto the SDGs journey to improve confidence in your supply chains to become robust and responsible. Encourage them to take the SDGme Rapid Assessment Baseline to build your company's Sustainability Ecosystem.

As a tangible report that charts progress and enables making public commitments to advancing the SDGs, the scores from your report can also be used as part of any Annual Report, saving time and effort in doing a traditional assessment to contribute to a larger report.



About us



Quantum 5 are global sustainability advisors. We specialise in designing rapid and meaningful sustainability change programmes for companies that need to adapt now.

Get in touch with us if you would like to discuss the scores from your Sustainability Assessment Report or want some friendly advice or support in transforming your approach to sustainability and alignment with the UN Sustainable Development Goals.

We'll bring simplicity to complexity and jointly, we'll work towards accelerating your sustainability ambitions and actions.



