



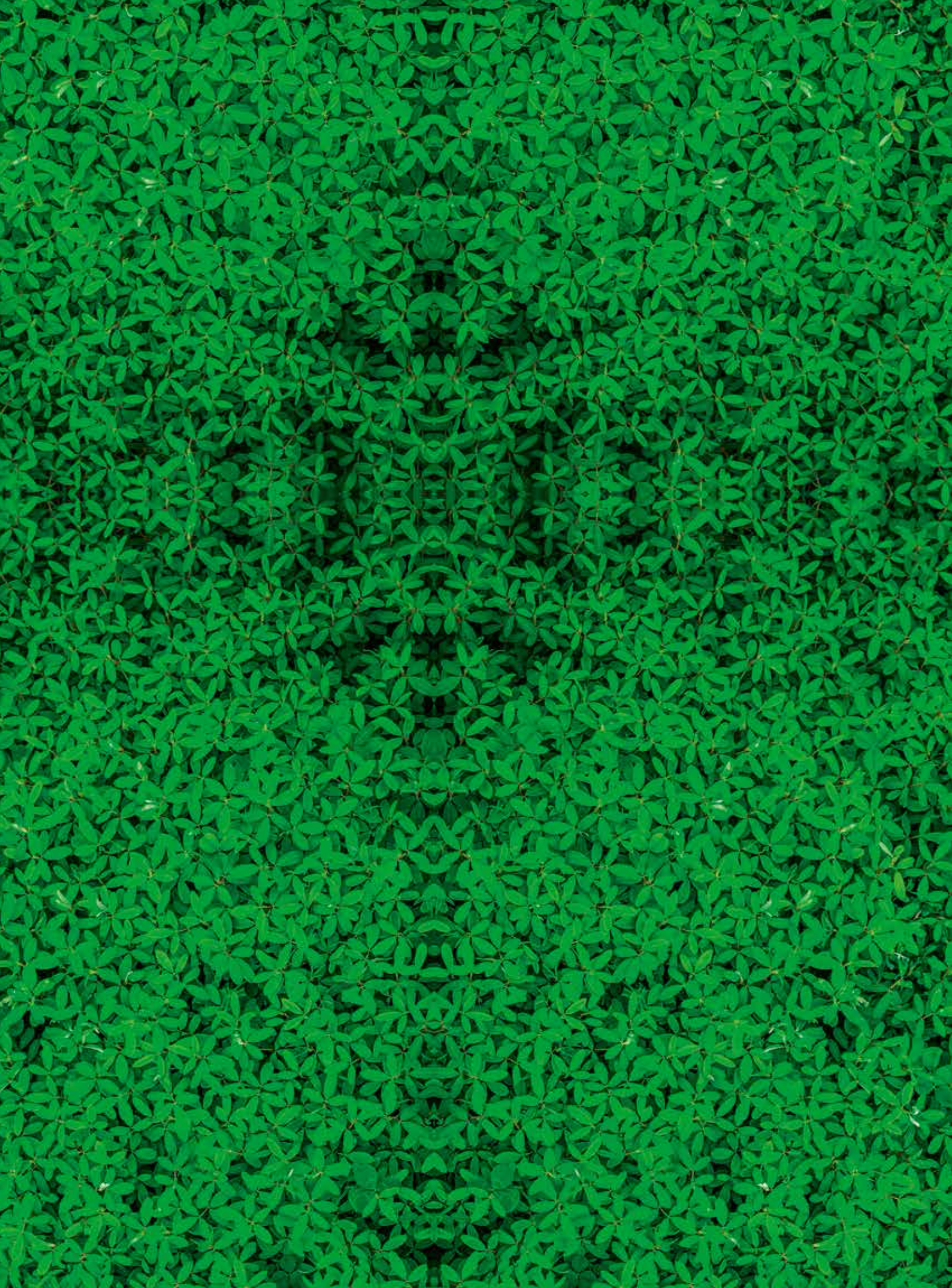
Crescent Steel and
Allied Products Limited



the **GREEN** SIDE
corporate responsibility report



2017







the **GREEN SIDE**

The greatest treasure that we can leave to our future generations is the planet we call home - Earth. By taking action today, we can ensure a beautiful and healthier tomorrow for our future generations, and instil within them the value of our environment. Let us save the world today for a brighter future tomorrow.

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Crescent Steel is committed to being a good corporate citizen and always doing the right thing.

I am pleased to present our fifth Corporate Responsibility Report. This report supplements our Annual Report 2017 and covers our work as a responsible corporate citizen, specifically in areas of ethics, stakeholder engagement and community impact.

We understand that our industry and Company can have a profound impact on people's lives and that sustainability plays a central role in allowing us to achieve it in a meaningful way. Reporting on our sustainability performance enables us to continue to earn public trust, strengthen relationships with stakeholders and renew our social license to operate. It is particularly interesting to note that reporting on sustainability performance has been a driver of awareness and action across business units and

functions as it forces people to look at information that would otherwise not be reported.

We are committed to transparency through quality reporting on our economic, social and environmental impacts. They are fundamental to the way we approach our longer-term objectives and, what we think about in our day to day work; we believe that transparency will only make us better.

We are and want to always be known as, a Company that behaves ethically, is governed responsibly and one that is: transparent in its dealings, supports good causes, protects the environment, and provides an appealing place to work where our people are treated well, empowered to perform and assessed fairly.

Energy and water security is essential to economic and social development and have a profound impact on lives everywhere. Planned national projects underway to augment the country's gas pipeline infrastructure and much needed water and sanitation projects are material for both, our business sustainability as well as for sustained growth and development in Pakistan.

The line pipes we have supplied this year will be laid as part of the LNG import infrastructure projects that are designed to transport 1,200 mmcf per day from the South of the country to power plants in Northern Punjab.

Crescent Steel has contributed 3,430 Km to Pakistan's gas transmission network of 11,370 Km over the last three decades. Our commitment has always been to deliver quality products efficiently and economically, and in doing so to provide fair returns to our shareholders and a desirable workplace for our employees.

In addition to transportation of water and piling, large diameter line pipes are used in hydrocarbons transportation in the energy cycle. Pipes must transport oil and gas safely across rivers and mountains, through towns and villages, as communities and the environment rely on their long-term integrity to ensure their well-being.

As the largest large diameter line pipe producer active in the

country, we play a crucial role in developing the country's water and energy infrastructure and make a meaningful impact by focusing on what we do best: safely provide reliable, quality line pipes and line pipe coatings in a manner that creates value for all stakeholders.

In doing so, we must place sustainability at the centre of all our decisions, creating a framework that balances environmental, economic and social responsibilities - a framework that ensures our actions today and achieve our vision for tomorrow.

We also understand that our business is tightly linked with development; as with all development, it goes through cycles of feast and famine. To buffer the periods of famine, we have built a strong corporate structure including ancillary revenue wallets and cash flow buffers.

In FY17, we continued to build on the sustainability successes of past years. We continue to invest in an educated Pakistan, contribute towards accessible quality healthcare and emergency medical services, and to participate in and support environmental campaigns and programs.

As a multi business Company we operate a line pipe manufacturing and pipe coating facility, a machinery fabrication plant, a bagasse fired power plant, a steel melting and billet manufacturing facility and remain active investors in Pakistan's capital markets.

Our businesses continue to provide equal opportunity employment to hundreds of people across Pakistan. Our priority towards society and

people is effectively integrated with our business offering and how we work on a day to day basis. We engage and mobilize our staff, community, and business partners and strive to make meaningful impact in the communities where we operate. We are guided by our mission, principles, and values which include earning the trust of our stakeholders by displaying integrity and embracing transparency.

Crescent Steel is already leading by example on transparent and voluntary reporting practices. We are committed to elevating our reporting and plan to focus on aspects material to our business and our stakeholders as we evolve in this area.

Our impact is lasting and positive when our operations helps improve lives, when we can help create jobs and contribute to growth, when we encourage meaningful dialogue, when we gift our time and resources for good in the areas where we live and work, and when we act with integrity and honesty in our business dealings.

At Crescent Steel, we are proud of what we have been able to accomplish over the last 30 years, and we look forward to the opportunities in front of us to make a difference.



Ahsan M. Saleem

Managing Director and Chief Executive Officer



CHEMICAL PESTICIDES

For healthy agricultural yields, pest control for crops is a necessity. The need of the hour is to begin natural treatment through environmentally friendly means, and phase out the use of harmful chemical pesticides that run a greater risk of contaminating our land. These chemical pesticides also lead to the pests themselves developing resistances through prolonged exposure, making continued pest control an ever-increasing challenge. Through more eco-friendly and biological pest control solutions, we should be able to see healthier farms, farmers and food.

ABOUT THE REPORT

SCOPE

We started formally reporting on our corporate responsibility performance in 2013. To do this, we developed a sustainability reporting manual based on Global Reporting Initiative (GRI) G4 guidelines to strengthen our internal and external reporting mechanisms. To ensure accuracy and transparency in reporting our corporate responsibility reports will be reviewed by our internal auditors for internal as well as external reporting. We have a sustainability action team comprising of representatives from each of our sites in Pakistan.

PERIOD COVERED

This report covers the performance of our Group Companies and Business Units including Steel, Engineering, Textile, Energy, and Investment and Infrastructure Development portfolios. The report covers fiscal year 2016-17; content that describes efforts outside this period is indicated in the respective sections.

DATA

The reporting manual clearly defines the roles and responsibilities of the sustainability action team. In addition to this we have developed online reporting templates to capture sustainability related data from all business units and relevant departments.

There are no changes that can significantly affect the comparability of data from period to period. Previous years' figures have been regrouped/ rearranged wherever found necessary to conform to this year's classification.

GLOBAL REPORTING INITIATIVES (GRI) AND ICAP'S EVALUATION CRITERIA

The report has been developed based on the G4 standards of Global Reporting Initiatives (GRI) core option, on the principles of stakeholder inclusiveness, sustainability context, materiality and completeness, and ICAP's Sustainability Report Evaluation Criteria.

Where standards have not been defined, they have been reported on the management's best estimates using globally accepted methodologies and assumptions.

OUR PRIORITIES AND LEARNING FROM STAKEHOLDERS

We are responsible corporate citizens and strive to build and enhance value for all stakeholders. This includes maximizing returns for our shareholders, enhancing our products and efficiency for our customers, keeping our people motivated and satisfied, practice our business in a sustainable way to do our part in contributing to society and managing the impact of our operations.

We branded our approach to CSR as "Crescent Cares" in 2014 and have witnessed higher employee engagement and appreciation of our efforts for a more universally sustainable future. Through Crescent Cares we regularly collect feedback from our CSR partners and evaluate the initiatives we are engaged with to determine and ensure that we are maximizing our impacts (in context of sustainability for our business, the environment and the community).

Editorial Policy

Crescent Steel publishes an Annual Corporate Responsibility Report as a way of sharing information on its sustainability-related activities with stakeholders. This year's report reviews the progress and results achieved in fiscal year 2017, focusing on the Company's approach and sustainability strategies on the management of economic, social, human and natural capitals.

Reporting period

Financial year 2017 (July 1st, 2016 to June 30th, 2017)

Reporting Cycle

Annually since 2013

Date of Previous Report

Corporate Responsibility Report 2016, issued 08 September 2016.

Available online

Report is available online on: www.crescent.com.pk/annual-sustainability-reports

Organization

Crescent Steel and Allied Products Limited and its subsidiary companies.
Significant location of operation is Pakistan

Point of Contact and Feedback

For queries and clarifications on this report, please contact us at: sustainability@crescent.com.pk



AIR POLLUTION

The Earth's fragile ecosystem is maintained by our atmosphere, and it becomes highly important for us to care for the atmosphere to sustain life on the planet. By identifying the key issues with regards to air pollution, accepting responsibility towards the community, and educating people in the ways of recycling and pollution control systems through which we can curtail this menace, we will be able to fulfill our obligation to society beyond providing employment and services, and help create a better world in the process.

ABOUT THE COMPANY

VISION

To excel across all our operations and deliver sustainable value to all stakeholders.

MISSION

- Grow and enhance company value, and pursue new growth opportunities
- Maintain cost and quality leadership in an internationally competitive environment
- Promote best use of human talent in a safe environment as an equal opportunity employer
- Conduct business as a responsible corporate citizen and to seek and support local communities in areas where we operate
- Contribute towards an educated Pakistan

CORE VALUES

Our core values are at the heart of our business because they define who we are, how we work, what we believe in and what we stand for. Our core values set out how we act and how we expect to be treated as part of Crescent Steel.



INTEGRITY



CONSISTENTLY DOING THE RIGHT THING

Being ethically unyielding and honest in the way we conduct business.



OWNERSHIP



ACTING WITH STEWARDSHIP

to build a better, stronger and more dynamic organization.

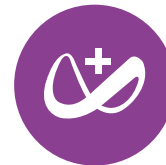


CUSTOMER FOCUS



LEVERAGING RELATIONSHIPS FOR PERFORMANCE

Delivering value through responsiveness to internal and external customers.



CONTINUOUS IMPROVEMENT



CONTINUOUS IMPROVEMENT GIVES US COMPETITIVE ADVANTAGE

Fostering collaboration, innovation, and creativity as individuals and as teams.



COMMUNITY CARE



SOCIAL RESPONSIBILITY IS AT THE HEART OF OUR BUSINESS

Enabling change in communities where we operate through impact investment programs.

OUR BUSINESS MODEL

CAPITALS ENGAGED



FINANCIAL CAPITAL

- 1 Debt and Equity Financing
- 2 Trading Investments



MANUFACTURED

- 1 2 HSAW Line Pipe Plants
- 2 Coating Plant
- 3 16.5MW Thermal Co-Generation Plant
- 4 Spinning Unit
- 5 Capital Market Investments
- 6 Real Estate Investments
- 7 Strategic Holdings/Long Term Investments
- 8 Head Office and Corporate Facilities



INTELLECTUAL

- 1 Tacit Knowledge and Knowledge Sharing
- 2 Systems and Processes
- 3 Company Culture
- 4 Brand Value and Reputation



HUMAN

- 1 Strong Leadership
- 2 Highly Skilled Engineers and Technical Staff
- 3 Motivated and Engaged Employees
- 4 Service Providers



SOCIAL AND RELATIONSHIP

- 1 Complex Supply Chain
- 2 Community Engagement and Trust
- 3 Collaborative Partnerships
- 4 Strong Customer and Industry Partnership
- 5 Positive Employee Relations
- 6 Engagement with Govt. and Regulators



NATURAL

- 1 Energy and Fuel through Conventional and Renewable Resources
- 2 Energy Efficiency
- 3 Water
- 4 Energy Efficient Equipment

BUSINESS CONTEXT

EXTERNAL VARIABLES IMPACTING VALUE

- Volatility of USD:PKR exchange rate
- Volatility in the Pakistan Stock Exchange (PSX)
- CPEC associated energy and infrastructure projects
- National water and energy infrastructure projects and infrastructure development in general
- Fluctuation in global commodities markets especially steel
- Political instability

OUR MATERIAL RISKS

- PKR devaluation
- Increase in raw material costs
- Disruptions in planned infrastructure projects



MARKETING AND SALES

Tenders

Demand Planning



PROCUREMENT

Raw Material Imports

Inbound Logistics

OUR PROFIT BLUEPRINT

REVENUES

- Sales of Bare and Coated Line Pipes
- Coating of customer supplied line pipes
- Returns from diversified investments and business lines
- Sale of energy to subsidiaries and utilities
- Sale of billets and growth in this segment
- Portfolio gains and returns from strategic investments

COSTS

- Procurement of raw materials, consumables, machinery, spares and parts
- Purchase and maintenance of equipment and facilities
- Investments in management and employees
- Costs of financial capital
- Negative exchange rate impacts
- Taxation
- Supplier and support services costs
- Regulatory and compliance costs

OUR PRODUCTS AND OUTPUTS (PAGE REF 10-14)



Spiral Welded Line Pipes and Line Pipe Coatings



Scrap



Quality Assurance Laboratory



Bio Energy



Steel Billets and Ancillary Waste



PV and PC Yarn



MANUFACTURING AND PROCESSING

Production

Quality Assurance



DISTRIBUTION

Inspection

Outbound Logistics

CUSTOMER

Reliable partner for quality line pipes and line pipe coatings for the oil, gas and water transportation segments
Provision of energy to businesses and utilities
Supply of quality steel billets for re-rolling

SHAREHOLDERS

Consistently deliver reasonable returns from well managed operations and through acquisitions and organic growth in response to market opportunities

VALUE PROPOSITIONS

EMPLOYEES

Comprehensive compensation and benefit plans
Employee development
Innovate and grow

SOCIETAL

Enabling transportation of energy, water and sanitation management, infrastructure development
Contributing to an educated and skilled Pakistan

IMPACTS AND OUTCOMES

FINANCIAL CAPITAL

- 1 Access to capital through sustained investor returns and market confidence, and a strong balance sheet.

MANUFACTURED CAPITAL

- 1 Generating long term returns through investments in plant, machinery and equipment to maintain and enhance capacity and quality of output.

NATURAL CAPITAL

- 1 Production of air and other pollutants including waste which may lead to negative environmental impacts.
- 2 Consumption of energy and fuel for production and distribution of products.
- 3 Reliable captive generation through renewable resources

HUMAN CAPITAL

- 1 Generating value through skilled, motivated and well cared for employees and service providers; ensuring fair labor practices.
- 2 Providing a safe working environment and conducive human resource management and compensation policies.
- 3 Investing in targeted training and development for technical and management personnel.

SOCIAL AND RELATIONSHIP CAPITAL

- 1 Maintaining positive and productive relationships with employees, suppliers, shareholders and other stakeholders.
- 2 Creating value for the communities we operate in through investments in job security, education, health and the environment.

INTELLECTUAL

- 1 Investments in innovative systems and resources; ensuring effective resource allocation i.e. placing the right people in the right roles by leveraging management systems and corporate culture.

OUR BUSINESS

Incorporated in 1983 as a steel line pipe manufacturing business, today Crescent Steel is a conglomerate listed on Pakistan Stock Exchange with businesses in various sectors and campuses in Sindh and Punjab.

Our businesses are structured as separate units: Steel and Engineering, Crescent Cotton Products, and Investment and Infrastructure Development (IID) and, four subsidiary Companies: CS Capital (Private) Limited, Shakarganj Energy (Private) Limited, Crescent Hadeed (Private) Limited, and Solution de Energy (Private) Limited.

STEEL DIVISION

The Steel Division operates two Spiral Pipe production lines, a Coating Line and a machinery fabrication facility (Shakarganj Engineering). The pipe plant in Nooriabad specializes in manufacturing large diameter spiral welded pipes and various line pipe coatings. Shakarganj Engineering, located in Faisalabad, capable of fabricating and erecting reliable machinery at par with international standards.

LINE PIPE MANUFACTURING

The Spiral Pipe Plant has the capability of manufacturing high quality steel pipes in the diameter range of 8" - 120" (219 mm - 3,048 mm) in wall thickness from 4 mm - 25 mm and material grades up to API 5L X-100. During FY16, a second SP line was installed taking the unit's pipe production capacity to 200,000 tons per annum.

SP1 notional capacity on 30" diameter x 0.5" thickness is 90,000 per annum and SP2 notional capacity on 40" diameter x 0.625" thickness is 110,000 per annum. The actual production achieved during

the year was 88,110 [FY16: 58,202] tons of line pipes of varied sizes and thicknesses.

Converting to 0.5" thickness and 30" diameter for SP1 and 0.625" thickness and 40" diameter for SP2, the actual production is equivalent to 107,699 tons [FY16: 66,811 tons].

Hot rolled coils are processed and converted into Submerged Arc Welded Helical Seam line pipes. If required, internal and/or external coating is applied and line pipes are supplied primarily to public utility companies for use in the national oil and gas transmission network and, to other customers.

LINE PIPE COATINGS

In addition to providing an alternate revenue stream, the coating plant augments our offering by enabling us to meet customer requirements for coated pipes. The coating plant is capable of applying multi-layer internal and external coatings. External coatings include Multi-Layer Polyolefin Coating, Fusion Bonded Epoxy, Tape Coating and Liquid Epoxy Coating while internal coatings include Anti-Corrosion Epoxy Coatings, Flow Efficiency Coating (FEC) and Cement Lining.

The Coating Plant is capable of applying various flow efficient and corrosion protection coatings such as Multi-Layer Polyolefin and Polypropylene coatings, Single Layer Fusion Bonded Epoxy coatings, Liquid Epoxy coatings and High Temperature Heat Shrink Tape coatings on steel pipes ranging from

SUPPLY CHAIN BARE LINE PIPES



HR Coil is imported from steel manufacturers



Crescent procures and processes HR Coils to manufacture steel line pipes



Bare steel line pipes are either sold to public utility companies or processed for coating



Steel line pipes are used in transmission pipelines in the oil and gas, and water and sewage sectors. The line pipes are also used as piles at ports and jetties

4" - 60" (114 mm - 1,524 mm), tape coatings on pipe diameter above 60" (1,524 mm) and internal epoxy coatings on diameters ranging from 8" - 60" (219 mm - 1,524 mm).

The annual capacity of the plant works out to 600,000 square meters outside surface area of line pipes based on notional size

SUPPLY CHAIN INTERNAL AND EXTERNAL PIPE COATINGS



Crescent Steel receives bare pipes from clients/Crescent Steel's line pipe manufacturing unit



External and/or internal coating is applied to bare pipes



Coated pipes help improve flow efficiency, reduce material and energy use, enhance durability and help manage future costs better.

of 14" diameter on single shift working. Coating of 272,587 meters [FY16: 216,070 meters] of different diameter pipes (397,103 square meters surface area) was achieved during the year [FY16: 590,738 square meters surface area].

ENGINEERING UNIT

The Engineering Unit, established in 2005 and acquired by Crescent Steel in 2009, is located in Faisalabad.

The workshop fabricates machinery and spare parts on design specifications it owns, or as provided by the customers, for various local industries especially in the food and cement sectors. The raw material, mainly metal sheets, is procured and converted into industrial equipment. This unit was leveraged in the commissioning of our steel melting and billet manufacturing unit and has supplied key infrastructure and equipment to the plant including the overhead cranes and a vibro-feeder. Our engineering product offering includes:

- Cane Shredders
- Juice Heaters, Vapour Juice Heaters
- Evaporators with Stainless Steel Multi-jet Condensers
- Batch and Continuous Vacuum Pans
- Crystallizer "U" shape
- Centrifugal Machines
- Stainless Steel Spray Clusters for Spray Pond
- Deep Bed Filters Milk Silos
- Hydraulic Tilting Trolleys for Cane Harvesting
- Perforated Plates and Vibro Screens for Paper Plants
- High Voltage Transformer Tanks
- High Pressure Boilers
- Fabrication and Erection of Heavy Duty Crane Girders
- Fabrication and Erection of Steel Structure of Continuous Casting Machine

SUPPLY CHAIN INDUSTRIAL EQUIPMENT



Metal sheets and other raw material is procured



The engineering unit workshop fabricates and mills industrial machinery and equipment as per design specifications



Fabricated equipment is used by customers in the sugar, cement and other industries.

- Fabrication and Erection of Steel Structure, Hood Duct Line with Chimney of Air Pollution Control
- Girders for Overhead Cranes

CRESCENT HADEED (PRIVATE) LIMITED

Incorporated in May 2013, the Company commenced commercial operations in June 2016. The principal business of CHL is the manufacturing and sale of grade ASTM 615 G40 and G60 of steel billets through steel induction melting plant. The plant's installed / rated annual production capacity based on three shifts is 85,000 metric tons of steel billets per annum in various sizes and at standard length of 6 meters. During FY17 the Company manufactured 31,962 tons and sold 31,835 tons of steel billets.

These steel billets are used by re-rolling mills as raw materials to manufacture reinforced steel bars, angles, channels, sections and other steel products for use in the construction and engineering sectors.

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

The Investment and Infrastructure Development Division manages investment portfolios of stocks, securities, real estate and commodity investments. The division also operates a wholly owned subsidiary CS Capital (Private) Limited, a fully owned subsidiary incorporated in 2011. The portfolio is balanced in a way that spreads risk over a diversified spectrum and offers potential for growth as well as dividend yields, while real estate investments are held for rental as well as long term appreciation. The unit supports the Company's bottom line and in addition to capital gains, maintains a stable flow of rental, dividend income to support the working capital requirements of our business.

SUPPLY CHAIN STEEL LONG PRODUCTS



Steel scrap and alloys are imported/procured locally for melting and processing



Secure reliable power sourced from Shakarganj Energy (Private) Limited



Billets are produced through a steel melting and ladle refining process. These billets are sold to re-rolling mills or converted to rebars



Re-rollers convert the billets into rebars and other long products.



Rebars/long products are used in the construction of buildings, dams, bridges, housing and other infrastructure development projects.

CRESCENT COTTON PRODUCTS

Crescent Cotton Products, acquired in 2000, is the textile division of the Company, located in Jaranwala with 19,680 spindles. It has a production capacity of 385 bags per day and specializes in producing high quality cotton/synthetic and blended carded yarn in various counts.

CCP is a division of the company but its operating results are shown separately, CCP as a division holds ISO 9001 Quality Management Credentials, is registered with Ministry of Textile Industry Pakistan and is a member of International Cotton Association Limited (ICA Limited) and All Pakistan Textile Mills Association (APTMA). CCP produces quality cotton/ synthetic yarn with value addition of Slub, Siro and Compact Attachments. CCP is equipped with modern high-tech European and Japanese machinery ensuring a high-quality yarn making process, producing various counts.

The Cotton Division's production capacity converted to 20s, as per spinning plan of Polyester Cotton yarn is 6,360,000 kilograms (Based on 24s avg count) whereas actual production converted into 20s Polyester Cotton Yarn is 7,949,096 kilograms (Actual average count was 25.8s). Actual production was 5,339,201 kilograms [FY16: 330,519 kilograms].

The supply chain for cotton apparel is complex. Farmers grow and harvest cotton. Raw cotton is sold by farmers to the ginning industry where cotton lint is separated from seeds and trash. Ginned cotton is sold through agents in the local and international markets to spinning mills. We obtain cotton lint in bulk from cotton agents and convert it to yarn based on global standards.

SUPPLY CHAIN COTTON YARN



Farmers grow and harvest cotton crop. Raw cotton bolls are picked and sold to ginners



Ginners separate lint from seeds and other materials



Middle market of lint cotton (Agents / intermediaries)



Crescent Cotton Products procures cotton and synthetic fibre from local agents / manufacturers and international suppliers. The cotton and synthetic fibre is mixed and spun into various counts



Yarn is sold to weaving and knitting units that convert yarn into fabric



Fabric is dyed or printed for finishing



Crescent Cotton Products purchases fabric for onward exports to garment manufacturers



Garment manufacturers design and manufacture the fabric into finished product



Retailers / whole sellers sell garments



Consumers use final product

We purchase synthetic fibre from manufacturers. The fibre is produced through a continuous polymerization process and available in different cut lengths from 32 mm to 51 mm, procured as per requirements. Viscose is imported from different countries, mainly, Indonesia, Taiwan, and India and is also available locally with stockists.

The yarn we produce at Crescent Cotton Products is sold to fabric manufacturers who weave or knit the yarn into fabric and sell it for further processing to garment manufacturers to process, design, and manufacture finished goods for end consumers.

SHAKARGANJ ENERGY

Shakarganj Energy (Private) Limited, acquired in 2010, commenced commercial operations in December 2014. The unit operates a bagasse fired thermal cogeneration power plant capable of producing 14 megawatts of electricity and an extraction / condensing power plant capable of producing 16.5 megawatts of electricity for off-season operation. The principal activity of the unit is to generate, accumulate, distribute, sell and supply electricity to our subsidiary Crescent Hadeed, SML-Bhone, and to distribution companies as permitted.

The supply chain starts from the acquisition of sugar cane from the farmers / intermediary market. Bagasse, a by-product of sugar cane processing, is an alternate source of power. Shakarganj Energy purchases bagasse and uses it as a fuel to generate electricity.

During the period, 159,917 tons of bagasse [FY16: 40,486 tons], 307,002 tons of water [FY16: 78,984 tons] and 291,543 tons of Steam [FY16: 0 tons] were used for the generation of 37,529 MWh of renewable power [FY16: 6,474 MWh] of which 22,214 MWh [FY16: 3,493 MWh] and 14,858 MWh [FY16: 2,981 MWh] was supplied to Crescent Hadeed, and to SML-Bhone, respectively. 457 MWh [FY16: 0 MWh] was supplied to Faisalabad Electric Supply Corporation while 203,631 tons [FY16: 49,930 tons] of low pressure steam was also supplied to Shakarganj Limited.

SOLAR ENERGY INVESTMENTS

Solution de Energy (Private) Limited was incorporated as a subsidiary of Shakarganj Energy (Private) Limited in October 2013. The project aims to

SUPPLY CHAIN POWER



Sugarcane grown and harvested by local farmers



Sugar mills procure and process sugarcane



Bagasse is produced as a by-product



Shakarganj Energy buys bagasse and produces electricity and steam



Steam is supplied to industry and power is supplied to CHL, SML and FESCO

is in the phase of completing the requirements specified in LOI. Further, the Company has been allocated land from PPDB. Also, interconnectivity study report has been completed and submitted for National Transmission & Despatch Company (NTDC) vetting. PPDB will approve the feasibility study after the vetting of interconnectivity study by NTDC.

develop, own, operate and maintain 100 MW solar power project in Solar Power Park, being established by the Government of Punjab in the Cholistan desert.

The Company has been granted Letter of Interest (LOI) by the Punjab Power Development Board (PPDB) and currently the Company

AN OVERVIEW OF OUR PERFORMANCE OVER THE YEARS

- PKR 304.7 million gifted to support The Citizens Foundation and help educate Pakistan since 1995
- Earnings growth of 6.6% over the last 10 years
- Contributed 30% of the national gas transmission network over the last 30 years
- 13,600+ trees planted since 2008 , this has helped in reducing 81 tons of CO₂ which is equivalent to burning 10,666 gallons of gasoline

AN OVERVIEW OF TWENTY SEVENTEEN

ECONOMIC

- EPS: PKR 15.29; Dividend Pay-Out: 34.3%
- ROE: 14.8%
- Total Sales of PKR 12,286 million with a margin of 13.7%
- Profit before taxation, PKR 1,592 million with a net profit margin of 9.5%
- Taxes of PKR 405 million, 3.3% of sales and 25.4% of PBT
- PKR 537 million in remuneration and benefits to employees; 45.2% of net profit and 4% of revenue
- Goods and services purchased constitutes 79% of sales
- 380 km of quality line pipes supplied on time, for national energy infrastructure projects

PEOPLE

- 590 employees across locations in which we operate
- 7.6%+ employees in formal training programs; average training of 1.75 hours per employee across all tiers
- 500+ local and 82+ foreign contractors/services providers

COMMUNITY

- Gifted 7.24% of PBT to causes we support
- 2,757 students supported through The Citizens Foundation
- 14 students supported through tertiary sponsorships in Pakistan and abroad
- 1,200+ volunteer hours donated by our people
- PKR 65.08 million gifted to support good causes in education during the year
- PKR 100.8 million in value distribution, an increase of 25% from prior year

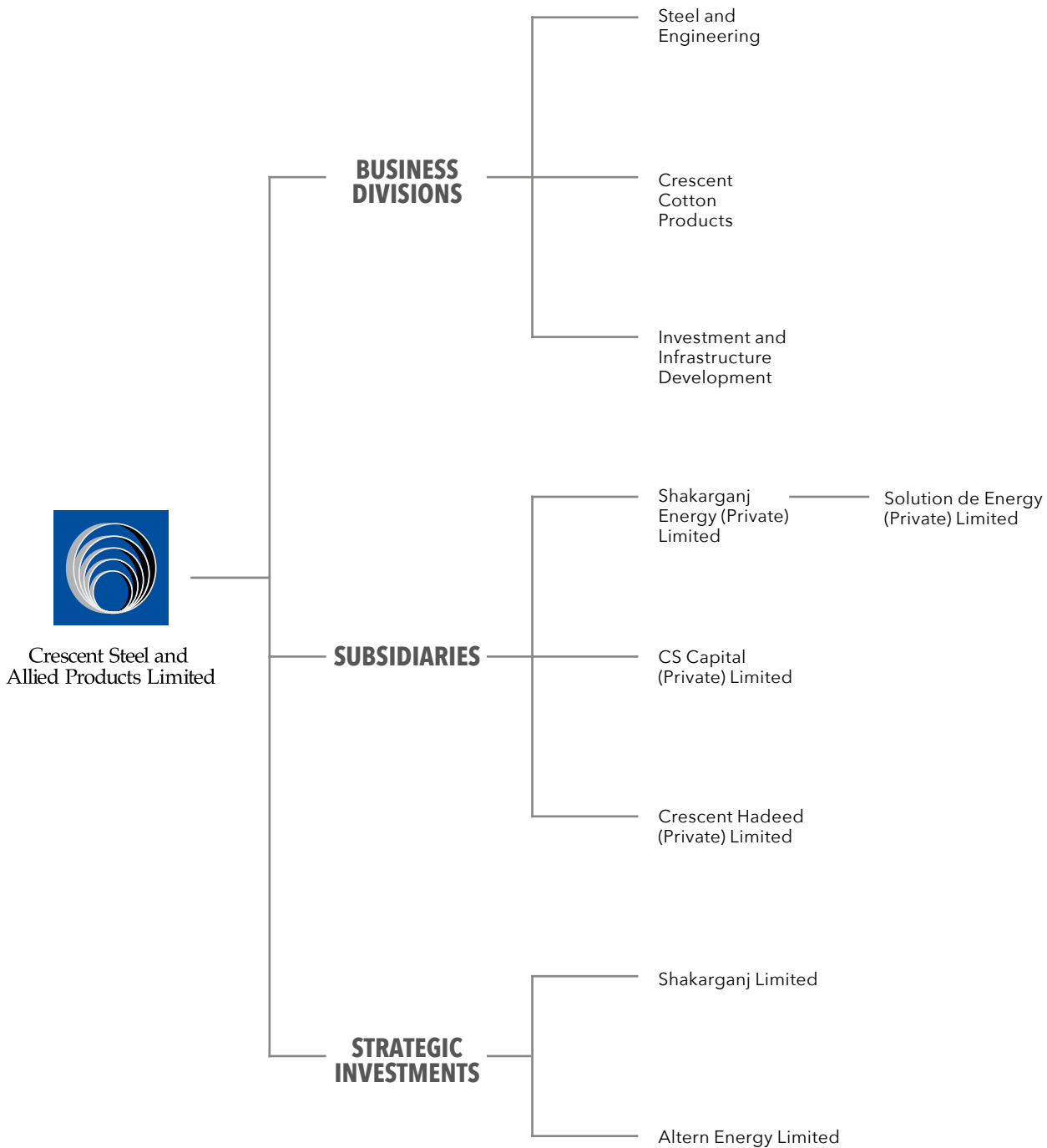
ENVIRONMENT

- Energy consumption (GJ) 448,431 - self-generated: (GJ) 352,329 - national grid: (GJ) 96,102
- Energy supplied outside the business (GJ) 55,135
- GHG emission increased by 11,353 tons of CO₂
- 150 mangrove saplings at WWF's Wetland Centre, and 5,800 trees planted at our Nooriabad campus during the year. These plantations will help reduce 4,636 KGs of CO₂ emissions
- 22,500 ml of blood collected from donors during the year. 45 employees participated in blood drives held at the Head Office and our campus in Nooriabad

RECOGNITION

- Recognized in ICAP's Best Corporate and Sustainability Report 2016 Awards and SAFA's Best Presented Annual Report Awards 2015

Our success as a business can bring important flow of benefits to other companies and the Pakistan economy, particularly as we pay for products and services from other businesses such as electricity providers, network providers, infrastructure owners, and various other service providers



If we comply with all obligations imposed upon us and those we choose to impose on ourselves, we can be confident our business is being managed responsibly and sustainably.

The operations and impact of the businesses we operate extend across Pakistan. Our products mainly serve public sector organizations and industrial outlets.

During the current fiscal year we sold 80,720 tons of steel pipes [FY16: 62,527 tons], applied 397,103 square meters [FY16: 590,738 square meters] of line pipe coatings. We produced 5,399 tons of yarn [FY16: 330 tons] and purchased 2,617 tons of cotton [FY16: 137 tons]. 365,882 meters of fabric [FY16: 0 meters] and 979 units of machines and other equipment [FY16: 1,289 units] were also sold during the year. We generated and sold 37,502 MWh of power [FY16: 6,474 MWh],

manufactured and sold 31,962 tons and 31,835 tons of steel billets, respectively [FY16: 2,638 tons and, 2,904 tons respectively] during the reporting period.

We made investments of PKR 219.8 million [FY16: PKR 423.3 million] and realised gains of PKR 236.5 million [FY16: PKR 71.2 million] from capital gains, dividend and rental income.

Our revenues were PKR 15.02 billion [FY16: PKR 9.3 billion] of which PKR 10 billion [FY16: PKR 5 billion] constitute payments to suppliers making a value addition of PKR 5.2 billion [FY16: PKR 4.3 billion].

We distributed a significant part of the value we created to the Pakistani community through the payment of taxes and levies to provincial and federal governments and, for the year these stood at PKR 2.94 billion [FY16: PKR 2.3 billion].

We have defined Benefit and Contribution Plans for our employees and during the year we distributed PKR 537 million¹ in wages and benefits to our workforce of 590² employees [FY16: 345 million across a workforce of 966 employees]. We distributed PKR 100.8 million³ [FY16: PKR 80.9⁴ million] in the form of community investments and, PKR 612.2 million [FY16: PKR 642.1 million] to capital providers through interest and dividend payments.

As a business, we believe it is important to create and sustainably distribute value among our key stakeholders.

RELATED MATERIAL ASPECT - Economic Performance, G4-EC3

Coverage of the organization's defined benefit plan obligations.

RELATED MATERIAL ASPECT - Indirect Economic Impact, G4-EC7

Development and impact of infrastructure and services supported.

1 This includes variable remuneration payouts disbursed in FY17 for FY16.

2 This figure represents year end number of employees. Average number of employees during the year were 968 and variable remuneration payouts will be paid out to eligible employees in FY18.

3 This includes PKR 20 million towards the Benevolent Fund which accounts as employee costs.

4 The figure is being restated to take into account contribution towards the Benevolent Fund.



AWARDS AND ACCOLADES



CORPORATE REPORT AWARDS 2016 (ICAP & ICMAP)

The Annual Report of the Company for the year 2016 secured first position in the Engineering and Autos Sector



SUSTAINABILITY REPORT AWARDS 2016 (ICAP & ICMAP)

Our Sustainability Report for the year 2016 secured third position



CORPORATE REPORT AWARDS 2015 (ICAP & ICMAP)

The Annual Report of the Company for the year 2015 secured third position in the Engineering Sector



SUSTAINABILITY REPORT AWARDS 2015 (ICAP & ICMAP)

Our Sustainability Report for the year 2015 secured third position



SAFA'S BEST PRESENTED ANNUAL REPORT AWARDS 2015

Our Company was ranked first in the Diversified Holdings Sector

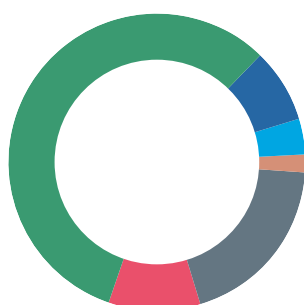
HIGHLIGHTS OF OUR ECONOMIC CONTRIBUTIONS

STATEMENT OF VALUE ADDITION FOR THE YEAR ENDED 30 JUNE 2017

	2017		2016	
	Rupees in '000	%	Rupees in '000	%
WEALTH GENERATED				
Total revenue	15,023,072	100%	9,337,070	100%
Bought-in-material and services	(9,765,204)	65%	(5,036,026)	54%
	5,257,868	35%	4,301,044	46%
WEALTH DISTRIBUTED				
To Employees				
Salaries, wages and other benefits	536,666	10%	345,057	8%
To Government				
Income tax, sales tax, custom duties, WWF and WPPF	3,018,268	57%	2,296,860	53%
To Shareholders				
Dividend *	407,571	8%	388,163	9%
To providers of finance				
Finance costs	204,626	4%	253,921	6%
To Society				
Donation towards education, health and environment	80,813	2%	70,892	2%
Retained within the business for future growth				
Depreciation, amortization and retained earnings	1,009,924	19%	946,151	22%
	5,257,868	100%	4,301,044	100%

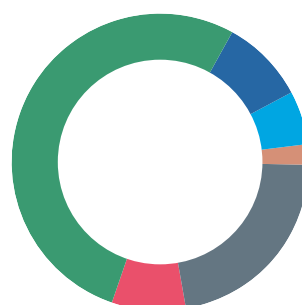
* This includes final dividend recommended by the Board of Directors subsequent to year end.

DISTRIBUTION OF WEALTH 2017



To Government	57%
To Shareholders	8%
To providers of finance	4%
To Society	2%
Retained within the business.....	19%
To Employees	10%

DISTRIBUTION OF WEALTH 2016



To Government	53%
To Shareholders	9%
To providers of finance	6%
To Society	2%
Retained within the business.....	22%
To Employees	8%

RELATED MATERIAL ASPECT - Economic Performance, G4-EC1
Direct economic value generated and distributed.

PERFORMANCE INDICATORS

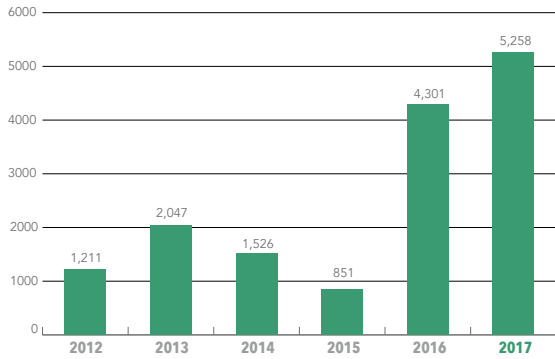
FOR THE CURRENT AND PAST SIX FINANCIAL YEARS

PERFORMANCE INDICATORS	2017	2016	2015	2014	2013	2012	2011
A - PROFITABILITY RATIOS							
Earnings before interest, taxation, depreciation and amortization (EBITDA) (PKR in millions)	2,008.4	1,914.4	389.4	902.5	1,316.6	703.6	1,151.0
Profit before taxation and depreciation (PKR in millions)	1,798.5	1,653.4	295.1	802.3	1,251.3	582.7	995.2
Gross profit ratio (%)	13.7	26.6	0.9	5.7	13.0	12.9	18.4
Operating profit margin to sales (net) (%)	10.0	18.6	2.2	11.5	19.1	7.8	17.5
Net profit margin to sales (net) (%)	9.7	14.8	8.7	13.7	17.8	11.9	14.5
EBITDA margin to sales (net) (%)	16.3	25.3	16.9	22.4	26.3	17.8	26.2
Operating leverage ratio	0.0	2.6	1.6	1.8	4.4	4.1	0.9
Return on equity (%)	13.8	15.3	3.7	10.5	18.0	11.7	17.8
Return on average equity (%)	14.9	17.7	3.8	10.8	19.9	12.4	19.2
Return on capital employed (RoCE) (%)	14.9	17.1	4.2	14.4	22.5	12.8	22.0
Return on average capital employed (%)	16.1	21.5	4.4	14.6	25.0	12.7	23.4
Return on average assets (%)	9.0	12.3	3.1	9.8	16.3	9.4	13.1
B - Liquidity Ratios							
Current ratio	1.5 : 1	1.6 : 1	1.9 : 1	2.6 : 1	2.5 : 1	1.8 : 1	1.5 : 1
Quick / Acid-test ratio	0.9 : 1	0.9 : 1	1.4 : 1	2 : 1	1.8 : 1	1.3 : 1	0.8 : 1
Cash to current liabilities (%)	(5.8)	(6.8)	(18.9)	(11.8)	(23.6)	(23.5)	(49.1)
Cash flows from operations to sales (%)	(0.4)	(31.0)	4.1	4.3	(1.7)	11.1	4.1
Working capital (Net current assets)	2,949.6	2,095.1	929.3	1,123.6	1,340.9	856.4	595.2
Working capital turnover (times)	4.9	5.0	2.2	3.3	4.6	5.4	9.0
C - Activity / Turnover Ratios							
Debtors turnover ratio (times)	18.0	28.4	30.7	28.1	17.7	15.3	20.9
No. of days in receivables / Average collection period (days)	20	13	12	13	21	24	18
Inventory turnover ratio (times)	3.6	3.7	5.3	7.1	7.0	4.8	3.8
No. of days in inventory (days)	102	98	69	51	52	76	95
Creditors turnover ratio (times)	11.2	20	8.5	29.3	19.9	15.9	22.3
No. of days in creditors / Average payment period (days)	33	18	43	12	18	23	16
Property, plant and equipment turnover (times)	4.8	3.1	1.1	2.9	3.9	3.6	3.1
Total assets turnover (times)	0.8	0.7	0.3	0.7	0.9	0.8	0.9
Operating cycle (days)	89	93	38	52	55	77	96
D - Investment / Market Ratios							
Basic and diluted earnings per share (PKR)	15.29	15.05	2.87	7.93	12.77	6.75	9.17
Price earnings ratio (times)	15.6	7.6	18.1	5.5	3.5	3.4	2.8
Dividend yield (%) *	2.2	4.4	1.3	5.7	7.8	8.6	13.4
Dividend payout ratio (%) *	34.3	34.6	21.7	28.1	28.5	24.0	30.9
Dividend cover ratio (times) *	2.9	3.0	4.1	3.2	3.6	3.4	2.6
Cash dividend (PKR in millions) *	407.6	388.2	43.5	155.3	197.6	112.9	197.6
Cash dividend per share (PKR) *	5.25	5.0	0.7	2.5	3.5	2.0	3.5
Stock dividend / Bonus shares (PKR in millions) *	-	-	-	-	56.4	-	-
Stock dividend / Bonus shares (%) *	-	-	-	-	10.0	-	-
Market value per share (at the end of the year) (PKR)	238.6	114.6	51.9	43.5	45.0	23.2	26.1
- Lowest during the year (PKR)	116.0	54.6	34.9	43.5	21.6	18.0	23.8
- Highest during the year (PKR)	283.1	134.8	62.4	74.8	54.5	28.5	31.7
Break-up value per share (PKR)	110.8	94.3	86.8	84.5	79.8	64.7	58.0
E - Capital Structure Ratios							
Financial leverage ratio (%)	40.4	39.9	12.8	6.3	9.8	9.0	23.6
Long term debt to equity ratio (%)	4.5	6.4	5.3	1.2	0.7	0.5	3.6
Cost of debts	8.0	8.4	10.9	13.7	14.4	16.7	16.5
Long term debt : Equity ratio	4 : 96	6 : 94	5 : 95	1 : 99	1 : 99	0 : 100	3 : 97
Total liabilities to total assets (%)	41.9	36.0	21.1	14.9	15.6	21.1	26.6
Gearing ratio (%)	28.3	28.0	9.8	3.4	7.6	6.8	18.7
Interest coverage (times)	8.8	6.9	2.9	8.5	19.5	5.1	6.8

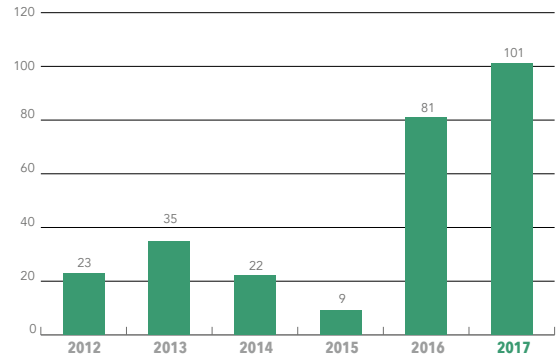
Notes:

* This includes declaration of final cash dividend recommended by the Board of Directors subsequent to year end.

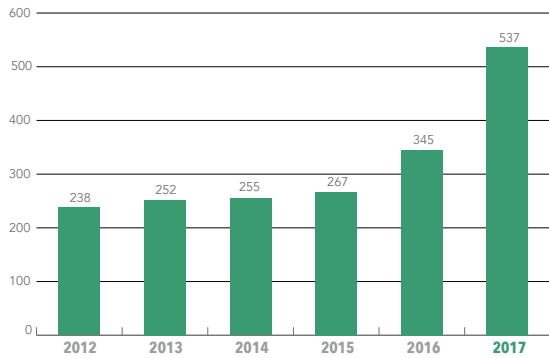
NET WEALTH GENERATED
PKR IN MILLION



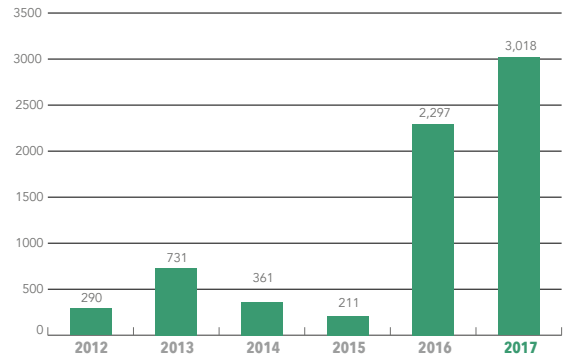
SOCIAL INVESTMENT
PKR IN MILLION



CONTRIBUTION TO EMPLOYEES
PKR IN MILLION

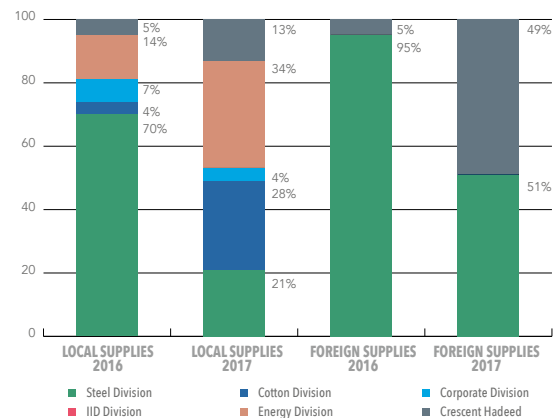


CONTRIBUTION TO EXCHEQUER
PKR IN MILLION



	PKR in million	In percentage
Purchases in 2017		
Local Vendors	3,367	22%
Foreign Vendors	12,173	78%
	15,540	100%
Purchases in 2016		
Local Vendors	914	12%
Foreign Vendors	6,561	88%
	7,475	100%

COMPOSITION OF LOCAL AND FOREIGN SUPPLIES
PKR IN MILLION



RELATED MATERIAL ASPECT - Procurement Practices, G4-EC9
Proportion of spending on local suppliers at significant locations of operation.

OUR APPROACH TO SUSTAINABILITY

STRATEGY

Sustainability has always been a core part of our business strategy and forms the foundation of long-term business success.

Our Corporate Strategy is already geared towards sustainable and organic growth and making long-term progress in terms of profitability and society. As a business, we are driven by calculated interest and financial gains; but as an organisation guided by a clear conscience of existence our conduct is anchored on integrity in pursuit of undisputed trust and reputation as a safe, responsible and reliable corporate citizen. We use sustainability principles to drive process innovation, new product development, improving manufacturing efficiencies and reducing material and energy consumption.

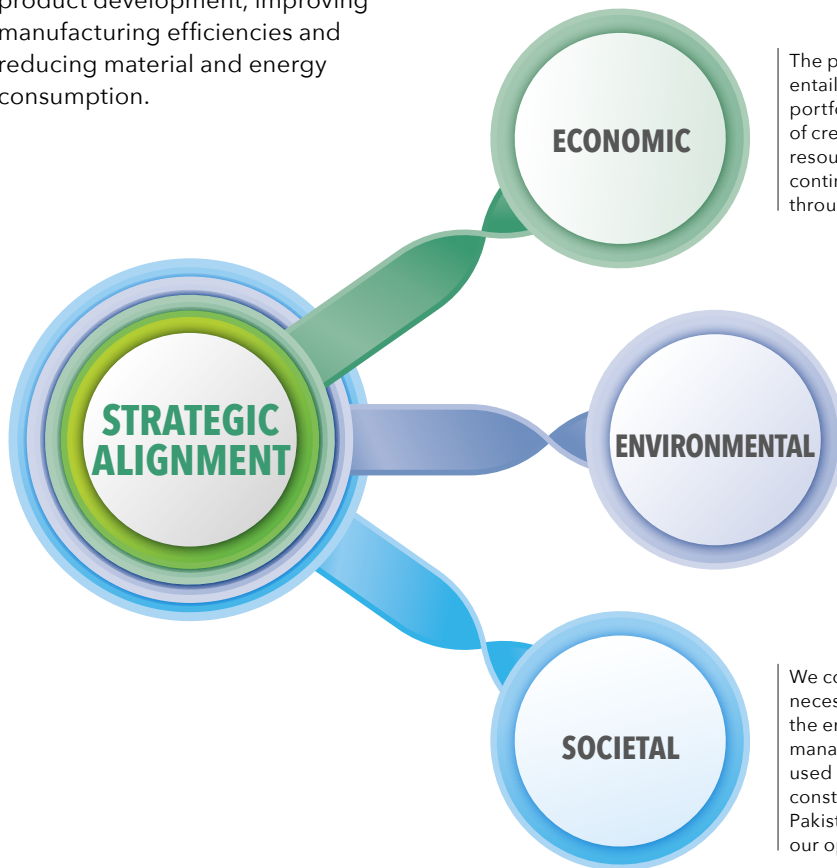
Our strategy, objectives, goals and commitments for sustainability principles have been mentioned in each relevant section of this report while a detailed overview on our Corporate Strategy is available in the Annual Report 2017.

our performance, strengths and weaknesses. We use the Global Reporting Initiative (GRI) reporting framework to inform our definition of sustainability, materiality and selection of material issues.

The assessment was reviewed on a self-developed materiality assessment toolkit that ranked issues in terms of significance (significant, high, medium and low). Our goal was to understand which of the corporate responsibility

MATERIALITY

We conducted a detailed materiality assessment this year to understand the economic, environmental and social impacts and to surface stakeholder expectations regarding



The profitability of business segments will primarily entail expanding our existing base and reshaping the portfolio of businesses in line with our long-term mission of creating multiple sizeable businesses, while deploying resources to the most favorable opportunities. We continue to provide reasonable returns to shareholders through dividends and growth.

We strive to ensure that the environmental impact of our operations is minimized and continuously improved. We contribute and continue to invest in environmental programs to raise awareness and for advocacy in this area.

We contribute to development by supplying line pipes necessary for the transportation of materials through the energy cycle. Our pipes are crucial to better water management and sanitation and our steel billets are used by rerolling mills to manufacture rebar used in construction. We continue to invest in an educated Pakistan and strive to manage and improve the impact of our operations.

issues we selected are most likely to affect Crescent Steel’s business strategy. We used the following criteria to select issues that will have the greatest impact.

- Relevance of the issue
- Impact to the Company and Business
- Importance and relevance to stakeholders

ASSESSMENT METHODOLOGY

We ranked the list of sustainability issues (derived from the GRI’s list of Aspects) in terms of relevance and significance to Crescent Steel and its stakeholder groups, asses Crescent Steel’s performance and strategy plan on these issues and, estimate

the impact of non-performance in these areas. Consolidated scores on each aspect produced a materiality matrix. The matrix provided us with an initial understanding of which issues are of primary importance today and which ones Crescent Steel should consider as an opportunity and responsibility in the future.

The sustainability aspects we report align to those risks identified in our Risk Report section of our Annual Report 2017. This report along with sustainability reporting in the past, discloses our management of, and performance in, aspects considered to be material to our business.

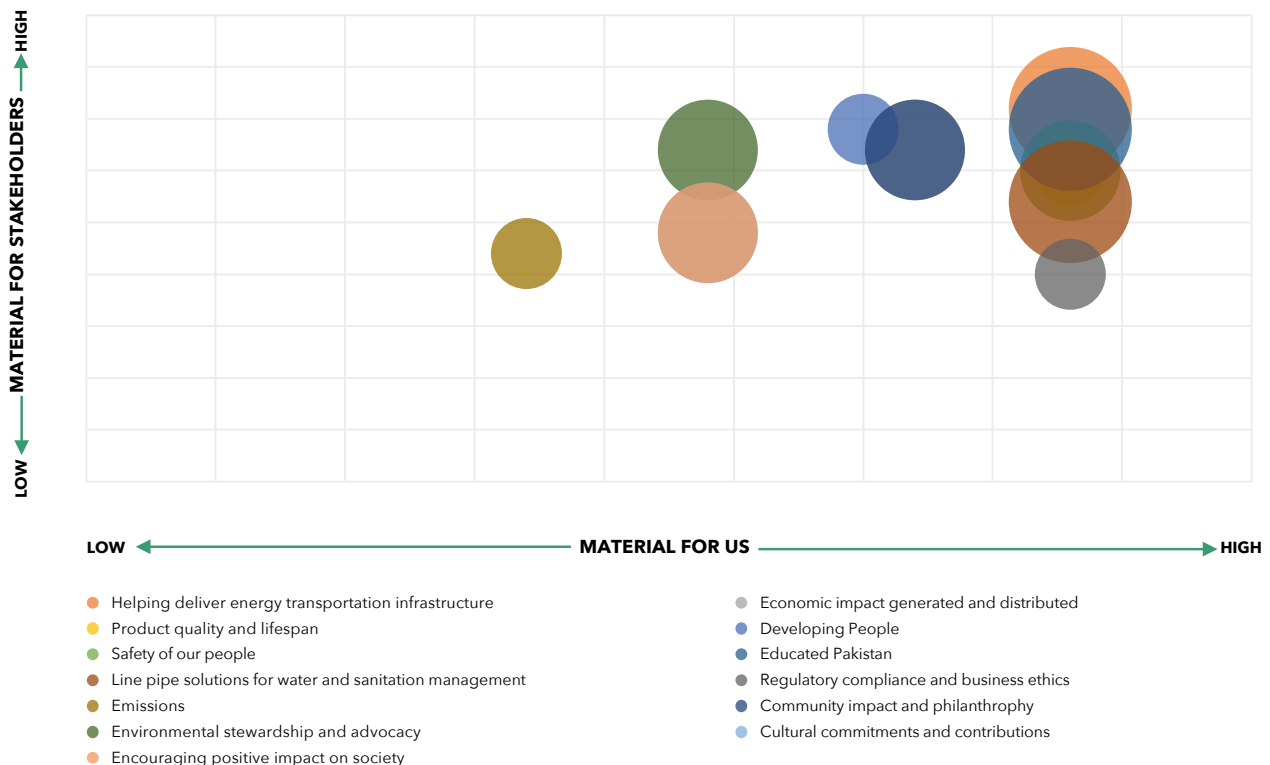
Each year, we complete a materiality review, which includes examining each sustainability aspect according to its level of risk to the Company, the level of stakeholder interest

and how relevant each aspect is. Our 2018 review has identified 13 key sustainability issues for our business. All deserve focus, but nine priority issues have emerged as focus areas for fiscal years 2018-2020:

1. Helping deliver energy transportation infrastructure
2. Economic impact generated and distributed
3. Product quality and lifespan
4. Developing people
5. Safety of our people
6. Educated Pakistan
7. Line pipe solutions for water and sanitation management
8. Regulatory compliance and business ethics
9. Community impact and philanthropy

The outcome of this analysis can be seen in the graph below.

MATERIALITY MATRIX





ENERGY CONSUMPTION

Our society has traditionally relied on fossil fuels to produce energy to the detriment of the environment. Not only are we consuming a limited resource, but the energy demands of today create greater risks to the environment through more consumption. The good news is that progress is being made in the field of alternative energy resources, with green energy becoming increasingly popular, and through eco-friendly practices such as Earth Hour, we are continuously becoming better equipped to handle the modern troubles of energy consumption.

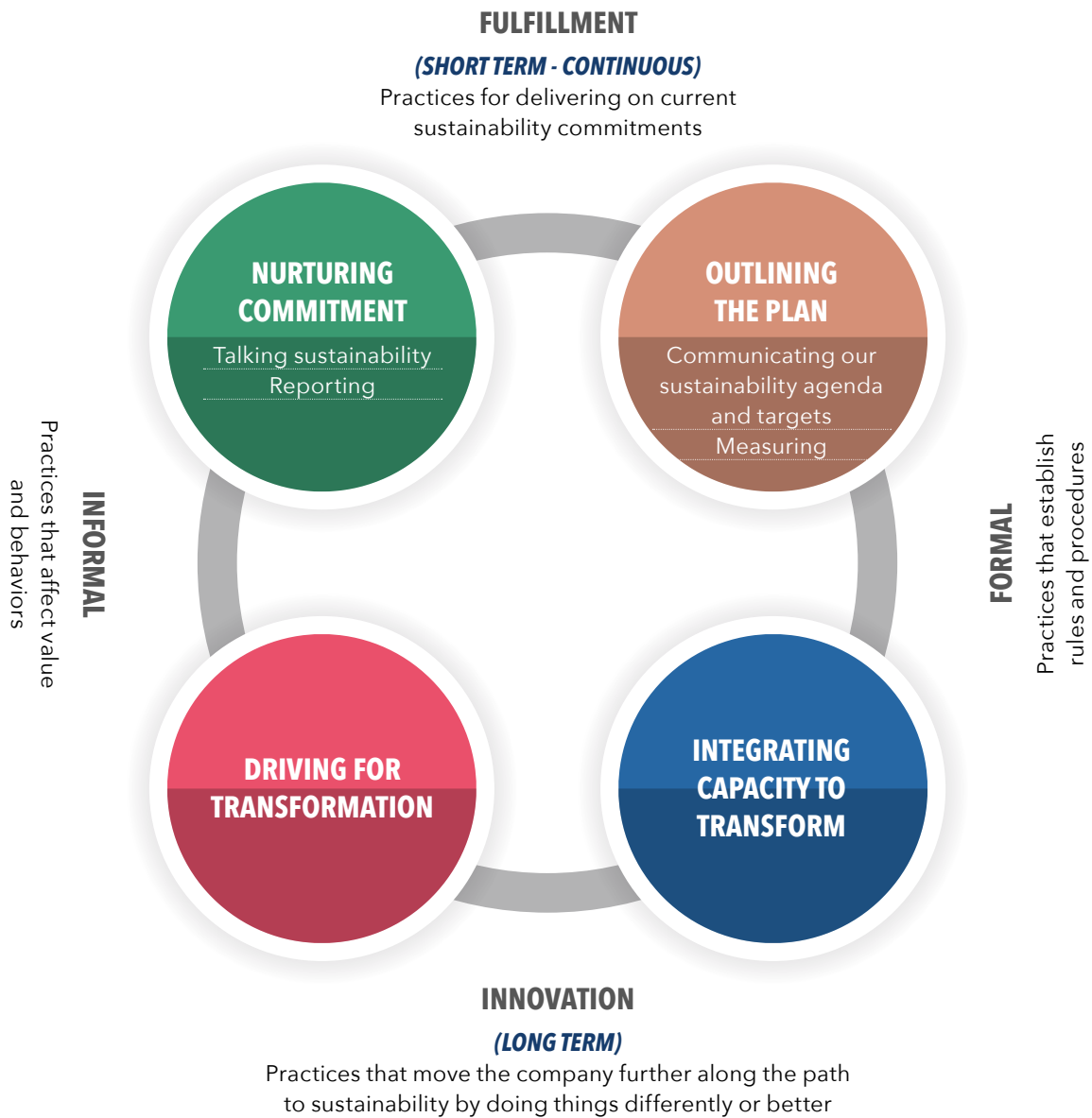
MATERIALITY AND SUSTAINABLE DEVELOPMENT GOALS

MATERIAL ISSUE	RELATED SUSTAINABLE DEVELOPMENT GOAL(S) (SDG)
Helping deliver energy transportation infrastructure	7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES
Economic impact generated and distributed	4 QUALITY EDUCATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Product quality and lifespan	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Developing people	8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Safety of our people	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH
Educated Pakistan	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING
Line pipe solutions for water and sanitation management	3 GOOD HEALTH AND WELL-BEING, 6 CLEAN WATER AND SANITATION, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION
Regulatory compliance and business ethics	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Emissions	3 GOOD HEALTH AND WELL-BEING, 8 DECENT WORK AND ECONOMIC GROWTH, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Community impact and philanthropy	1 NO POVERTY, 2 ZERO HUNGER, 4 QUALITY EDUCATION, 6 CLEAN WATER AND SANITATION, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS
Environmental stewardship and advocacy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND
Cultural commitments and contributions	16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
Encouraging positive impacts on society	1 NO POVERTY, 2 ZERO HUNGER, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS

SUSTAINABILITY CULTURE

Action plans with formal and informal initiatives help guide us in sustaining a culture of responsible actions. Some of our planned actions for 2018 and beyond include:

- Monthly reporting to management by each BU on sustainability factors and KPIs (linked with GRI disclosures)
- Aligning our people with our values and guiding principles
- Engage employees in corporate responsibility for collective action
- Governance and transparency
- Encouraging innovation and communication
- Strengthening internal communication
- Fostering a culture of collaboration
- Monitoring and informing stakeholders of our corporate responsibility performance



MONITORING AND EVALUATION

We have consciously chosen not to introduce an independent monitoring process to evaluate performance on sustainability objectives because our sustainability and corporate strategies and objectives are essentially the same. The way we manage our business helps to ensure that performance

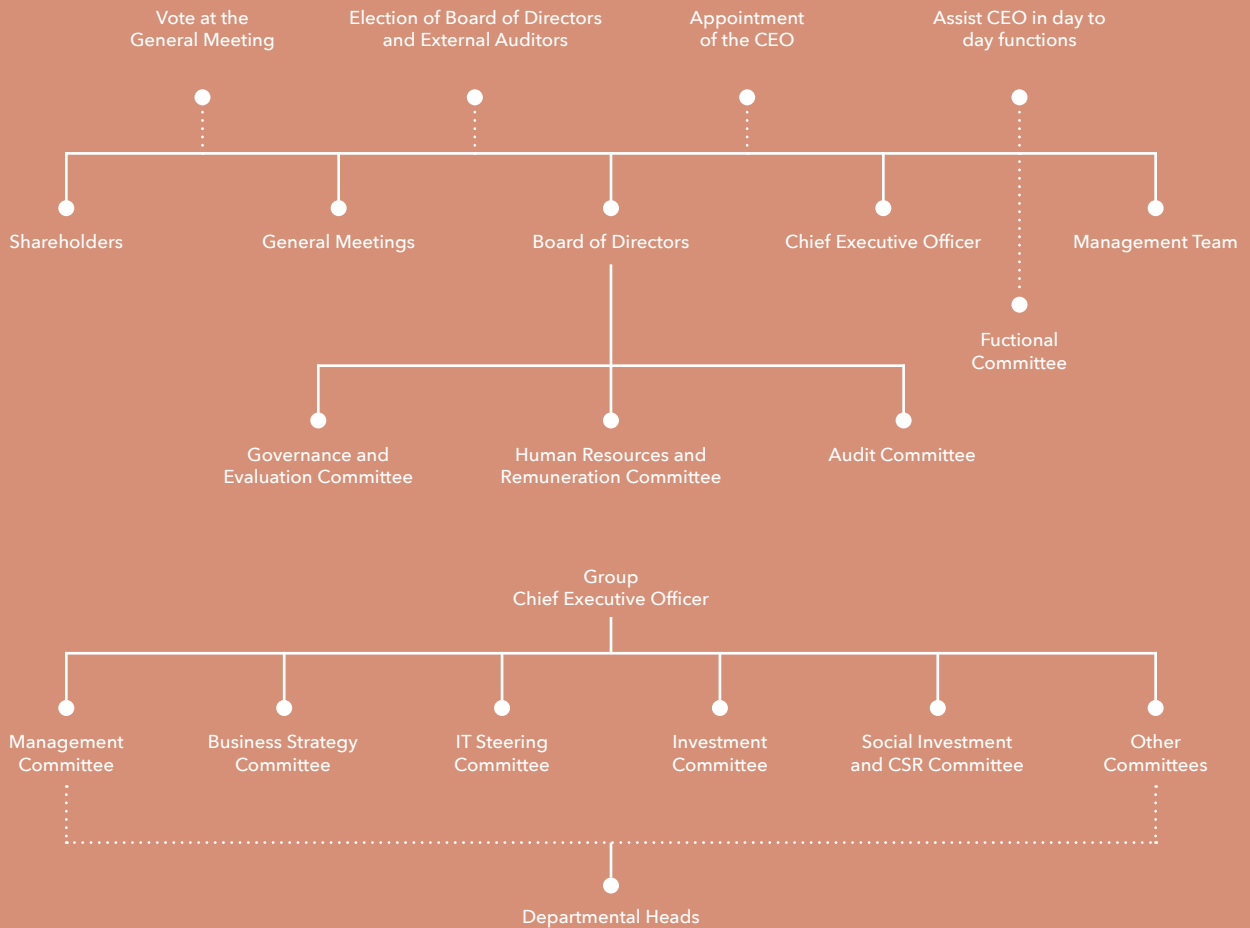
on sustainability objectives is monitored through various systems already in place.

GOVERNANCE

Crescent Steel conducts its business in a responsible manner and with honesty, integrity and in line with best practices. We also have the same expectations from all those

with whom we have relationships. We insist on doing what is right which sets the tone of our actions and underpins the functioning of our employees. We also insist that all transactions be open, transparent and within the legal framework culminating in responsible financial reporting.

OUR GOVERNANCE STRUCTURE



Detailed information on our governance structure is published in the Governance section of our Annual Report 2017 on page 34-35

RELATED MATERIAL ASPECT - Governance Structures, G4-34

The governance structure of the organization, including committees of the highest governance body. Committees responsible for decision making on economic, environmental and social impacts.



CLIMATE CHANGE

The Earth's climate has seen a radical change in the past few decades, and is steadily taking a turn for the worse at an alarming rate. Not only have we witnessed an increase in global temperatures, but rising sea levels, hurricanes, flooding and other calamities have also become more frequent as a result. Through proper education of climate change and environmental friendly practices, we can combat the adverse effects of this global trend of climate shifts and heal the world in the process.

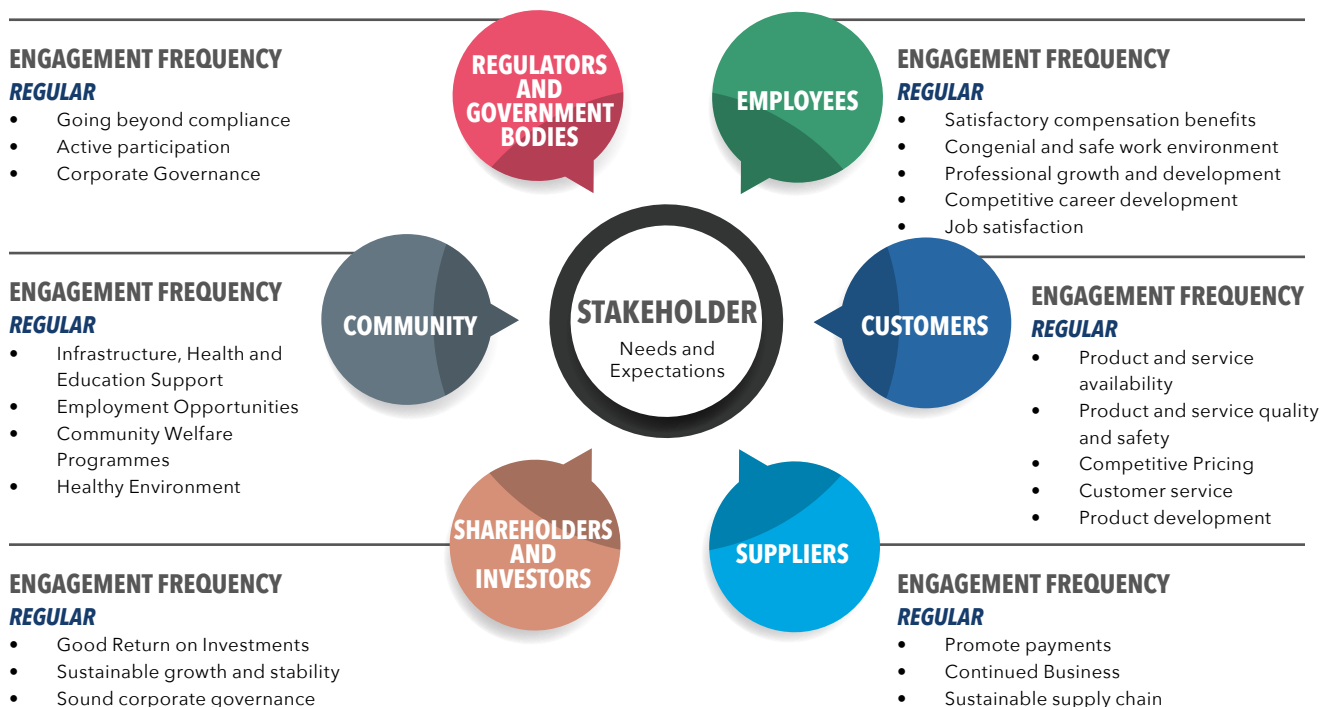
STAKEHOLDER ENGAGEMENT

Shareholders and investors provide financial capital to run the business, our employees drive and manage the business, our suppliers provide necessary products and services for our business and our customers are the source of revenue for our business. Similarly, financial institutions, regulators, auditors and other business partners are essential partners and managing their expectations is vital to our future performance as a business.

Understanding and addressing the needs and expectations of our stakeholders is a sustainability imperative. Effective and meaningful stakeholder engagement is vital to the performance of our businesses -lacking stakeholder engagement is a sustainability issue and we strive to mitigate this through formal and informal engagement mechanisms.

of formalizing and strengthening the engagement plan with other stakeholders that include suppliers, local community, and regulatory authorities. Stakeholders play an essential role in Crescent Steel's continued success, especially in determining opportunities to collaborate toward common goals.

employee, customer, and supplier takes responsibility for social issues and the design and execution of our engagement with community, business, and strategic partners is impact oriented and sustainable.



We place priority towards creating and maintaining regular and honest communication with our key stakeholders. While engagement with our employees, customers, shareholders, and investors is stronger, we are in the process

We believe that we must continue to operate responsibly and address the needs of these interconnected groups to ensure commercial success and enable us to deliver on our sustainability priorities. We aspire to ensure that every

We are immensely proud of the progress we have made as we strive to continuously improve upon our efforts and goals.

INTERNAL STAKEHOLDERS

EMPLOYEES

We strive to keep our people safe and continue to promote diversity and inclusion in our workforce.

At Crescent Steel, safety is a priority and part of the foundation of our approach to sustainability.

We continue to focus on safety observations in an effort to prevent unsafe actions and reinforce safe behaviours.

We aim to build a strong, vibrant organizational culture that supports

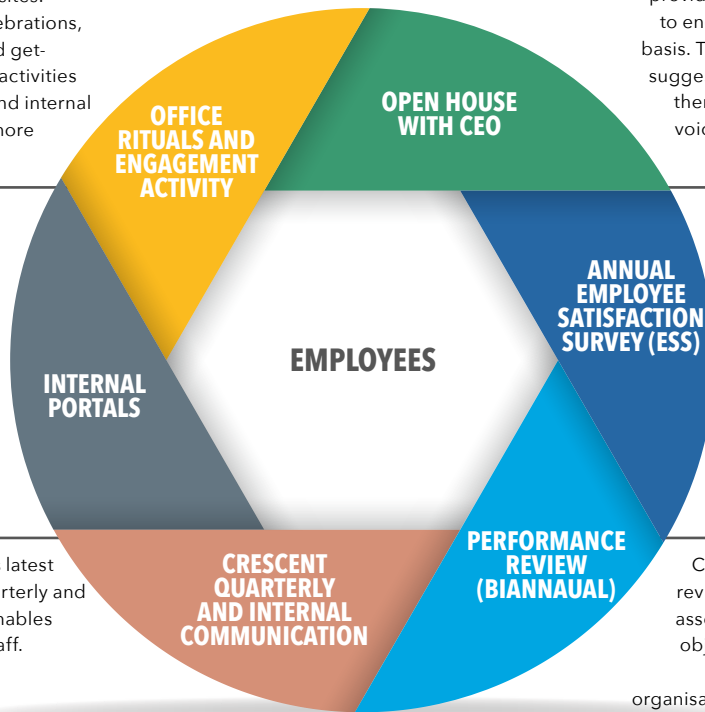
the expertise of our people, enabling and developing high performance teams to help us meet our goals and objectives.

MANAGING OUR PEOPLE, THEIR ENGAGEMENT AND THEIR EXPECTATIONS

Office rituals are encouraged at sites. These include brief birthday celebrations, farewells, Saturday brunches and get-togethers. Various engagement activities including community relations and internal sport tournament help foster a more participative work environment.

O365 has opened up various tools for our employees to engage, share and collaborate. It helps our people develop working relationships, connect with likeminded colleagues and reach out for help when needed.

An internal newsletter highlights latest developments and activities quarterly and internal communications desk enables effective communication with staff.



Annual Open House sessions are aimed to provide an opportunity to the employees to engage with the CEO on a one to one basis. The sessions are aimed at capturing suggestions from employees and, to give them a chance to share their ideas and voice their concerns anonymously and directly to the CEO.

The annual survey enables us to get insights on employees' attitudes about their work and the workplace. It gives a comprehensive look at our Company from the inside and a platform to make positive changes when issues arise.

Conducted biannually, performance reviews allow individuals and teams to assess themselves against organisation objectives, identify skills, and abilities required by our people for better organisational performance. These reviews help ensure that our people are listened to and assessed fairly and that their actions are aligned with our organisational objectives and strategy actions.

EXTERNAL STAKEHOLDERS

CUSTOMERS

We are proud of how we are positioning ourselves to help customers to better manage their oil, gas and water transmission systems and in using sustainable structures for ports.

With an aim to satisfy increasing product needs of our customers, we have enhanced our manufacturing capacity by more than 100%.

We are continually working with relevant stakeholder groups to develop a market for flow efficient and protective internal line pipe coatings. The business case is strong because internal coatings help enhance the flow of gas and so at a given flow capacity, the energy consumed will be lower and, the required pipe diameter will be smaller; consequently less material will be used.

Customer satisfaction is a major priority and customers' opinions and expectations inspire us to improve our product offering and address quality and service concerns. Utilizing different channels, we make every effort to engage our customers and understand their needs and expectations.



Our marketing team frequently interacts with customers to ensure that we keep abreast of the latest developments and market trends.

1



The Quality Control Department also serves as a help-desk ensuring that customized offerings are being delivered and any product related issue is addressed in time.

2



Feedback is sought to ensure that the products are according to the needs and specifications of customers. Surveys about our products are regularly conducted formally and informally. They help us in assessing our customer focus performance through feedback on product.

3

SUPPLIERS

We expect our supply chain partners to act in accordance with our principles and values and, seek to support their development by sharing information and expertise. While our preference has always been to support local suppliers

as far as possible, in order to fulfil customer needs we maintain strong relationships with foreign suppliers for key raw materials that are not available locally.

To ensure sustainable practices across our supply chain we asses

all new suppliers and re-evaluate current suppliers through formal and informal mechanisms, assessing their business conduct and Health, Safety and Environment practices.

SUPPLIERS SCREENED USING ENVIRONMENTAL CRITERIA

We evaluate 100% of our suppliers through desktop research and our vendor questionnaire form. Onsite visits are also carried out for all local suppliers and suppliers of key raw materials.

SIGNIFICANT ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN

Our foreign suppliers are located in different countries and are subject to environmental impact assessments. They are certified by ISO and other credible international certification companies. Since our local suppliers are engaged in the trading business, such environmental impact assessments are not applicable to them.

RELATED MATERIAL ASPECTS - Supplier Environmental Assessment, G4-EN32, G4-EN33

- Percentage of new suppliers that were screened using environmental criteria.
- Significant actual and potential negative environmental impacts in the supply chain and actions taken.

SHAREHOLDERS AND INVESTORS

Crescent Steel realized record breaking performance during the period under review on account of healthy sales catalysed by the expansion in oil and gas transmission networks and the induction of several gas infrastructures projects; this is evident in through our financial performance.

Our financial performance and future prospects are discussed in further detail in the 2017 edition of our Annual Report.

We take seriously the responsibilities associated with making complex choices as we try to meet the expectations of

our stakeholders. We approach challenges with confidence, knowing that our guiding principles and values enable good decisions today, and every day. Some of the ways in which we engage our shareholders and investors include:



COMMUNITY

We aim to share value sustainably.

We are proud of how our contribution to communities is evolving to include actions towards engagement with people and greater involvement of our employees.

We will keep working hard to share the substantial economic benefits generated by our activities. Through our contribution to various gas infrastructure and energy development projects, we continue to look for opportunities to share economic benefits with local businesses. By providing employment and working with local suppliers where practicable and reasonably possible, we can maximise the economic benefits of our development for the local, provincial and national economy.

We also acknowledge the impacts our developments can have on communities, and we are proud of many things we are doing to minimise these impacts. Our initiatives and contributions for the fiscal year 2017 are detailed in the Social and Relationship Capital section of this report.

ENGAGEMENT ACTIVITIES

Various engagement activities were organised throughout the year. These include ongoing formal and informal office rituals, formal CSR activities with community partners and other internal events. Our people also volunteer to conduct the impact assessment visits to select community partners. These activities also form a part of how we engage the people who work with us.

REGULATORS AND GOVERNMENT BODIES

We see regulators and government bodies as key drivers for future business sustainability, specifically in terms of the engineering sector businesses that we operate.

ENGINEERING DEVELOPMENT BOARD, BOARD OF INVESTMENT AND FEDERAL BOARD OF REVENUE

Industry and trade regulations remain a core challenge as regional players, strengthened by government subsidies, export steel products to capitalize on attractive dumping margins.

Local manufacturers in Pakistan face survival challenges as large diameter pipe imports are largely unregulated, with little variance between duties on imported raw material and finished product (for large diameter welded pipes). We are pursuing this issue with Engineering Development Board (EDB), Board of Investment (BOI) and Federal Board of Revenue (FBR), in an attempt to seek trade protection for local manufacturers. We believe that for sustained growth, Pakistan needs a robust and thriving engineering sector to catalyse it. Unfortunately, the Engineering sector as a whole and large diameter pipe manufacturers in particular do not have a level playing field. With regular engagement with these bodies we managed to secure a marginal difference between duties on imports of raw material and finished goods, relevant to our product offering; restoring the long established principle of cascading duties. The sector however, remains open to threats from regional players who enjoy local export subsidies and are able to ship their goods at dumping prices.

HUMAN CAPITAL

The value of intangible assets within organisations, including human and intellectual capital, has increased significantly in recent years as our economy has become more knowledge intensive.

Our business increasingly relies on the specialized skills and expertise of our people. We seek to recruit, develop and retain the best talent, so we can continue to deliver what our clients expect. To achieve this we have a comprehensive HR strategy and extensive policies in place to support our strategic Human and intellectual capital objectives and drive our actions effectively.

In all our operations, we recognise that our employees and contractors require:

- A safe and healthy workplace
- Fair and equitable remuneration by recognising good performance
- Career development and training to enable personal development

organization’s human capital, develops corporate culture, improves working environments and delivers on upholding our values.

Our organizational culture supports open communication where every employee enjoys freedom to give feedback and raise complaints and grievances with ease. We actively monitor the results of our employee engagement initiatives and



We are committed to creating a rewarding workplace for our people by encouraging personal development, recognising good performance and providing equal opportunities for all.

- A diverse and inclusive work environment

Our HR strategy focuses on developing programs to supplement our HR policies in a manner that strengthens the

satisfaction surveys and take timely actions to address pain points as far as reasonable. Our human resource function is subject to regular monitoring by an independent internal audit function that identifies implementation and policy gaps.

EMPLOYEE BENEFITS	
Life Insurance	√
Defined Contribution Plan (Provident Fund)	√
Defined Benefit Plan (Gratuity and Pension)	√
Disability Coverage	√
Maternity Leave	√
Subsidized Lunch	√
Health Care	√
Health Insurance	√
Company Maintained Cars / Mobiles	μ
Company Sponsored Vehicles (Car / Motorcycle)	Ω
Scholarship awards for children of employees	Ω
Hardship Assistance	Ω



√ = To all employees
 μ = To our executives and management as per business need
 Ω = On application, to eligible employees

RELATED MATERIAL ASPECT - Employment, G4-LA2

Benefits provided to full-time employees that are not provided to temporary or part-time employees.

GOALS AND OBJECTIVES FOR 2018- 2020

At Crescent Steel, we believe in treating our people fairly and equitably.

Carry out a focus group on key issues identified by the Employee Satisfaction Survey

Identify skill gaps across the organization and work to develop the right people to meet future growth objectives; review the inventory of skills developed during 2017 to ensure it remains live

Continue to deliver equal average pay for men and women at comparative role and job grade

Improve our workplace environment at plants sites to make them suitable and safe for our people

Improve our appointment of women by 15 per cent by financial year 2019 (at corporate office locations)

Narrow the employee satisfaction gap; improve ESI to 4.0 in 2018 and 4.2 by 2019

Implement and leverage a Human Resource Information System

Participate in a compensation survey and review compensation across key positions

Strengthen key operational areas by acquiring and retaining top talent in mid management positions

360 degree surveys of key management staff and executives in 2018, including for managerial positions

Encourage self-directed learning within the organization

Simplify trainings and encourage the concept of self-learning within the organization

Enhance the HR competency level of the organization so that every manager acts like an HR manager for their team

Hire the right person at the right position

Develop a culture where people are listened to, valued and assessed with fairness

EMPLOYEE ENGAGEMENT

Our people are at the heart of the company. We want to ensure that our employees feel committed to the future of Crescent Steel, so that they will contribute to the best of their ability, and we can retain the incredible talent that we have.

Our communications, incentive schemes and culture are vital ways to engage our employees, and these are all underpinned by our guiding principles and our values. They influence all our decision-making, and will help us achieve our long-term vision. They are also integral to the way we work with one another inside the company - we expect our people to behave responsibly, act with integrity, and demonstrate leadership in everything they do. For our part, we support them by providing a positive, fair, and empowering working environment, where everyone can contribute, and everyone is valued, listened to and assessed fairly.

Sharing information and getting feedback is a key part of employee engagement.

On an operational level, we want to ensure that the messages from our leadership are reaching every employee and that everyone has the opportunity to give feedback, ask questions, and offer ideas. We have maintained a central communications desk since 2013 to communicate management messages throughout the organization, and invite feedback.

Other engagement vehicles include our quarterly newsletter: Crescent



Quarterly, our internal portals and suggestion drop boxes where a direct line to the CEO is available to all employees at all times. We also regularly conduct surveys on important areas of our functioning including our annual Employee Satisfaction Survey.

We offer our employees regular opportunities to step out of their daily work routine to contribute time by volunteering to make a difference. This helps enhance teamwork and reinforce our company values.

Through our employee Satisfaction Survey, we are gaining an understanding of our core strengths and opportunities to improve. In 2017, our overall employee satisfaction score was 3.5 [FY16: 3.6]. Strong scores were registered for our brand, strategy, values and culture, with particularly positive results on quality of

management, policies, governance and ethics. Major areas of concern included compensation and work environment. We have recently upgraded our workspace and have also initiated a salary survey and planned a focus group to address these issues.

Employees also have a chance, annually, to meet one on one with the CEO during the annual Open House sessions to share any issues or raise suggestions anonymously. We also have a robust grievance and complaint mechanisms in place, including a Whistle Blowing Policy where employees can anonymously report matters to the Head of Internal Audit, Human Resources and/or the CEO.

DIVERSITY AND INCLUSION

We are committed to providing equality of opportunity and creating a rewarding workplace for all employees. Increasing female representation, especially in management level roles, is an ongoing priority. As on June 30, 2017, 17% of our employees across our corporate offices were females. 12.5% of the Executive Management team roles and 8.1% of the management roles were filled by women and 3.9% of our workforce consisted of minorities. Over the last year 30.7% of new entrants represent rural communities and 76.1% of our total workforce is from rural Pakistan.



EMPLOYEE DEVELOPMENT

We strive to provide the right resources and an environment that supports the growth and development needs of employees to generate a positive impact on the organization.

We have invested PKR 8.3 million, 0.09% of sales turnover, [FY16: PKR 1.8 million, 0.025% of sales turnover] in training our employees, enabling them to develop their careers, fulfil their potential and make the best possible contribution to the success of the company. On average, each employee in management category has received 17 hours of formal training this year.

16
HOURS

AVERAGE TRAINING HOURS PLANNED FOR EVERY EMPLOYEE IN 2018.

100%

PERCENTAGE OF ELIGIBLE EMPLOYEES FOR WHOM PERFORMANCE REVIEWS AND CAREER DEVELOPMENT PLANS HAVE BEEN PREPARED IN 2017.

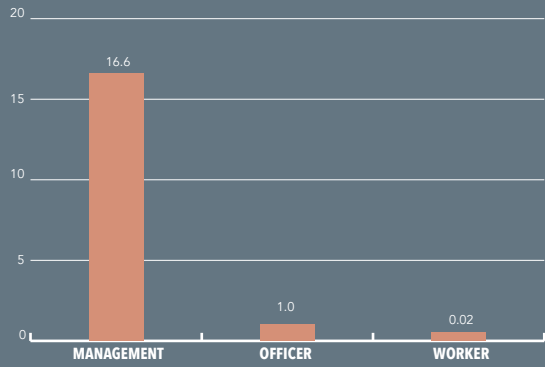
34%

PERCENTAGE OF MANAGEMENT GRADE EMPLOYEES FOR WHOM TRAINING NEED ANALYSIS HAS BEEN CONDUCTED AND TRAINING PLANS PREPARED IN 2017.

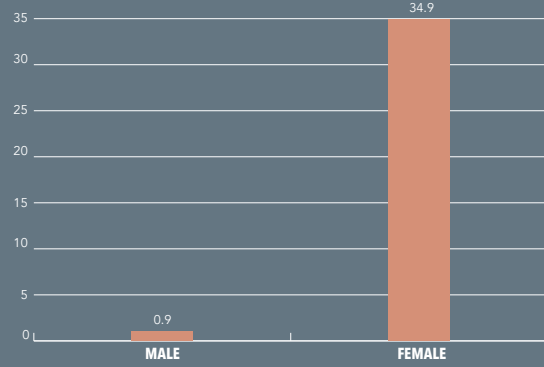
16%

PERCENTAGE OF MANAGEMENT GRADE EMPLOYEES REVIEWED IN THE ORGANIZATIONAL TALENT REVIEW SESSIONS.

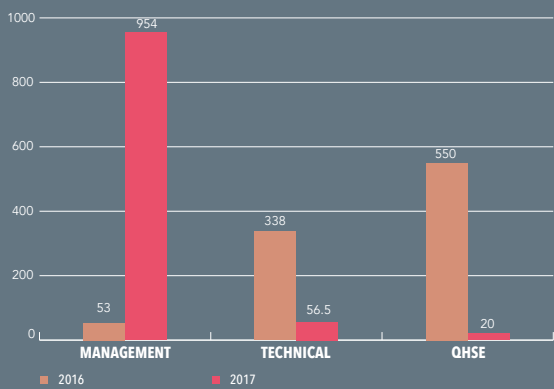
**AVERAGE TRAINING HOURS
EMPLOYEE BY CATEGORY**



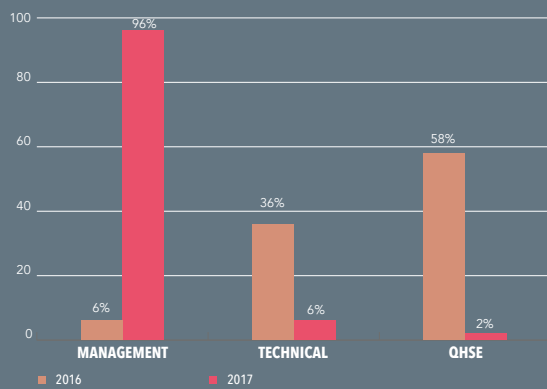
**AVERAGE TRAINING HOURS
EMPLOYEE BY GENDER**



**TYPE OF TRAINING
HOURS**



**TYPE OF TRAINING
PERCENTAGE**



RELATED MATERIAL ASPECTS - Training and Educations, G4-LA9, G4-LA10, G4-LA11

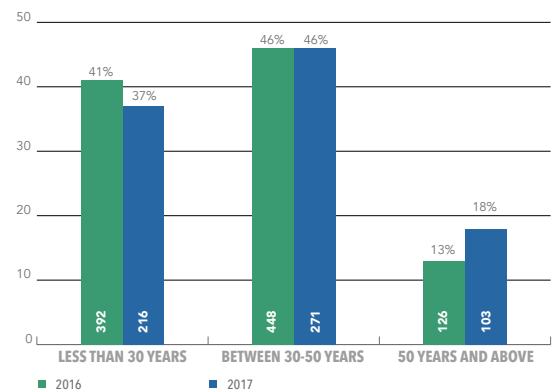
- Average hours of training per year per employee by gender, and by employee category.
- Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
- Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.

EMPLOYEE DEMOGRAPHICS

Employees at Crescent are provided equal opportunities to grow and are encouraged to innovate, discuss and suggest new ideas. We aim to employ, develop and retain people from the communities in which we operate. We promote diversity at the workplace and ensure safe and healthy work environment for our staff.

Total Workforce - Region Wise		
	2017	2016
Bhone	100	73
Jaranwala	54	472
Karachi	75	81
Lahore	5	3
Nooriabad	315	298
Dalowal	39	37
Islamabad	2	2
Total	590	966

EMPLOYEES BY AGE



AVERAGE AGE OF EMPLOYEES - BY EMPLOYEE CATEGORY



Management
41 years

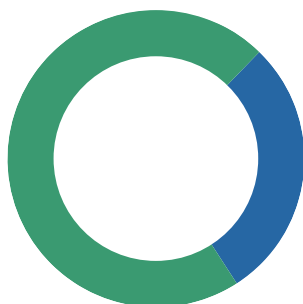


Officer
36 years



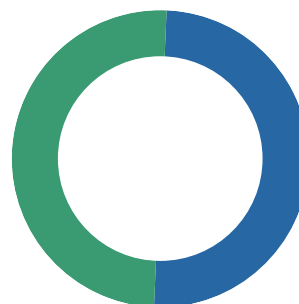
Worker
36 years

TOTAL NUMBER OF EMPLOYEES 2016



Permanent 692
Contractual 274

TOTAL NUMBER OF EMPLOYEES 2017



Permanent 296
Contractual 294

NEW HIRES

		INCOMING EMPLOYEES 2016		INCOMING EMPLOYEES 2017		INCOMING EMPLOYEES (EXCL. COTTON DIVISION) - 2017	
		Number	Rate %	Number	Rate %	Number	Rate %
By Age	Less than 30 years	458	67.2	571	63.9	223	22.4
	Between 30 - 50 years	362	53.1	349	40.2	113	11.7
	51 years and above	64	9.3	28	2.9	9	0.9
	Total	884	129.7	948	121.8	345	44.3
By Location	Karachi (Head Office)	22	3.2	9	0.9	9	0.9
	Nooriabad	288	42.2	264	26.9	264	26.9
	Jaranwala	488	71.6	603	79.8	-	-
	Islamabad	1	0.1	-	-	-	-
	Dalawal	20	2.9	23	2.3	23	2.3
	Bhone	65	9.5	49	5.0	49	5.0
	Lahore	-	-	-	-	-	-
	Total	884	129.7	948	121.8	345	44.3

EMPLOYEE TURNOVER

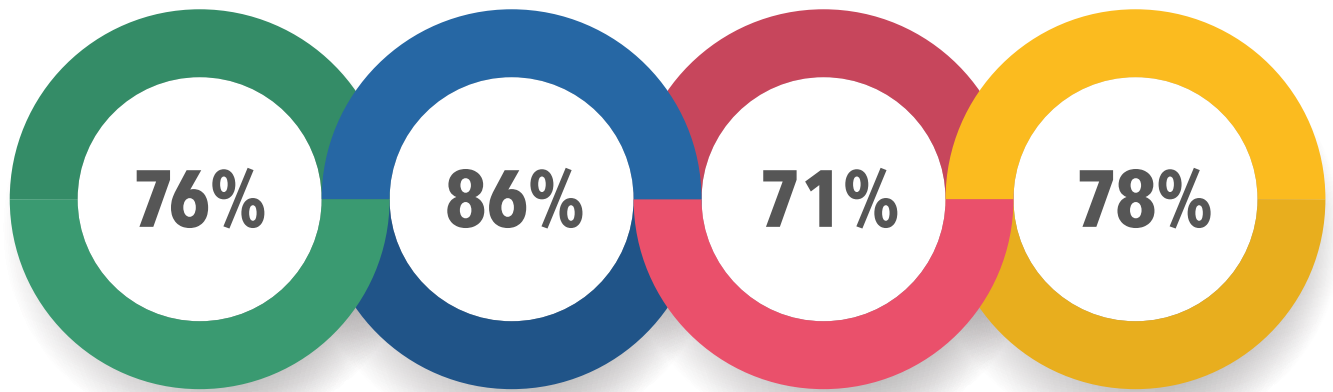
		OUTGOING EMPLOYEES 2016		OUTGOING EMPLOYEES 2017		OUTGOING EMPLOYEES (EXCL. COTTON DIVISION) - 2017	
		Number	Rate %	Number	Rate %	Number	Rate %
By Age	Less than 30 years	144	21.1	717	80.2	167	16.8
	Between 30 - 50 years	124	18.2	546	62.9	121	12.5
	51 years and above	47	6.9	61	6.4	12	1.2
	Total	315	46.2	1,324	170.1	300	38.5
By Location	Karachi (Head Office)	15	2.2	13	1.3	13	1.3
	Nooriabad	148	21.7	233	23.7	233	23.4
	Jaranwala	106	15.5	1,024	135.5	-	-
	Islamabad	-	-	-	-	-	-
	Dalawal	16	2.3	25	2.5	25	2.5
	Bhone	27	3.9	29	2.9	29	2.9
	Lahore	3	0.4	-	-	-	-
	Total	315	46.2	1,321	170.1	300	38.5

Major contributor to high turnover rate in FY17 is staff at the spinning unit. 1,024 employees had to be relieved as mentioned during the year in the table above.

RELATED MATERIAL ASPECTS - Employment, G4-LA1

Total number and rates of new employee hires and employee turnover by age group, gender and region.

EMPLOYEE SATISFACTION



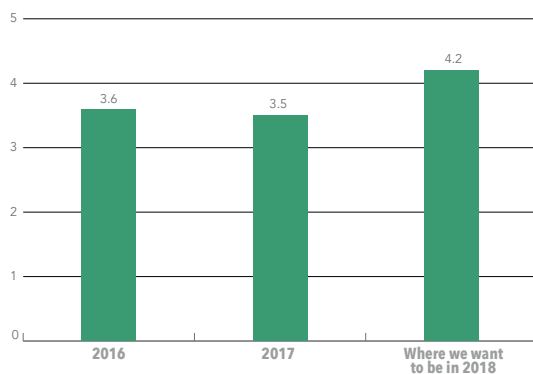
of employees are satisfied working for Crescent
[FY16: 76%]

of employees are committed to their jobs
[FY16: 85%]

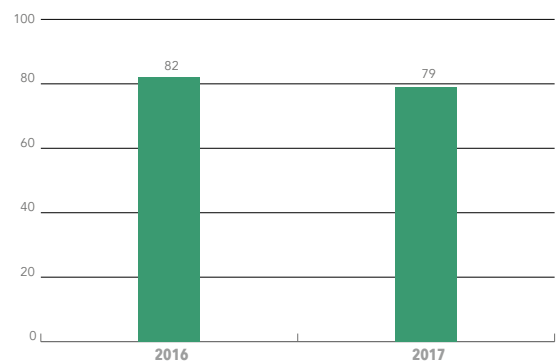
of employees are satisfied about guidance and coaching provided to execute the job
[FY16: 71%]

of employees are satisfied that Crescent is sensitive to safety need of employees and provides appropriate work tools
[FY16: 78%]

EMPLOYEE SATISFACTION INDEX



SURVEY PARTICIPATION LEVEL

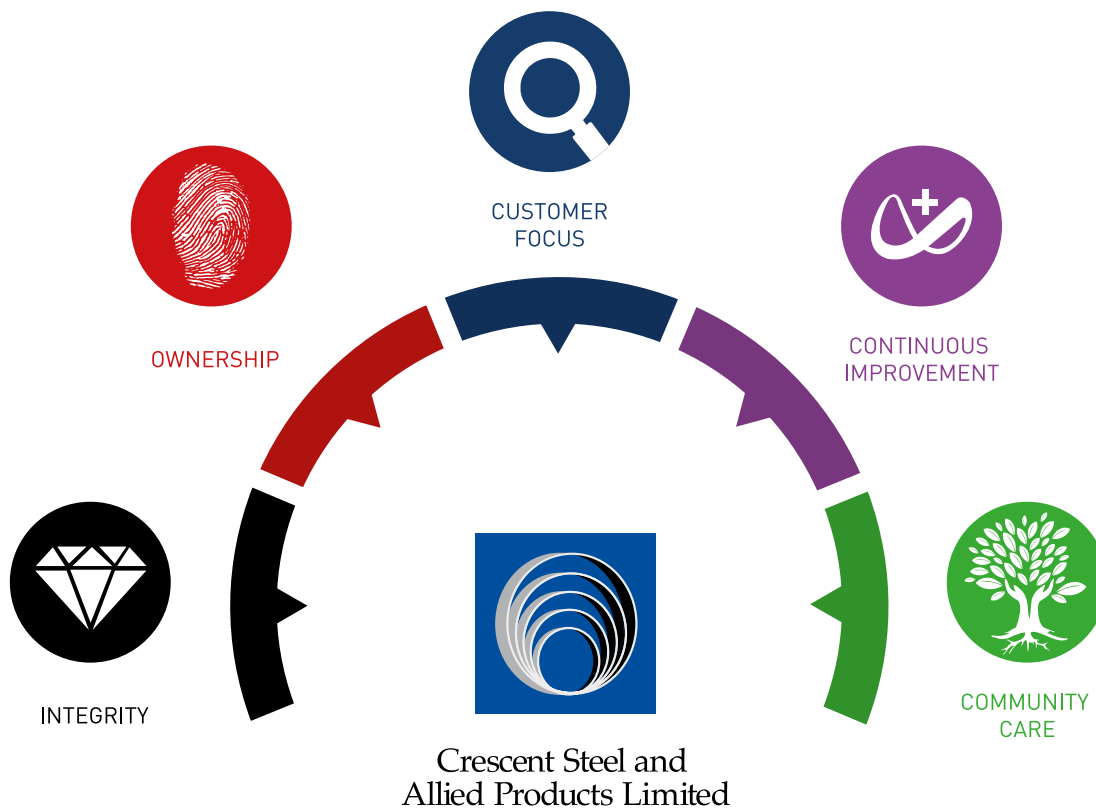


ENGAGEMENT AND DEVELOPMENT

Our key employee engagement and development programs are highlighted in this section

RECOGNISING VALUE BEHAVIOURS

Our core values and guiding principles underpin the way we carry on with work, daily. To encourage and highlight value behaviours, we hold value awareness sessions and recognise and reward employees who live our values in how they work, what they believe in and what they stand for. By recognising and rewarding value behaviours in employees we keep them engaged with our corporate identity.



STRUCTURED TRAINING PROGRAMS AND ROTATIONS

We have structured training programs for fresh engineers and business graduates that offer lateral rotations within and across functions. Given the depth of the organisation, we do not induct a large pool of trainees every year.

We also offer one year training appointments to candidates for technical qualifications including ACCA and ICMA candidates. In addition to these, we offer three year apprenticeships at our manufacturing facilities. The apprenticeship is offered in electrical, welding and mechanical areas and offers substantial benefits to both the trainees and the business.

LATERAL ROTATIONS

We also offer employees exhibiting strong performance and value behaviors opportunities for lateral rotations across functions. This enables them to see the business from the outside in, enhances skill set and helps with future leadership roles.

PERFORMANCE MANAGEMENT

We keep our people informed about key processes including the formal performance management and review process. Office hours for discussions, refreshers on how to self-assess and set goals are also available for staff. Staff is also engaged and informed on how performance is measured, reviewed and managed across the organisation.

COMPENSATION AND BENEFIT SCHEMES

The Company offers comprehensive compensation and benefit plans. In addition to traditional compensation plans of guaranteed and variable pay schemes and benefits such as company maintained vehicles, the company offers a suite of employee benefit plans that include:

- Pension and gratuity benefits in addition to the traditional Provident Fund
- Scholarships for children of employees
- Vehicle Loan Scheme
- Hardship support

COMMUNITY ENGAGEMENTS

Our employees value our work with the communities where we operate. We continue to keep them informed and engaged in key community initiatives and programs being led by the company and those that matter to them through the Crescent Matches Program, sports, arts and more.

AIESEC GLOBAL INTERNSHIP PROGRAM

Through this program, we have provided internship opportunities to three international students. We plan to engage more foreign trainees in the coming years. Inviting foreign students placement opportunities enhance diversity and provide our employees with a chance at global networking. The program promotes a culture of learning and innovation.

HUMAN RESOURCE INFORMATION SYSTEM

We have acquired a Human Capital Management System and have implemented a few core HR

modules of the system. Focused on an e-environment and pushing HR roles to managers the system will enable us to instill value for and a culture of HR actions, automate HR operations, effectively manage employee data and support HR processes, such as performance management, benefits administration and employee lifecycle management. This in turn will save time, cost and resources and will bring greater visibility to both HR and unit heads about their human capital universe.

CRESCENT SCHOLARS

We introduced a scholarship program in 2013 to support tertiary education for children of our employees. The program is in its fourth year and now covers intermediate studies as well.

Through CSAP Foundation we also offer scholarships to candidates with exceptional academic and community performance to top tier degree programs abroad.

We have supported a total of six scholars, out of which four are children of our employees and the remaining two are other scholars.

SCHOLAR	UPDATE
Children of Employees	
Syed Muhammad Mufeez (2014)	BE - Chemical Engineering candidate at NED University; currently in his final semester
Muhammad Taha Zaidi (2015)	BBA candidate at IBA; currently in his seventh semester
Ahmed Ali (2016)	BSc - Computer Sciences candidate at FAST; currently in his fifth semester
Muhammad Ans (2016)	BE - Mechanical Engineering candidate at International Islamic University; has graduated and secured a job as a Trainee Engineer with us at Crescent Hadeed
Other Scholars	
Muhammad Waqar Mustaqeem (2016)	BSc - Actuarial Sciences candidate at London School of Economics and Political Sciences; currently in his final year and has secured a job at the Lloyds Banking Group
Mariam Asaad (2016)	MS - Education at Harvard Graduate School of Education; has graduated

OCCUPATIONAL HEALTH AND SAFETY

We have resolved to redouble our safety efforts and intensify our focus to avoid any accidents or incidents which could result in serious harm.

Through our reporting system, we are building a culture in which all employees can discuss safety openly. This is reflected in the growing number of preventive reports, which enable us to take prompt and more effective action to prevent unsafe situations. Our Mission Zero (zero harm incidents and accidents) campaign continues and we are shifting the focus from the measurement of lagging indicators to increase the focus on leading indicators with emphasis on major risks. We have also strengthened our engagement and encourage employees to participate more meaningfully in this critical agenda.

We have a designated quality, health and safety department at each unit. Our line pipe operations are compliant with OHSAS 18001, internationally recognised standard on 'occupational, health and safety' practices. Health, Safety and Environment (HSE) management systems are in place to ensure satisfactory HSE compliance based on the requirements of ISO 14001 and OHSAS 18001. 8 cross function teams contribute to different areas of our HSE Management system representing 100% of the pipe and coating unit workforce and directly engaging 33% of the unit's total workforce in HSE management and governance.



HEALTH, SAFETY AND ENVIRONMENT POLICY

We strive proactively to prevent or minimize all possible causes of injury and ill health, prevent environmental pollution, minimize waste, conserve energy, enhance safety awareness, impart HSE trainings, prepare for emergencies by carrying out drills and manage environmental impact arising from the workplace, products and services that can affect the surrounding communities and the environment at large.

We consult employees on matters affecting their health and safety, encourage communication and consider HSE compliance at all times as a responsibility of everybody in the organization.

We are also committed to comply with all legal, regulatory and other HSE requirements to which we subscribe. At Crescent, a comprehensive HSE management system is in place to review

objectives and targets for continual improvement while the policy is disseminated to all its stakeholders.

Our initiatives related to occupational health and safety include:

- Yearly internal and external audits of HSE
- Analysis of all incidents, accidents, Corrective Action Requests and unsafe conditions
- Hazard Identification and Risk Assessment (HIRA)
- HSE operational instructions have been formulated in the local language
- Safety talks are carried out on a monthly basis
- Training and practical demonstrations are conducted regularly to increase awareness and understanding about fire and safety procedures
- Emergency drills are conducted at least twice a year

RELATED MATERIAL ASPECTS - Occupation Health and Safety, G4-LA5

% of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.

- Employees are urged to report unsafe work conditions and non-compliance of our HSE procedures
- Safe water: Water filtration systems have been installed at our sites and drinking water at our campuses is tested periodically
- Pathology tests are conducted annually, e.g. Blood tests, Vision test, Sputum tests for Tuberculosis, Respiratory test,
- Audiometry tests, Typhoid vaccination, Chest X-ray, HIV and Hepatitis A and B tests
- Dosimeters and radiation alarms have been provided to the employees working in the radiography department to monitor the radiation levels
- Frequent testing of environmental parameters, noise level and particulate emission is monitored annually
- Provision of Personal Protective Equipment (PPE)
- HSE awareness through Crescent Quarterly
- Workers on welding, radiography and stripping operations are regularly examined. Welders, radiography and stripping workers are also provided with milk to counter the effects of exposure to metal fumes

THERE WERE NO INCIDENTS OR WORK RELATED FATALITIES AT OUR MANUFACTURING FACILITIES IN 2017.

OCCUPATIONAL HEALTH AND SAFETY TARGETS - 2017		
For Business Unit - Steel		For our Corporate offices, Cotton Division, Crescent Hadeed, Shakarganj Energy and Engineering Unit, we strive to achieve zero cases of work-related injuries.
Lost workday case	02 (at maximum)	
Restricted workday case	01 (at maximum)	
Medical treatment case	02 (at maximum)	
First aid	02 (at maximum)	
Near miss	02 (at maximum)	
Unsafe act/unsafe condition	02 (at maximum)	

OCCUPATIONAL HEALTH AND SAFETY: BUSINESS UNIT - STEEL DIVISION		
	2017	2016
Number of injuries		
-Medical treatment cases	11	14
-Restricted work cases	-	-
-Lost workday cases	7	5
Number of occupation diseases cases	-	-
Number of work related fatalities	-	-
Injury rate (IR)	0.0015	0.0015
Occupational disease rate	-	-

OCCUPATIONAL HEALTH AND SAFETY: BUSINESS UNIT - ENERGY DIVISION		
	2017	2016
Number of injuries		
-Medical treatment cases	1	1
-Restricted work cases	-	-
-Lost workday cases	-	-
Number of occupation diseases cases	-	-
Number of work related fatalities	-	-
Injury rate (IR)	0.0010	0.0010
Occupational disease rate	-	-

Note: - Injury Rate (IR) is calculated based on total working hours.
- Disclosures are not available for other units.

RELATED MATERIAL ASPECTS Occupation Health and Safety, G4-LA6, LA7

- Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.
- Workers with high incidence or high risk of disease related to their occupation.

SOCIAL AND RELATIONSHIP CAPITAL

COMMUNITY DEVELOPMENT

Caring for the communities in which we operate is at the core of our corporate strategy. We follow self-assessed guidelines for measuring community investments and impacts. Our operational approach is centred on:

- Community care: one of our five core values
- Management buy in through the Social Investment Committee reporting directly to the CEO
- A defined CSR policy that allocates 2-5% of profits before tax donations
- Employee engagement
- Relationships with community partners
- Monitoring and evaluating our social investment programs

OUR APPROACH TO COMMUNITY DEVELOPMENT AND CSR

To us, CSR has four categories: our economic, legal, ethical and philanthropic/discretionary responsibilities to our stakeholders. It enables us to enhance our competitive advantage and create

win-win relationships with our stakeholders, in addition to realizing gains from cost and risk reduction, legitimacy and reputation benefits while recognizing the complex but interrelated nature of the relationship between CSR and financial performance.

Our philanthropic CSR policy allocates between 2% and 5% of annual profits before tax towards donations for social causes we support. The proportion of allocation generally follows the following pattern:

- Education - 60% at minimum
- Health and Environment - 20% at maximum
- Sponsorship - 10% at maximum
- Advocacy - 10% at maximum

OUR GOALS AND STRATEGY

MOVING FROM CORPORATE PHILANTHROPY TO A BUSINESS INCLUSIVE MODEL

The philanthropic/discretionary CSR at present is focused on the community at large. Moving ahead, however, we are working to develop a framework that will enable us to channel our community and

social investments towards value chain stakeholders in an organized and strategic manner. This model will enable us to make impact investments allowing our community partners and stakeholders to invest the funds for a direct financial or social return on a rolling basis. To bring greater focus and transparency to our philanthropic contributions and, to be able to monitor and evaluate our impact we plan to pool our philanthropic activities and donations into the CSAP Foundation over the next three to five years.

OUR GOALS

Our CSR goals over the next three years focus on capturing the circumstances that employees are already dealing with **people, planet** and **profit** in their day to day work for the Company by recognizing initiatives that may already be in progress but may not be recognized as CSR:

- Mapping our value chain
- Designing structured programs to target key stakeholder groups
- Monitoring and evaluating the impact of our social investments
- One volunteer day per employee per year

CONTRIBUTIONS (PKR)	2017	2016	2015
In Cash	100,813,125	80,978,119	9,280,025
In Kind	73,319	227,004	96,090
In Time	212,436	229,572	111,384
Total	101,098,880	81,434,695	9,487,499

In time contributions have been valued using the organisation average salary per hour for the year

RELATED MATERIAL ASPECTS - Local Communities, G4 DMA

OUR CASH DONATIONS INCLUDE:

CONTRIBUTIONS TO

- The Citizens Foundation as support for the **10 school campuses built by us** (17 of the 21 schooling units)
- Support education of **100 TCF students for an entire year** through sponsoring The TCF Obhartay Sitaray event
- Provide scholarship support to **6 TCF students enrolled at FAST and NED University**
- An Expendable Endowment fund to support post matric scholarships for **2 TCF students from Crescent Steel Campus III, enrolled at PAF - KIET**
- An Endowment Fund managed by TCF. Investments in the fund have generated a **profit of PKR 2.1 million during the year**
- The Citizens Foundation's **General Fund**
- Sponsor education of a student enrolled in the **BSc Actuarial Sciences program at London School of Economics and Political Sciences**
- The Prototype Development Fund for National University of Sciences and Technology's (NUST) **Finding Innovative and Creative Solutions for Society Program (FICS)**
- Support Crescent Educational Trust in the **construction of the Mazhar Karim Auditorium** at Crescent Model Higher

Secondary School and as **sponsorship for two concerts**

- Renovating the Hunar Foundation's **Women's Vocational Training Institute** and for training **6 individuals in Welding Trade**
- Support Businessmen Hospital Trust for **patient healthcare**
- The Health Foundation for treatment of **29 patients against Hepatitis B and C** in Rashidabad
- Children Critical Care Foundation of the Civil Hospital for **treatment of patients**
- Shakarganj Foundation in providing treatment to patients through **mobile free dispensaries** and for educational support through the **Adult Literacy Program**
- The Cardiovascular Foundation for **patient treatment**
- Support World Wide Fund for Nature-Pakistan (WWF-Pakistan) in **marine conservation and environmental advocacy activities**
- Sponsor **Earth Hour 2017**
- The Citizens Archive of Pakistan for their **Oral History Project** and research to design a **school level intervention**
- Imkaan Welfare Organization for **Sehat Ghar's Medication and Lab Testing Fund**
- Grant wishes of terminally ill children at **Make a Wish Foundation**

OUR IN TIME CONTRIBUTIONS INCLUDE:

Our CEO's time for serving on the Boards of

- The Citizens Foundation
- Pakistan Centre for Philanthropy

Our Employees' time for

- Volunteering to clean the beach and plant mangrove saplings in partnership with WWF
- Volunteering for community visits and sharing their ideas to make Crescent Cares week a success
- Volunteering to visit Hingol National Park and participating in engagement activities
- Volunteering to conduct monitoring and evaluation visits of 11 TCF school campuses we helped build and continue to help support
- Volunteering for the TCF Rahbar Program

OUR IN KIND CONTRIBUTIONS INCLUDE:

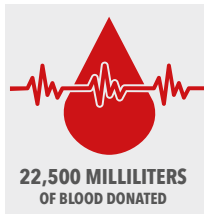
- Distribution of food items on community visits
- Commute for community visits with WWF

RELATED MATERIAL ASPECTS - Indirect Economic Impact, G4-EC7
Development and impact of infrastructure investments and services supported.

We took part in various social initiatives during the year and are showcasing some of these below. Our contributions and work with TCF is covered separately on page 54 of this section.

THE INDUS HOSPITAL

Indus Hospital has established the first centralized blood center of Pakistan that aims to provide screened blood to hospitals across the country. During Crescent Cares Week, 45 employees from the Head Office and Nooriabad campus donated 22500 ml of blood.



NATIONAL UNIVERSITY OF SCIENCES AND TECHNOLOGY (NUST)

We collaborated with NUST to promote social entrepreneurship by sponsoring their initiative - Finding Innovative and Creative Solutions for Society (FICS). The aim of the initiative is to encourage students to convert their creative ideas into value-adding solutions. 49 teams demonstrated working prototypes of their solutions this year, out of which four winners were selected. Our contributions will help support 25 of these teams.

Through our contribution towards the same initiative last year, the students of NUST had developed TAME - a smart wearable device for tremor acquisition and minimization. The project won several awards including the Stanford Center on Longevity Design Challenge held in California and went on to be declared the Best Startup from Pakistan at the SeedStar Summit 2017 in Switzerland.



CRESCENT EDUCATIONAL TRUST

We contributed towards the Mazhar Karim Auditorium being built for students at Crescent Model Higher Secondary School. The auditorium is 2,270 square feet in area and has a capacity of 250 students.

Higher secondary students at Crescent Model Higher Secondary School produced commendable results in 2017. 66% students secured an A+ grade in their matriculation examinations, the most noteworthy of which was a girl who secured the second position in the Lahore Board by obtaining 98% marks.

MAKE A WISH FOUNDATION

As part of Crescent Cares Week 2017, our employees granted wishes of eight terminally ill children from Make a Wish Foundation Pakistan as well as separately made donations, which were matched by the company on a 1:1 basis.

THE HUNAR FOUNDATION

The Hunar Foundation (THF) is one of the largest group of technical and vocational training institutes across Pakistan that aims to provide training to young adults from marginalized segments of our society. To date, more than 1,481 young adults have been trained in 10 trades from their technical institutes. We supported THF in their mission of expanding to 30 institutes by 2020 by covering cost of architectural changes and building renovation of their Women's Vocational Training Institute located in Karachi and supported a welding training course for six students.

THE HEALTH FOUNDATION

The Health Foundation's (THF) aim is to educate the general public on the manifestations of Hepatitis B and C and their mode of acquisition and transmission. THF's Hepatitis Free Community Project in Rashidabad is in its second year and through this initiative several trainings, vaccinations and awareness sessions have been conducted. The goal of the project is to sensitize and vaccinate 90% of target population in Rashidabad and provide free treatment to identified Hepatitis B and C patients. We had established a two year mandate with THF in 2016 and continued to support their cause to eradicate disease this



year as well. We have also provided treatment for 29 Hepatitis B and C patients in the community.

CIVIL HOSPITAL

We supported Civil Hospital by partnering with The Children Critical Care Foundation and Department of Obstetrics and Gynecology for patient healthcare.

THE CARDIOVASCULAR FOUNDATION

The Cardiovascular Foundation (TCVF) was established to assist the National Institute of Cardiovascular Diseases (NICVD). NICVD is the leading cardiovascular hospital in Pakistan, where timely and quality treatment is provided to thousands of patients every day. We proudly supported TCVF in their mission to save hearts and lives.

THE CITIZENS ARCHIVE OF PAKISTAN

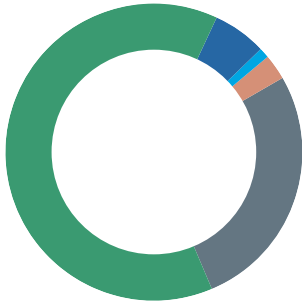
The Citizens Archive of Pakistan (CAP) is dedicated to cultural and historic preservation whose aim is to foster and promote understanding about the culture and history of Pakistan, through documenting, preserving and interpreting our nation's history and culture.

CAP is working on a number of initiatives, one of which is the Oral History Project, which is their flagship program that seeks to interview and record experiences of Pakistan's partition generation. CAP has preserved stories of over 2,000 people to date. Through our contribution, we enabled them to collect oral stories and helped to digitize an Urdu and Persian poet's writings for the purpose of preserving and publishing them. We would like to continue to contribute to structured programs aimed at building national identity and preserving culture.

IMKAAN WELFARE ORGANIZATION

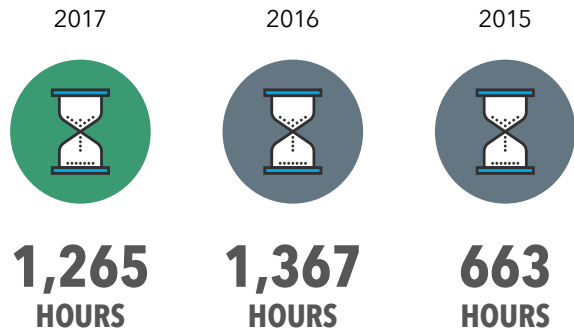
Imkaan's maternal and child healthcare clinic, Sehat Ghar provides support to women and children in underprivileged communities. Under Sehat Ghar, Imkaan has established a clinic in Machar Colony providing free of cost healthcare to the surrounding community. This year, we partnered with Imkaan to support Sehat Ghar's Medication and Lab Testing Fund. Our employees also volunteered 20 hours of community work with Imkaan during Crescent Cares Week.

CONTRIBUTIONS IN CASH AND IN KIND



Education.....64%
 Health.....6%
 Environment.....1%
 Society.....3%
 Others.....27%

EMPLOYEE VOLUNTEERING HOURS



CRESCENT CARES WEEK

Crescent Cares Week 2017 was designed to instill value and care for community and engaging employees in various community care initiatives. Several activities were planned throughout the week such as community visits to Imkaan Welfare Organization, food distribution drive with the Robin Hood Army, sessions with Make a Wish Foundation and Hair to Help Pakistan, Indus Hospital's blood drive at the Head Office and Nooriabad campus and TCF students visit to our Head Office, Jaranwala and Bhone campuses.



All funds collected from these activities were donated to TCF (53%), Indus Hospital (18%), WWF (9%), Dar-ul-Sukun (9%) and Make a Wish Foundation (11%). Impact of Crescent Cares is illustrated below.



Generated
PKR 94,805
in cash
donations



Generated
PKR 56,465
in kind
donations



Volunteered
373 hours for
community
service



Donated
22,500 ml of
blood



Donated 36
inches of hair
for cancer
patients



Fulfilled
wishes of 8
terminally ill
children



Helped in
distributing
food to
2,500+
people

CRESCENT MATCHES

Distribution of funds raised through Crescent Matches:

21% to TCF for EDUCATION, 79% to Indus Hospital, Shaukat Khanum, SIUT and LRBT for various HEALTH causes. 0.1% to Dar-ul-Sukun in SOCIETAL investments towards disability care.

Crescent Matches is geared towards capturing and multiplying the impact of employee giving. This year, the participation stood at 12 employees [FY16: 9 employees] and collections stood at PKR 1,564,500 [FY16: PKR 893,750]. Of this 44% constitutes employee giving.

ENVIRONMENTAL CONTRIBUTIONS

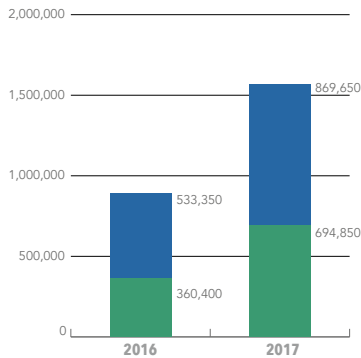
During the year, the Company contributed to local communities and the environment by planting trees, and mangrove saplings, participating in a beach cleaning activity and in creating awareness and promoting conservation of Pakistan's marine environment. This is covered in more detail on page 66 of the Natural Capital section of this report.

SCHOLARSHIP SUPPORT

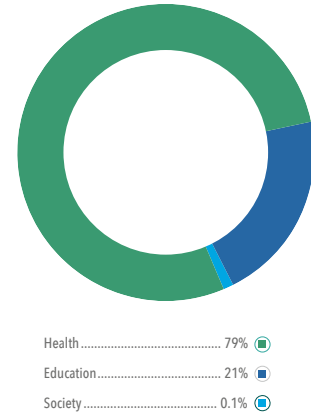
We pledged support towards tertiary education for two TCF graduates from Crescent Steel campuses. This will be disbursed to them through the Expendable Endowment Fund we maintain with TCF. The two students are enrolled at PAF - KIET.

We have also pledged scholarship support to six TCF graduates from other campuses; these students are enrolled in programs at NED and FAST.

IMPACT OF CRESCENT MATCHES



CRESCENT MATCHES BY SEGMENT



All sponsorships are for the entire program duration.

OBHARTAY SITARAY

Obhartay Sitaray is an interschool singing competition that is being held for the past five years. The competition is aimed at developing

national pride in our young generation. Over 550 students from more than 90 schools participated this year in the competition that was held in both Karachi and Lahore. Our contribution helped educate 100 TCF students for an entire year and helped promote performing arts.

SUPPORTING THE CITIZENS FOUNDATION EDUCATE PAKISTAN

Crescent Steel's main focus area of community investment is education. Over the years, our collaboration with TCF has proved to be an outstanding success in all terms. Our twenty two year journey with TCF has been a tremendous experience. Starting with Crescent Steel Campus I in 1997, today the Company has helped build 21 schooling units (16 primary and 5 secondary) and supports operational expenses of 17 schooling units (12 primary and 5 secondary).

To date an estimated **2,986 children** have graduated from primary schools supported by us, **289 secondary school graduates** from schools supported by us have been awarded intermediate and tertiary level scholarships arranged by TCF and in the past year alone **385 students** graduated from secondary schools supported by us. Combined enrolment in these schools today is **3,187 students**, the majority of whom reside in some of the most impoverished communities of the country; **49% of these students are female**.



OUR CONTRIBUTION TO TCF'S FOOTPRINT

CRESCENT STEEL CAMPUSES BUILT BY US	UNITS	LOCATION	STUDENTS
Crescent Steel Campus I	1 P (M), 1 P (A)	Ibrahim Goth	416
Crescent Steel Campus II	1 P (M), 1 P (A)	Korangi Town	341
Crescent Steel Campus III	2 S (M)	Umar Maingal Goth	266
Crescent Steel Campus IV	2 P (M), 1 P (A)	Jaranwala	442
Crescent Steel Campus V	2 P (M), 1 P (A)	Jaranwala	451
Crescent Steel Campus VI	1 P (M), 1 P (A)	Bin Qasim Town	342
Crescent Steel Campus VII	1 P (M)	Jaranwala	141
Crescent Steel Campus VIII	1 P (M)	Chiniot	141
Crescent Steel Campus IX	2 P (M)	Jaranwala	235
Crescent Steel Campus X	1 S (M)	Bhone, Jhang	105
Crescent Steel Campus XI	2 S (M)	Jaranwala	307
Total	21 units		3,187

CAMPUSES WE HELPED BUILD

CAMPUS	DISTRICT	LOCATION	PRIMARY UNITS	SECONDARY UNITS
Crescent Steel Campus IV, V, VII, IX and XI	Faisalabad	Jaranwala	9	2
Crescent Steel Campus VIII	Chiniot	Chinniot	1	-
Crescent Steel Campus X	Jhang	Bhone	-	1
Crescent Steel Campus I, II, III and VI	Karachi	New Karachi Town	2	-
		Korangi Town	2	-
		North Karachi Town	-	2
		Malir Town	2	-
Total			16	5

CAMPUSES SUPPORTED BY US

CAMPUS	DISTRICT	LOCATION	PRIMARY UNITS	SECONDARY UNITS
Crescent Steel Campus IV, V, VII, IX and XI	Faisalabad	Jaranwala	8	2
Crescent Steel Campus VIII	Chiniot	Chinniot	1	-
Crescent Steel Campus X	Jhang	Bhone	-	1
Crescent Steel Campus I, II, III and VI	Karachi	New Karachi Town	1	-
		Korangi Town	1	-
		North Karachi	-	2
		Malir Town	1	-
Total			12	5

P = Primary, S = Secondary, M = Morning, A = Afternoon

We have contributed to build **11 campuses** (21 schooling units) with student strength of **3,187 children - 49% of whom are girls** - these schools employ a staff of **232** of which **202** constitute an all-female faculty. Over the course of our partnership with TCF, we have donated **PKR 304.7 million** since **1995** at an average rate of **PKR 13.8 million** per year.



SUCCESS STORIES

A TCF student from Crescent Steel Campus XI, is enrolled in the Chemical Engineering program at Ghulam Ishaq Khan Institute of Engineering Sciences and Technology. The Company has pledged to help TCF support his education through their scholarship desk. He is on track to graduate this year.

Two TCF students from Crescent Steel Campus III are enrolled in the BSc Computer Sciences program and BE Aviation program at PAF KIET, Karachi. The Company has pledged to support their education through the Endowment Fund. They are on track to graduate in 2018 and 2019.

Two TCF students are enrolled in the BSc Physics and BSc Software Engineering program at NED University. The Company has pledged to support their education. They are on track to graduate next year.

Two TCF students are enrolled in the BE Electrical Engineering program at FAST University. The Company has pledged to support their education. They are on track to graduate in 2019 and 2020.

284 TCF students from Crescent Steel Campus III and XI have been awarded intermediate scholarships throughout the course of our partnership with TCF.

MODE OF ENGAGEMENT	2016 - 2017 INPUTS	OUTCOMES
Financial support to TCF	Contributed PKR 32.5 million towards school support.	The investment was utilized in managing the operational expenditures of the school and student's fee subsidies. This has supported 2,649 students [FY16: 3,362 across 15 school units] in 17 school units.
	Contributed PKR 8 million towards the General Fund.	The investment will be accumulated in the General Fund maintained with TCF.
Investing with TCF	The Endowment Fund maintained with TCF was topped up by PKR 13.5 million totalling the endowment size to PKR 43.1 million.	The Endowment Fund will enable TCF to invest funds for financial returns. We plan to build the endowment to fund operational support for school units built by us or to utilise it for a new school unit. The fund at present is earning a per annum return of 7.7%.
	An expendable endowment fund is being maintained with TCF to reward post matric scholarships to TCF students. The fund was topped up by PKR 2 million to an aggregate value of PKR 3 million as on 29 June 2016, of which PKR 400,000 has been disbursed during the year.	We have pledged to support two PAF KIET students from our CSAP campus III through this fund for the entire duration of their programs.
Governance Support	Our CEO, a founding director of TCF, serves on the Board and provides key oversight on strategy and governance.	Time volunteered by our CEO for Board and other meetings to set strategic direction, ensure transparency and good governance. The association also helps build trust among key stakeholder groups.
Mentoring TCF Students (Rahbar Program)	One employee participated as a mentor in the 8 week structured Rahbar Program.	Our employee volunteered 28 hours to mentor 5 students through the Rahbar Program during the year.
Scholarship Support	We contributed PKR 610,000 as scholarship support for six students.	Supporting six undergraduate candidates in programs at FAST (3 students) and NED (3 students).
Supporting TCF's Fund Raising Activities	PKR 1.5 million was contributed to sponsor TCF's Obhartay Sitaray event. 4 students from CSAP campus I and III participated in the event.	The contribution supported education costs for 100 students for the entire year. Through this contribution we also met our commitment to support performing arts.
Multiplying our Impact	PKR 115,750 donated by employees to TCF through the Crescent Matches program.	Employee donations were matched at a ratio of 1:2 totaling donations to PKR 327,250.
Other engagements	During Crescent Cares Week, 10 students from TCF schools visited our Head Office, Jaranwala and Bhone campuses and were provided briefing on various operations of each department.	The visit proved to be a learning experience for TCF students and our employees alike.

We regularly review activities, progress and the impact of our investment towards The Citizens Foundation. Our employees regularly visit TCF schools and interact with the staff, community and students.

We are proud of our association with TCF and believe that it is the only impact organisation working in the field of primary and secondary education in Pakistan.

We believe that an educated Pakistan is a sustainability imperative.

The Citizens Foundation is working to provide quality education to underprivileged children through its network of **1,441 school units** spread across over **58 districts** with a student strength of **204,000 children** of which almost 50% are girls. TCF employs more than **16,700 Pakistanis** of which **12,000 constitute an all-female teaching faculty.**

OUR COMMUNITY PARTNERS IN 2017



THE CITIZENS FOUNDATION

THE CITIZENS FOUNDATION

Builds and manages schools providing quality education in less privileged areas across Pakistan



CRESCENT EDUCATIONAL TRUST

Provides an engaging, challenging and a learning environment for students



Shakarganj Foundation

SHAKARGANJ FOUNDATION

Works in areas of healthcare, education, arts and community development with a focus on indigenous communities



INDUS HOSPITAL

INDUS HOSPITAL

Provides free of cost premium healthcare in Pakistan



WORLD WIDE FUND

Leads the environmental conservation and awareness agenda in Pakistan and across the globe



THE CARDIOVASCULAR FOUNDATION

The foundation supports National Institute of Cardiovascular Diseases to save hearts and lives



Child Care

CHILDREN CRITICAL CARE FOUNDATION

Provides treatment to children



NATIONAL UNIVERSITY OF SCIENCES AND TECHNOLOGY

Works to promote social entrepreneurship amongst students



THE CITIZENS ARCHIVE OF PAKISTAN

Works towards preserving Pakistan's culture and history



SHAUKAT KHANUM MEMORIAL CANCER HOSPITAL AND RESEARCH CENTRE

Provides quality healthcare and treatment to cancer patients



THE HEALTH FOUNDATION

Works towards a hepatitis free Pakistan



COMMECS INSTITUTE OF BUSINESS AND EMERGING SCIENCES

Imparts quality business education to students



PAKISTAN CENTRE FOR PHILANTHROPY

Works to create greater visibility of philanthropic giving with an aim to enhance the effectiveness of local giving for social development in Pakistan



IMKAAAN WELFARE ORGANIZATION

Addresses the rates of infanticide and child abandonment across Pakistan



THE HUNAR FOUNDATION

Works towards a skilled Pakistan



SHALAMAR HOSPITAL

Provides free and subsidized medical treatment to patients

CSAP FOUNDATION

CSAP Foundation has been established with the aim of bringing greater focus to our philanthropic CSR. We believe that once fully operational CSAP Foundation will help us:

- Consolidate our philanthropic agenda and social contributions under one umbrella
- Bring more focus to philanthropic CSR and community development objectives
- Bring greater focus, accountability and transparency to our societal investments
- Enable access to funds and strategic partnerships

CSAP Foundation is not yet fully operational, we are working on getting FBR's approval for its status of a non-profit organization as required under income tax laws. We have applied to Pakistan Centre for Philanthropy for the Foundation's certification as a non-profit organization, one of the prerequisites for obtaining FBR's approval and have been following up with them regularly to expedite this. We are hopeful it will materialize this year and enable us to bring greater focus to our philanthropic CSR.

This year, the foundation made a total contribution of PKR 1,759,074 in the education, health and society sector.

Focus areas for the foundation are:

- Providing shelter for the underprivileged
 - Educational institutions
 - Establishment of libraries, research centers, museums, galleries, academies, and handicraft centers
 - Awarding scholarships to outstanding students and scholars
 - Establishing hospitals, clinics, dispensaries, centers and places of medical aid and relief
 - Establishment of convalescent homes, maternity homes and homes for the needy
 - Promoting and creating awareness of health issues
 - Providing medical assistance to deserving individuals
 - Providing financial and other aid to the destitute to make them financially independent
- Taking measures to promote the development of science and technology which will contribute to the prevention of environmental pollution
 - Promoting, financing, establishing, running and managing autonomous educational and medical institutions
 - Promoting awareness of environmental issues
 - Inducing and assisting in the control of pollution in all its forms and in the preservation of the living environment
 - Inducing and assisting in the promulgation of environmental laws, policies, rules and regulations

The multidimensional focus of the foundation ensures that we are able to serve the community by focusing on the immediate needs of our society while aligning them with long-term developmental objectives

NATURAL CAPITAL

ENERGY

Our businesses are manufacturing intensive and financial performance is heavily dependent on reliable sources of energy and so, our energy efficiency strategy calls on us to explore avenues of self-generation and secure reliable power while maintaining cost leadership.

ENERGY EFFICIENCY

To manage our energy consumption, reduce our dependency on the national grid and mitigate the risk of recurring power outages, we have:

- A natural gas power plant to provide reliable self-generated power to our cotton spinning unit
- Back up gas power generators at our line pipe manufacturing site and are also in the process of having solar panels installed there
- Solar panels at the fabrication facility in Dalawal
- A bagasse fired thermal power plant in Bhone supplying power to the national grid as well as to our billet manufacturing unit
- Replaced old motors and with energy efficient motors
- Replaced old lights and air conditioning units with energy efficient ones across our sites

Through our subsidiary, Shakarganj Energy (Private) Limited, we operate a bagasse fired thermal cogeneration power plant with a production capacity of 16.5 MW.

The unit generates and supplies power to our billet manufacturing business, Crescent Hadeed (Private) Limited, to Shakarganj Limited, and Faisalabad Electricity Supply Corporation. Our Energy Scorecard on page 62 of this report reflects energy produced at this plant.

ENERGY CONSERVATION

The following energy conservation measures were taken during the year:

- Motion sensors were installed in meeting rooms at the Head Office to automatically power off lights and equipment
- Replaced 27 air-conditioning units at our Head Office aggregating 54 tons to invertors installed
- Installed 5,872 watts (conventional lights)/474 units of LED lights during the year at the Head Office. This reduced an estimated 26 GJ of energy
- 3 old air conditioners were replaced with 3 new invertors and 6 new invertors were installed at our Nooriabad factory

MAJOR ADVANTAGES

REDUCED CONSUMPTION

Inverter air-conditioning will help conserve an estimated 20% of total energy consumption at our sites.

REDUCED HARMFUL EMISSION

Inverter AC uses more ozone friendly refrigerant (R410a) compared to normal air conditioners refrigerant (R22).

We have replaced a diesel generator of 1,250 kVA with a gas generator of 1,125 kVA to reduce harmful emissions.

We continue to take traditional measures to conserve energy by switching off all air conditioners and all unnecessary lights for two hours every day, as well as aim to reduce energy consumption and advocate to develop a culture of energy conservation.

RELATED MATERIAL ASPECTS - Energy, G4-EN3, G4-EN5, G4-EN6

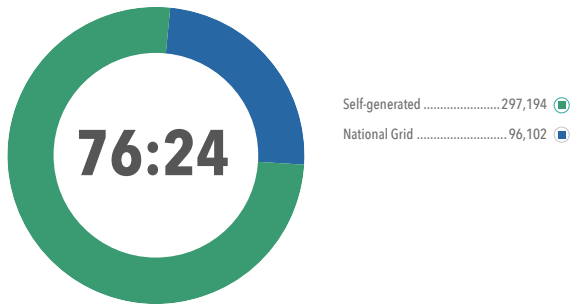
- Energy consumption within the organization.
- Energy intensity.
- Reduction of energy consumption.

ENERGY SCORECARD

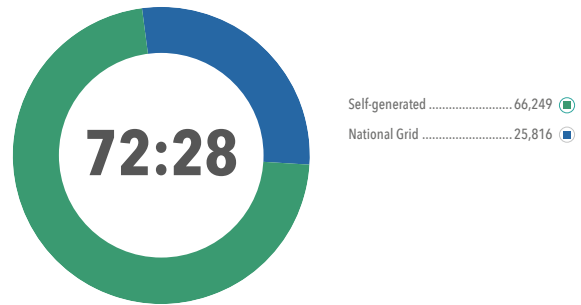
	2017	2016	2015
ENERGY CONSUMPTION (GJ)	▲ 393,296	92,066	95,689

PROPORTION OF ENERGY SELF-GENERATED AND FROM NATIONAL GRID

ENERGY CONSUMPTION - 2017

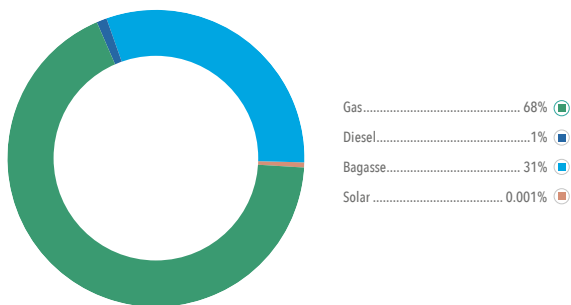


ENERGY CONSUMPTION - 2016

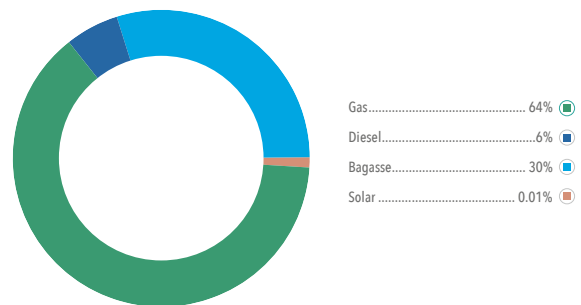


BREAK-UP OF SELF-GENERATED ENERGY (GJ)

BREAKUP OF SELFGENERATED ENERGY - 2017



BREAKUP OF SELFGENERATED ENERGY - 2016



ENERGY INTENSITY RATIO	2017	2016	2015
(TOTAL ENERGY CONSUMPTION/SALES)	▲ 0.028%	0.001%	0.003%

	2017	2016	2015	CHANGE (2017 VS. 2016)
Total energy consumption (GJ)	393,296	92,066	95,690	327%
Sales (PKR in million)	14,145	8,858	2,467	60%
Sales per unit of consumption (PKR/GJ)	35,966	96,210	25,786	(63%)
Energy intensity ratio	0.028%	0.001%	0.003%	3%

The deterioration in the Company's energy intensity ratio is on account of continued operations and higher sales at the Cotton Division during FY17. The unit head remained closed on account of adverse market conditions for 11 months in FY16, compared to 1 month in FY17.

FUEL TYPE	SELF-GENERATED ENERGY (GJ)	CONSUMPTION PATTERN
Diesel	5,111	Consumed within the business
Gas	239,362	Consumed within the business
Bagasse	107,851	Supplied to the national grid and industry
Solar	5	Consumed within the business

FUEL TYPE	PURCHASED ENERGY (GJ)	CONSUMPTION PATTERN
WAPDA/ K-Electric	96,102	Consumed within the business

ENERGY INTENSITY RATIO	2017	2016	2015
ENERGY CONSUMPTION WITHIN THE BUSINESS	393,296 GJ	92,066 GJ	95,689 GJ
ENERGY SUPPLIED OUTSIDE THE BUSINESS	55,135 GJ	10,730 GJ	28,806 GJ

ENVIRONMENTAL CARE

We do not operate in an industry with high greenhouse gases' intensity. The nature of our direct business operations also does not pose other significant environmental risks.

EMISSIONS

Pakistan has an insignificant carbon footprint, yet Pakistan ranks among the 10 countries most vulnerable to climate change. At Crescent Steel all our emissions and discharges are compliant and within the prescribed limits set by the National Environmental Quality Standards (NEQS). This includes our emissions of Sulphides (SOx Gases), Nitrides (NOx Gases), Particulate Matter, Ozone Gas, Volatile Organic Compounds, Ozone Depleting Substances (including CFCs and Freon), Carbides, and any other such emissions. As a part of our continued commitment to our stakeholders we work hard to manage the environmental impact of our operations.

Our sources of direct CO₂ emissions are primarily fossil fuel based back up power generation units at our manufacturing sites. The main source of indirect CO₂ emissions is the energy we purchase and consume from the national grid across our campuses.

- Over the years Nitrogen gas was substituted with Oxygen gas to reduce NOx level from 1357 mg/Nm³ to less than 400 mg/Nm³
- Water discharged from our coating unit was neutralised to bring PH levels between 7 - 10

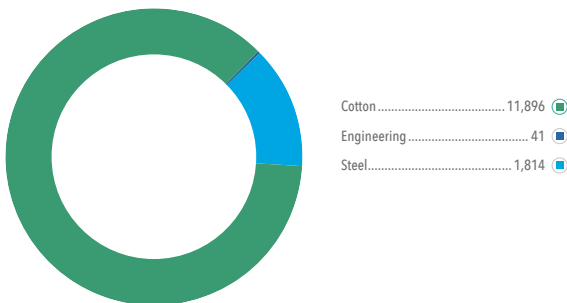
EMISSIONS INTENSITY RATIO (TOTAL EMISSIONS/SALES) INCREASED BY 0.0001%



Total GHG emission increased by 11,353 tons of CO₂ against an increase of 60% in sales over prior year

2017: DIRECT GHG EMISSIONS IN TONS OF CO₂ EQUIVALENT - 13,752 TONS

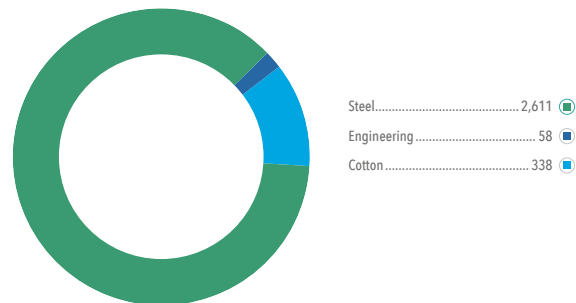
DIRECT GHG EMISSIONS - 2017



2016: 2,955 TONS OF CO₂ EQUIVALENT

2017: INDIRECT GHG EMISSIONS IN TONS OF CO₂ EQUIVALENT - 3,006 TONS

INDIRECT GHG EMISSIONS - 2017



2016: 2,450 TONS OF CO₂ EQUIVALENT

RELATED MATERIAL ASPECTS - Environmental Care, G4-EN27

Extent of impact mitigation of environmental impacts of products and services.

AIR POLLUTION CONTROL SYSTEM

We have taken appropriate measures to go beyond complying with the minimum national standards enforced by the Pakistan Environmental Protection Agency by adhering to globally recognised standards of air pollution control at our steel billet manufacturing facility.

Gaseous emissions and metal dust is the most prominent form of waste in the steel melting process

while primary wastes produced in casting steel are contact water, oil, grease and metal scraps. The unit is equipped with air pollution control systems with air filtration capacity of 50 mg/Nm³ against national standards that require air pollution control system with filtration capacity below 100 mg/Nm³.

WASTES

We work to minimize the wastes resulting from our operations by reducing material consumption and waste and, reusing or recycling

waste material as far as reasonably possible. We continue to advocate environmental responsibility in our actions through advocacy and communications.

Where reuse is not possible, we ensure proper disposal of waste matter in accordance with local regulations imposed on us and international best practices that we impose on ourselves. Disposal methods include: land filling, recycling and incineration.

WASTE MANAGEMENT

BUSINESS UNIT	TYPE	SPECIFICATION AND UNITS	2017	2016	TREATMENT
Steel	Hazardous	Plastic bags, drums etc. (in numbers)	41,116	65,006	Sold for recycling/reuse
	Non-hazardous	Steel scrap (in tons)	6,800	3,230	Sold for recycling/reuse
		Polyethylene/ Polypropylene (in tons)	90	58	Sold for recycling/reuse
		Debris, kitchen waste and others (in tons)	17	13	Landfilled
Cotton	Hazardous	Cotton dust (in Kg)	42	821	Sold for reuse
	Non-hazardous	Cotton waste (in tons)	420	1.2	Sold for reuse
Engineering	Hazardous	Bulbs and lights (in numbers)	71	149	Landfilled

WATER DISCHARGE (LITRES)

BUSINESS UNIT	2017	2016	QUALITY AND DESTINATION
Steel	1,185,750	2,046,810	Treated, drained to municipal sewer
Engineering	194,900	154,700	Untreated, drained to municipal sewer
Total	1,530,650	2,201,510	

Note: At our Cotton division, we do not currently have any mechanism to measure water discharge.

FORESTATION

Over the last 10 years we planted more than **13,600 trees** across communities where we operate. This will **reduce 81 tons of carbon dioxide every year** which is equivalent to **burning 10,666 gallons of gasoline**.

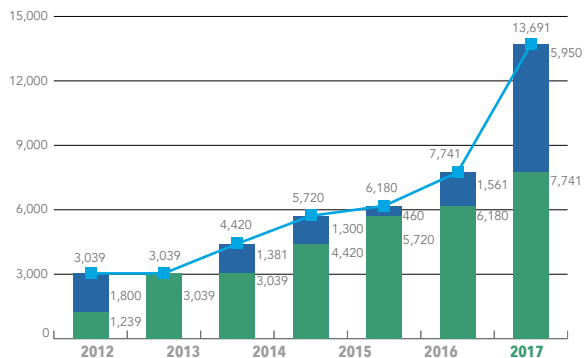


13,600 +



TREES PLANTED RESULTING IN 81 TONS OF CO₂ REDUCTION PER ANNUM EQUIVALENT TO BURNING 10,666 GALLONS OF GASOLINE

TREE PLANTATIONS



BEACH CLEANING AND MANGROVE PLANTATION ACTIVITY

Pakistan was one of the largest mangrove countries in the world. Mangrove Forests serve as a valuable nursery for fish and other invertebrates in addition to protecting shorelines erosions from storms and tsunamis. These forests also protect threatened and endangered species. The Indus Delta once used to be home to thick mangrove forests stretching from Karachi to the Rann of Kutch.

Today, only some pockets of these forests remain.

Despite the fact that mangroves are of immense economic and environmental importance to Pakistan, over the last five decades, they are being subjected to over exploitation, water pollution, sedimentation and coastal erosions. As a result, these precious forests are fading away fast.

We continued to partner with WWF Pakistan to conserve mangrove plantations and planted 150 mangrove saplings at the mangrove forest near their Wetland Centre this year [FY16: 150 mangrove saplings]. The plantation was followed by a beach cleaning activity by 24 participating employees.

These saplings will reduce 0.8 tons of carbon dioxide every year – this is equivalent to burning 116.8 gallons of gasoline.

YEAR	NUMBER OF TREES PLANTED	YEARLY CARBON REDUCTION (IN TONS)	THIS IS EQUIVALENT TO EMISSIONS FROM BURNING 603.8 GALLONS OF GASOLINE
FY13	50	1.1	
FY14	75	1.3	
FY15	100	1.1	
FY16	150	0.8	
FY17	150	0.8	
Total	525	5.4	

CELEBRATING EARTH HOUR

Earth Hour is a worldwide grassroots movement organized by the World Wide Fund each year that aims to protect the planet. Earth Hour was started as a lights-off event in 2007 and since then it has grown to engage more than 178 countries worldwide.

Earth Hour 2017 was held on March 25, 2017 between 8:30 - 9:30 PM.



RESOURCE CONSERVATION

Our business depends on the availability of quality materials which primarily include hot rolled coil, raw cotton, bagasse and scrap. Our cost of doing business and profitability depends on responsible consumption and effective waste management.

The Company has various initiatives in place and barring items necessary for consumption in business operations and production, everyone is encouraged to reduce the use of all materials as far as possible.

PAPER

We aim to reduce, recycle and reuse paper in our daily work.

WATER

We understand that water is a scarce resource and wherever we find opportunities to conserve, reuse or recycle water; we do so.

- Water is redirected and reused for pressure testing of pipes and to cool pipes in the coating process
- At the power plant water is reused to generate steam for turbines



WATER REUSE

52 million litres in Steel division

256 million litres in Shakarganj Energy

BUSINESS UNIT	SOURCE	2017 (IN MILLION LITRES)	2016 (IN MILLION LITRES)
Energy	Condensate from sugar process	210.8	49.9
	Condensate water used by turbine generator	45.3	9.6
	Ground water	50.8	19.3
Steel	Ground water	20.6	18.1
	Lake water	30.9	27.1
Engineering	Ground water	1.3	1.3
Total Water consumption		359.7	125.3

Note: We do not have a mechanism to measure water withdrawal at the Cotton Division.

PRODUCT STEWARDSHIP

PRODUCT QUALITY AND SAFETY

MAINTAINING PRODUCT AND SERVICE QUALITY IS A SUSTAINABILITY IMPERATIVE

We strive to apply cutting edge technology and remain client centric to drive profitability and efficiency, ensuring the highest standards of quality in product delivery. The effectiveness of our Quality Management System is ensured through an independent quality function at each business unit level.

Crescent Steel strictly adheres to its quality policy to ensure that quality is embedded from the beginning to the end of the value chain. The management ensures measurable and verifiable quality objectives are set throughout the organization, from the initial inspection of raw materials to the transportation of the finished product to the customer.

The company retains its authorisation to use the API monogram of the American Petroleum Institute since its inception in 1987. In 1997, CSAPL was awarded ISO9001 Quality Management Standard Certificate which it continues to maintain as ISO 9001:2008.

STEEL DIVISION - PIPE MANUFACTURING AND COATINGS

Raw material sourcing for line pipe manufacturing is critical for

oil and gas/API monogram pipes given the applicability of stringent raw material quality specifications and API standard compliance. Our raw material is purchased from pre-qualified suppliers, against established parameters that forms part of our vendor evaluation system.

The pipes we produce and coat are inspected and tested on sophisticated testing equipment.

We have various testing facilities available at our pipe manufacturing and coating plant:

- On-line Automatic Ultrasonic Testing: To ensure that the entire plate as well as the seam is flawless for both Spiral Pipe Mills
- Radiographic Inspection: To analyse the defects identified by ultrasonic testing
- Visual Inspection: To determine surface defects
- Hydrostatic Pressure Testing of Pipes: To check pipe strength, durability and leakages
- Residual Magnetism Measurement: To ensure that residual magnetism is within the limits of the applicable standard or client's requirements
- Final Inspection: To rigorously inspect the different dimensional parameters
- Tensile Testing and Guided Bend Tests: To ensure that the coil received and the pipes

manufactured have the required mechanical properties

- CVN Test: To ensure the fracture toughness of the pipe body, weld and HAZ is in compliance with API standards and client requirements
- Chemical Tests: To ensure the product has met client specified chemical requirements
- Hardness Testing: To check hardness of the pipe body, weld and HAZ for the sour service pipe
- Burst Test: To ensure that the pipe exceeds the minimum design pressure requirement
- Impact Test at - 400 C: To ensure that coated pipe has required impact resistance at low temperature

Coating applications undergo various tests including:

- Online Holiday Inspection
- Coating Adhesion Strength Testing
- Thermal Analysis
- Melt Flow Index
- Cathodic Disbondment Test
- Hot Water Soak Resistance Test
- Flexibility Bend Test
- Indentation Hardness Test

RELATED MATERIAL ASPECTS Product and Service Labelling, G4-PR3, G4-PR4

- Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements.
- Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes.

MEASURING CUSTOMER SATISFACTION

- The unit continues to maintain a high customer satisfaction score of over 88% for both, pipes and coatings
- The survey identifies many strong areas for improvement like timely product delivery etc.
- The survey provides customer feedback on our product capability for:
 - A) Submerged Arch Welded Helical Seam Steel Pipes in diameters ranging from 8-120 inch in steel grades up to and including API 5L X-100, under API monogram authorization
 - B) Anti-corrosion coating application of steel line

pipes in diameters ranging from 4 - 60 inches, as per international standards like DIN 30670

- Our main customer base constitutes the two state gas utilities operating in Pakistan, SSGC and SNGPL - headquartered in Karachi and Lahore, respectively - with a footprint across various towns and cities in Pakistan. Our Karachi and Lahore Offices, and our Plant Site in Nooriabad are within easy access of our main customer base

COTTON DIVISION - COTTON SPINNING

We continue to maintain high standards in quality management, performance and innovation. Our

quality control laboratory and trained workforce ensure that all processing methods and products meet the required industry and international standards. Raw material like Polyester/Viscose is procured from world renowned synthetic fibre producers locally and from abroad. Raw cotton is checked against established standards prior to procurement, while sophisticated testing infrastructure strengthens quality management and assurance.

The Cotton Division continues to maintain quality management systems under ISO 9001 certification standards.

The quality assurance and testing laboratory at the spinning unit is equipped with necessary testing equipment. These include:

FOR FIBRE TESTING	FOR YARN TESTING
HVI-Spectrum	Uster Tensojet-4
AFIS	Uster Tester-5
Fibrograph 530	Count Analyzer
Micronaire	Lea Strength Tester
Moisture Meter	Twist Tester

MEASURING CUSTOMER SATISFACTION

- A survey of our product and service quality was carried out via electronic means to invite customer feedback on our Cotton Division product performance
- The survey highlighted areas of strength and weaknesses. We strive to work on weak areas to enhance our product offering and will continue to engage customers for feedback and to better understand their needs

RELATED MATERIAL ASPECTS - Product and Service Labelling, G4-PR5
Results of surveys measuring customer satisfaction.

MATERIAL CONSUMPTION

MATERIAL CONSUMED	UNIT OF QUANTITY	QUANTITY (WEIGHT / VOLUME)	
		2017	2016
Non-Renewable Materials			
Steel - Pipe Manufacturing			
HR Coils (comprises 99% of input materials)	Kg	89,937,642	64,139,069
Steel - Coating			
High Density Polyethylene	Kg	1,302,125	1,913,275
Co Polymer Adhesive	Kg	129,82	211,125
Fusion Bonded Epoxy	Kg	211,800	327,340
Welding Wire	Kg	249,970	-
Welding Flux	Kg	272,630	-
Steel Grit	Kg	83,076	57,350
Cotton			
Binding Rope (Dori)	Kg	538	14
Yarn Wrapping Cone	No's	3,144,750	171,960
Hoop	Kg	80	-
Polypropylene Bags	No's	115,747	8,099
Polythene Bags	Kg	11,559	508
Washer Discs	GRS	4,850	772
Engineering			
Gas LPG	Kg	2,384	3,529
Gas Oxygen	Cubic M	8,316	10,012
Diesel Oil	Ltr	11,200	16,455
Disc (Grinding and Cutting)	No's	2,378	2,872
Welding Electrode	Tons	8.5	11.8
Round Bar, Pipes, Nut Bolt etc.	Tons	88	72.1
Sheets Mild Steel	Tons	999.7	581.8
Sheets Stainless Steel	Tons	3.3	6.2

RELATED MATERIAL ASPECTS - Materials, G4-EN1
Materials used by weight or volume.

MATERIAL CONSUMED	UNIT OF QUANTITY	QUANTITY (WEIGHT / VOLUME)	
		2017	2016
Crescent Hadeed			
Melting Scrap (HMS, Shredded, Bundled Scrap)	Mt	33,882	4,971
Silico Manganese	Kg	311,790	27,739
Ferro Manganese	Kg	192,129	24,359
T.C Tips	No's	11,416	1,880
Mill Scale	Kg	1,387,750	60,270
Mustard Oil	Ltr	2,432	1,995
Cu. Coated Pipe	Mtr	26,599	1,150
LPG Gas	Kg	7,293	1,936
Oxygen Gas	M3	38,920	8,994
Diesel Oil	Ltr	14,215	19,630
Rice Husk	Kg	140	2,100
MS Lancing Pipe	Mtr	73,716	5,714
Quartz Powder	Kg	5,578	148,758
Boric Acid	Kg	31,899	1,340
Sodium Silicate	Kg	2,567	4,835
Nozzle - Ex	No's	4,854	1,363
Silica Sand	Kg	334	54,379
Renewable Materials			
Energy			
Bagasse	Tons	159,917	53,494
Cotton			
Raw Cotton	Tons	2,790	135
Polyester	Tons	3,010	138
Viscose	Tons	59	-

GRI CONTENT INDEX – IN ACCORDANCE WITH CORE CRITERIA

GENERAL STANDARD DISCLOSURES		
Strategy And Analysis		
G4 Disclosure	Disclosure Title	Page Number or Direct Answer
G4-1	Statement from senior decision-maker	2-3
Organizational Profile		
G4-3	Name of the organization	Cover page
G4-4	Activities, brands, products, and services	10 - 14
G4-5	Location of headquarters	Annual Report : Company Information
G4-6	Location of operations	The Company has operations in Pakistan only
G4-7	Ownership and legal form	10 and Pattern of Shareholding in the Annual Report
G4-8	Markets served	10 -14 and 17
G4-9	Scale of the organization	10-17 and 20
G4-10	Information on employees and other workers	39
G4-11	Collective bargaining agreements	No collective bargaining agreements
G4-12	Supply chain	10-14
G4-13	Significant changes to the organization and its supply chain	There has been no such significant change
G4-14	Precautionary principle or approach	The company has adopted sustainable practices voluntarily on the basis of precautionary approach
G4-15	External initiatives	Pakistan Centre for Philanthropy, ISO 14001, OHSAS 18001, GRI's framework
G4-16	Membership of associations	The Citizens Foundation, Pakistan Centre for Philanthropy COMMECS Educational Trust Taskforce for CSR Reporting Framework (ICAP)
Material Aspects and Boundaries		
G4-17	Entities included in the consolidated financial statements	All such entities have been covered. Please refer page 10 for list of entities
G4-18	Defining report content and topic boundaries	5, 22-23
G4-19	List of material topics	24
G4-20	Explanation of the material topic and its internal boundary	The material for all aspects has been assessed and reported at group level and having the boundary within the company
G4-21	Explanation of the material topic and its external boundary	Not material
G4-22	Restatement of information	5

Stakeholder Engagement		
G4-24	List of stakeholder groups	29
G4-25	Identifying and selecting stakeholders	Engagement plans are in place for all stakeholders
G4-26	Approach to stakeholder engagement	30-34 and 38
G4-27	Key topics and concerns raised	30-34, 36 and 57
Report Profile		
G4-28	Reporting period	5
G4-29	Date of most recent report	5
G4-30	Reporting cycle	5
G4-31	Contact point for questions regarding the report	5
G4-32	GRI content index	73
G4-33	External assurance	Not seeking assurance this year
Governance		
G4-34	Governance structure	27 and Annual Report: Governance section
Ethics and Integrity		
G4-56	Values, principals, standards and norms of behavior	7 and Governance section in the Annual Report

SPECIFIC STANDARD DISCLOSURES

Identified Material Aspects

G4 Disclosure	Disclosure Title	Page Number or Direct Answer
Economic		
Economic Performance		
G4-EC1	Direct economic value generated and distributed	19
G4-EC3	Defined benefit plan obligations and other retirement plans	15, 17 and Annual Report 2017
G4-EC4	Financial assistance received from government	No financial assistance received from the Government
Market Presence		
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage	(1:1) ratio
G4-EC6	Proportion of senior management hired from the local community	100%
Indirect Economic Impacts		
G4-EC7	Infrastructure investments and services supported	17, 19, 48 and 49
Procurement Practices		
G4-EC9	Proportion of spending on local suppliers	21
Environmental		
Materials		
G4-EN1	Materials used by weight or volume	71 - 72
G4-EN2	Recycled input materials used	No recycled input material used
Energy		
G4-EN3	Energy consumption within the organization	62
G4-EN5	Energy intensity	63
G4-EN6	Reduction of energy consumption	63 (The organisation specific metric used for the calculation of Energy Intensity is sales turnover. Energy intensity constitutes electricity and steam consumed within the business)
Water		
G4-EN8	Water withdrawal by source	65
G4-EN9	Water sources significantly affected by withdrawal of water	No water source significantly affected
G4-EN10	Water recycled and reused	65
Biodiversity		Not Material

Emissions		
G4-EN15	Direct (Scope 1) GHG emissions	64
G4-EN16	Energy indirect (Scope 2) GHG emissions	64
G4-EN18	GHG emissions intensity	64 (The organisation specific metric used for the calculation of emissions intensity is sales turnover. Emissions intensity constitutes direct GHG emissions from self-generated energy from diesel oil and natural gas at 74.1 and 56.1 MT of CO2 per GJ as per base year, 2013 and per IPCC standards and indirect GHG emissions on management best estimates.)
G4-EN21	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	64 - 65
Effluent and Waste		
G4-EN22	Water discharge by quality and destination	65
G4-EN23	Waste by type and disposal method	65
G4-EN24	Significant spills	No significant spills
Product and Service		
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	65
Environmental Compliance		
G4-EN29	Non-compliance with environmental laws and regulations	(No monetary fines or sanctions for non-compliance with environmental laws and regulations have been imposed)
Transport		Not considered material
Supplier Environmental Assessment		
G4-EN32	New suppliers that were screened using environmental criteria	32
G4-EN33	Negative environmental impacts in the supply chain and actions taken	32
Environmental Grievance Mechanisms		
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	No grievance has been filed about environmental impacts during the year

Labour Practices and Decent Work		
Employment		
G4-LA1	New employee hires and employee turnover	42
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	36
LABOUR / MANAGEMENT RELATIONS		
G4-LA4	Minimum notice periods regarding operational changes	One month notice period
Occupation Health And Safety		
G4-LA5	Workers representation in formal joint management-worker health and safety committees	46
G4-LA6	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	46-47
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	46-47
Training And Education		
G4-LA9	Average hours of training per year per employee	39-40
G4-LA10	Programs for upgrading employee skills and transition assistance programs	39-40 and 44
G4-LA11	Percentage of employees receiving regular performance and career development reviews	40
Diversity And Equal Opportunity		
G4-LA12	Diversity of governance bodies and employees	39
G4-LA13	Ratio of basic salary and remuneration of women to men	Not considered material
G4-LA14	New suppliers that were screened using social criteria	Not considered material
G4-LA16	Labour Practices grievance mechanisms	No grievance filed about labour practice during year

Human Rights Assessment		
Investment		
G4-HR1	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Not considered material
Non-Discrimination		
G4-HR3	Incidents of discrimination and corrective actions taken	No incidents of discrimination reported during the year
Freedom of Association and Collective Bargaining		
G4-HR4	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not considered material
Child Labour		
G4-HR5	Operations and suppliers at significant risk for incidents of child labour	Not considered material
Forced Or Compulsory Labour		
G4-HR6	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not considered material
Security Practice		
G4-HR7	Security personnel trained in human rights policies or procedures	Not considered material
Rights of Indigenous Peoples		
G4-HR8	Incidents of violations involving rights of indigenous peoples	Not considered material
Supplier Human Rights Assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Not considered material
Human Rights Grievance Mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	Not considered material
LOCAL COMMUNITIES		
G4-SO1	Operations with local community engagement, impact assessments, and development programs	All our units have formal and informal programs through which we engage with indigenous communities. Some of these include monetary and evaluation visits to schools supported by us and regular meetings with local elders/ politicians in our areas of operation. We also ensure that we hire people from localities near our operations, as far as reasonably possible and in line with business requirements

G4-SO2	Operations with significant actual and potential negative impacts on local communities	None of our operations have significant actual and potential negative impact on local communities
Anti-Corruption		
G4-SO3	Operations assessed for risks related to corruption	All of our operations have been assessed for risks related to corruption
G4-SO5	Confirmed incidents of corruption and actions taken	No incidents of corruption occurred during the year
Public Policy		
G4-SO6	Political contributions	Not considered material
Anti-Competitive		
G4-SO7	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not considered material
Socioeconomic Compliance		
G4-SO8	Non-compliance with laws and regulations in the social and economic area	Not considered material
Supplier Assessment for Impacts on Society		
G4-SO9	New suppliers that were screened using social criteria	Not considered material
Grievance Mechanisms for Impacts on Society		
G4-SO11	Grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	No grievances filed about impacts in society during the year
PRODUCT RESPONSIBILITY		
Customer Health and Safety		
G4-PR2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incident of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, occurred during the year
Product Service and Labelling		
G4-PR3	Requirements for product and service information and labelling	69-70
G4-PR4	Incidents of non-compliance concerning product and service information and labelling	No incident of non-compliance with regulations and voluntary codes concerning and services information and labelling occurred during the year
G4-PR5	Results of surveys measuring customer satisfaction	70

Customer Privacy		
G4-PR8	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not considered material
Compliance		
G4-PR9	Non-compliance with laws and regulations in the social and economic area	No fines were imposed for non-compliance with laws and regulations concerning the provision and use of products and services during the year

FEEDBACK FORM

SUSTAINABILITY REPORT 2017

Details of information provided on issues covered in the report.

Comprehensive Adequate Not adequate

Clarity of information provided in the report.

High Medium Low

Quality of design and layout of the report.

Excellent Good Average

Your comments for adding value to the report.

Name: _____

Designation: _____

Organization: _____

Contact Details: _____

Telephone: _____

Please mail your feedback to us at sustainability@crestent.com.pk or mail this form at the following address:

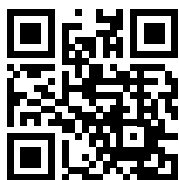
Crescent Steel and Allied Products Limited

9th Floor, SIDCO Avenue Centre,
264 R.A. Lines, Karachi.



CORPORATE WEBSITE

To visit our website, go to www.crescent.com.pk.



FINANCIAL STATEMENTS

For Annual Report for the year ended go to <http://www.crescent.com.pk/annual-report-June-2017>



CORPORATE RESPONSIBILITY REPORT

The complete report can be found on: <http://www.crescent.com.pk/sustainability-report-2017/>



crescent.com.pk

Our planet requires care and nurturing to remain beautiful and sustain life. Let us come together and breathe new life into our world again.