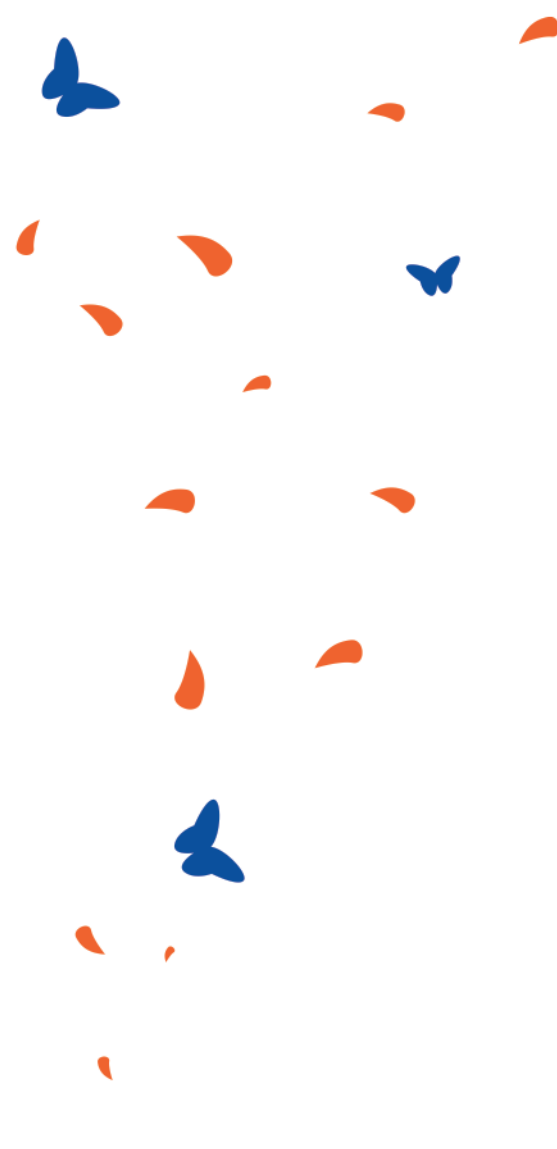




Crescent Steel and
Allied Products Limited



2021
CORPORATE
RESPONSIBILITY
REPORT

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INTRODUCTION

ABOUT THE REPORT

This report, in its eighth year complements our Annual Report 2021 and covers our sustainability performance in detail along with highlights of our financial performance for fiscal year 2021.

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 product offerings and efficiency for our customers, keeping our people motivated and satisfied, practicing 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. We regularly collect key stakeholder feedback, both formally and informally, to determine where we stand and to ensure that we build a sustainable business with lasting positive impacts in all areas of our operations.

SCOPE AND BOUNDRY

We started formally reporting on our corporate responsibility performance in 2013. To do this we developed a reporting manual based on Global Reporting Initiatives reporting guidelines which we augment to remain updated with GRI's latest reporting guidelines and to strengthen our internal and external reporting mechanisms. This report covers the performance of all business operations across five distinct Business Units and two wholly owned subsidiaries.

PERIOD COVERED

The report covers fiscal year 2021; content that describes efforts outside this period is indicated in the respective sections.

FINANCIAL AND NON-FINANCIAL REPORTING

This report complements our Annual Report and covers our non-financial performance in detail along with highlights of our financial performance for fiscal year 2021. Risk and Opportunities that impact our ability to deliver value to stakeholders are covered in detail on page 72 of our Annual Report 2021.

REPORTING FRAMEWORK & DATA COLLECTION

The report has been developed based on the G4 standards of Global Reporting Initiatives (GRI) core option and ICAP's Sustainability Report Evaluation Criteria. Where standards have not been defined, they have been reported on management's best estimates using globally accepted methodologies and assumptions. The report also draws from guidelines of the Integrated Reporting Framework. The report also showcases our contribution to the UN Sustainable Development Goals.

Multiple departments at the Company have contributed towards providing required data for the report which includes Production, Marketing and Sales, Corporate Affairs, QHSE, Finance and Control, Human Resources, and Information Technology. The Sustainability Action Team comprising of representatives from each of our sites in Pakistan is responsible for maintaining data

for reporting. We have developed an online reporting system to capture and consolidate sustainability-related data from all business units and subsidiaries at each monthly close.

All material topics, which are of interest to different stakeholders, and which reflect significant impacts of our activities on economy, environment, and society are included in this report.

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

To ensure accuracy and transparency in reporting, we have engaged our Internal Auditors to have our corporate responsibility reports reviewed, however this remains a pending action to date.

Editorial Policy	Corporate Responsibility Report is a way for us to share information on our sustainability-related activities with stakeholders. This year's report reviews the progress and results achieved in the fiscal year 2021, focusing on the Company's approach and sustainability strategies on the management of economic, social, human and natural capitals.
Organization	Crescent Steel and Allied Products Limited and its subsidiary companies. Significant location of operations is Pakistan with the head office situated in Karachi.
Referenced Reporting Guidelines	This report has been prepared in accordance with the GRI G4 Standards: Core option
Reporting Cycle	Annual; (July 1st 2020 to June 30th 2021)
Reporting Period	Financial year 2021 (July 1st, 2020 to June 30th, 2021)
Date of the Previous Report	Corporate Responsibility Report 2020, issued July 31st, 2021.
Date of Previous Report Audit (Internal/ External)	The Company's Corporate Responsibility Reports have never been audited by a third party and largely follow a self-audit theme.
Point of Contact and Feedback	For queries and clarifications on this report, please contact us at: sustainability@crescent.com.pk or at info@crescent.com.pk
Available Online	The report is available online at http://www.crescent.com.pk/wp-content/uploads/2021/10/CSAPL-CRR-Report-2021.pdf

ABOUT THE COMPANY

VISION, MISSION AND VALUES

Our Vision and Mission statements and Core values are the guiding themes for where we want to be, how we frame our strategy and how we must act as we work achieve our goals:

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 support local communities in areas where we operate

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

Building a better, stronger and more dynamic organization.



CUSTOMER FOCUS

Leveraging relationships for out 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 and contributing towards social equity in communities where we operate.

GROUP STRUCTURE

Our business operations are structured as separate business units within Crescent Steel and as subsidiary units. The Company operates five divisions: Steel and Engineering, Crescent Cotton Products, Investment and Infrastructure Development (IID), CS Energy and Crescent Hadeed.

The Company also has two wholly owned subsidiaries: CS Capital (Private) Limited and Solution de Energy (Private) Limited. CS Capital forms part of the IID Division as a standalone investment holding company while Solution de Energy holds strategic investments in a 100 MW Solar Park project and forms part of the CS Energy division.

Additionally, the Company holds strategic investments in energy through investments in Altern Energy Limited (17.5% minority stake) which translates into investments in energy of 53 MW. As such the Company's aggregate investments in power production, including own source power, stands at 184.5 MW.

A detailed organisation structure is covered separately on Page 26 of our Annual Report 2021.



**Crescent Steel and
Allied Products Limited**

Business Divisions

Steel and Engineering
Crescent Cotton Products
Investments Division (IID)
CS Energy
Crescent Hadeed

Subsidiaries

CS Capital (Private) Limited
Solution de Energy (Private) Limited

Strategic Investments

Shakarganj Limited
Altern Energy Limited
Shakarganj Food Products Limited

LEADERSHIP MESSAGE

A MESSAGE TO OUR STAKEHOLDERS



Being a good corporate citizen is not only the right thing to do, it is critical to the long-term success of our business.

DEAR READERS,

I am pleased to present our 2021 Corporate Responsibility Report. This report is now in its eighth edition since we first started formally reporting on our sustainability performance in 2013, covering eight years. The report supplements our Annual Report 2021 and reflects how the company's core values of safety, health, environment, quality and transparency guide daily activities, and presents the information in perspective, reporting four to five years back in all areas.

Reflecting on Crescent Steel's journey since we last reported on our sustainability performance, I am reminded of our purpose, which drives our decisions and actions when faced with challenges. Our purpose is an important link between our business strategy, how we see ourselves remaining competitive and contributing to the collective journey towards greater economic, environmental and social prosperity.

For all its challenges, the outgoing fiscal year was a pivotal year. During a time of stay-at-home work and social distancing, we were able to reflect on something we have always known: our work contributes towards building important and strategic national infrastructure and helps deliver development to people across Pakistan.

We understand that our industry and Company can have a profound impact on people's lives.

Energy and water security is essential to economic and social development and have a profound impact on lives everywhere. Planned projects to augment the country's pipeline infrastructure - particularly for the transportation of imported fuels - and much-needed water and sanitation projects are therefore, material for both, our business as well as for sustained growth and development in Pakistan.

Incorporated in 1983, we commenced commercial production in 1987 with an API licensed line pipe manufacturing unit about 100 KM from Karachi, in Nooriabad. Today, we operate four independent business units in the engineering, textile, power and capital markets sectors. Our strategic thrust, however, remains in the engineering sector.

Our flagship operations manufacture and coat large diameter steel line pipes, used for hydrocarbons transportation in the energy cycle. Pipes transport oil and gas, safely across rivers and mountains, through towns and villages. Communities and the environment rely on long-term integrity of pipelines, to ensure their well-being. Large diameter steel pipes are also used

for transportation of water and wastewater systems, and for piling in the construction of ports, jetties and buildings.

During the year we supplied 183.58 Km aggregating 15,400 tons of high quality bare and coated line pipes and applied line pipe coatings of 22,587 square meters at a capacity utilization¹ of 26% and 4.32%, respectively.

These pipes will be laid as part of energy infrastructure augmentation projects, to alleviate supply shortfalls in the region. Growth in company sales is almost double over the last year in the steel pipe segments due to post COVID project accelerations. We are monitoring all projects closely as they remain material for our business and are also of national strategic importance.

Over the last few years, demand for line pipes remained low as planned projects for the supply of imported RLNG and national infrastructure augmentation were put on hold. Given current circumstances and the stresses in the energy sector, we expect some of this demand to trickle through over FY 23-24 triggering demand about 600 Kms in line pipe demand in the medium term.

Our business line in secondary steel manufacturing, operating as an independent business unit Crescent Hadeed, manufactures high quality steel billets by processing steel scrap through induction melting and continuous casting process. Our billets are used as inputs by steel re-rolling operations to produce a range of steel construction products. We feel there is ample room for growth in this sector as Pakistan's per capita consumption of steel ~ 49 Kgs is way lower than the world average and regional peers. Pakistan's annual Steel consumption is however around ~11 million metric tons as against a gross production of ~3.8 million metric tons. Pakistan is an importer of raw iron and steel scrap – the primary raw materials used in steel production. Steel is critical for industrial progress, infrastructure development, and construction-related projects in a developing country like Pakistan.

Our billet manufacturing unit has a planned capacity of 85,000 tons per annum; during the year the unit manufactured 20,950 tons and sold 20,935 tonnes of high-quality steel billets for use in the construction segment- plant capacity utilization for the year stood at 24%.

¹Based on notional pipe sizes

Our successes mean a durable and sustainable, energy and water infrastructure for Pakistan and sustainable indigenous sources of steel raw material. From our earliest beginnings, 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 employees.

Adjacent to this unit is a 15MW co-generation, thermal generation power plant. The unit also has a 16.5 MW condensing and extraction turbine to process steam during off-season periods to ensure uninterrupted supply to Crescent Hadeed Division throughout the year.

The generation plant uses bagasse in the combustion process to produce power and process steam. During the year, the unit produced and sold 27,031 MW of energy, of which 13,971 MW was supplied to Crescent Hadeed and, 206,030 Tons of steam of which 35,760 tons was reused to generate additional power of 1.32 MW. The division also holds investments in a 100 MW solar park through a wholly-owned subsidiary Solution de Energy (Private) Limited. The project aims to 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 is in the phase of completing the requirements specified in LOI. Further, the Company has been allocated Land from PPDB. The interconnectivity study report was vetted and approved by National Transmission & Dispatch Company (NTDC). During the current year, the Company has been granted electricity generation license from National Electric Power Regulatory Authority (NEPRA) for its 100MW Solar Power Plant.

Today our engineering segment businesses cater to local demand for steel line pipes and steel long products; both of which are imported as final products to meet local demand-supply gaps.

We also operate a cotton spinning unit that produces high quality yarn for supply for the manufacture of textile. Our spinning operations produced 5,633.168 tonnes of yarn at a capacity utilization of 97.48% during FY21.

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

Through our portfolio management division, we remain active investors in Pakistan capital markets through a portfolio of strategic (long term) as well as trading (medium term) investments primarily concentrated in Pakistan equities. The division includes a wholly owned subsidiary, CS Capital (Private) Limited. Our investment portfolio provided Rs. 1.6 billion in working capital support (both through investment income and access to debt capital) to our core operations. During the year the unit contributed Rs. 739.43 million to the Company PAT and 93% to the EPS of Rs.10.19.

On a consolidated basis our balance sheet footing is Rs. 10,778 million and the Book Value of the Company stands at Rs.76.91 - a 34-year CAGR of 7%. During the fiscal year 2021, the Company posted aggregate revenue of Rs. 9.43 billion, of which Rs. 3.3 billion constitute payments to suppliers. Rs. 13.2 million were donated towards various causes that we support. Of the community investments we made, 81% constitute support for causes working towards an educated Pakistan. Rs. 1.5 billion were paid in taxes and levies to the national exchequer while Rs. 6.2 billion constitute payments to lenders. We posted a profit after tax of Rs. 791 million as on June 30th 2021.

We employ a diverse workforce with varying skill sets across 6 locations; on average we had 765 people in employment during the outgoing fiscal year, receiving compensation and benefits of Rs. 457 million during the year.

As a long-term industrial concern, our values are rooted in sustainable principles. Since we opened our first mill in Nooriabad in the 1980s, to the start-up of our state-of-the-art steel meltshop in Bhone in 2016, and all our acquisitions and expansions during this time, we have grown with the communities where we work and live, have remained invested in the overall wellbeing of Pakistan, minimizing our environmental footprint and being a reliable partner for suppliers and customers.

I am proud that our entire leadership team displays an unwavering commitment to ethical business practices that are insisted upon from managers and the leadership team. Our Core Values and Governing Principles articulate our collective belief that all aspects of our Company's business should be conducted based on standards of honesty, openness, fair play, and decency. These principles were adopted before any Code of Corporate Governance was mandated on a publicly listed Company and before the Company was listed in 1987. They still serve as Crescent Steel's North Star, informing our thinking, behaviors, and expectations around doing what is right and responsible for our business and for all Crescent Steel stakeholders.

This demands the highest ethical standards, a culture of care embodied by safety first, a commitment to environmental stewardship, strong relationships with all our stakeholders, and the discipline and focus to stay the course in good times and bad. At Crescent Steel, we are proud of what we have been able to accomplish over the last 35+ years, and we look forward to the opportunities in front of us to continue to make a lasting difference.



AHSAN M. SALEEM

Managing Director and Chief Executive Officer

YEAR AT A GLANCE

Today's accomplishments for a better future

Turnover	EBITDA Margin	Profit After Tax (PAT)		
9,431 (PKR in million)	18.7%	351.9 (PKR in million)		
Bare Pipe Production	Line Pipe Production	Steel Billets Production	Yarn	Energy
15,400 t	30,528 meters	20,950 t	5,633.17 t	97,312 GJ
Total Sales	GHG Emissions Intensity	Customer Satisfaction Level (Steel) (Out of 100)	Employee Satisfaction Index (Out of 5)	Water recycled /reused
7,259.3 (PKR in million)	0.00018 MT CO ₂ /MT	94%	3.69	7.90%

* All figures are on an Unconsolidated/Consolidated basis as on 30 June 2021

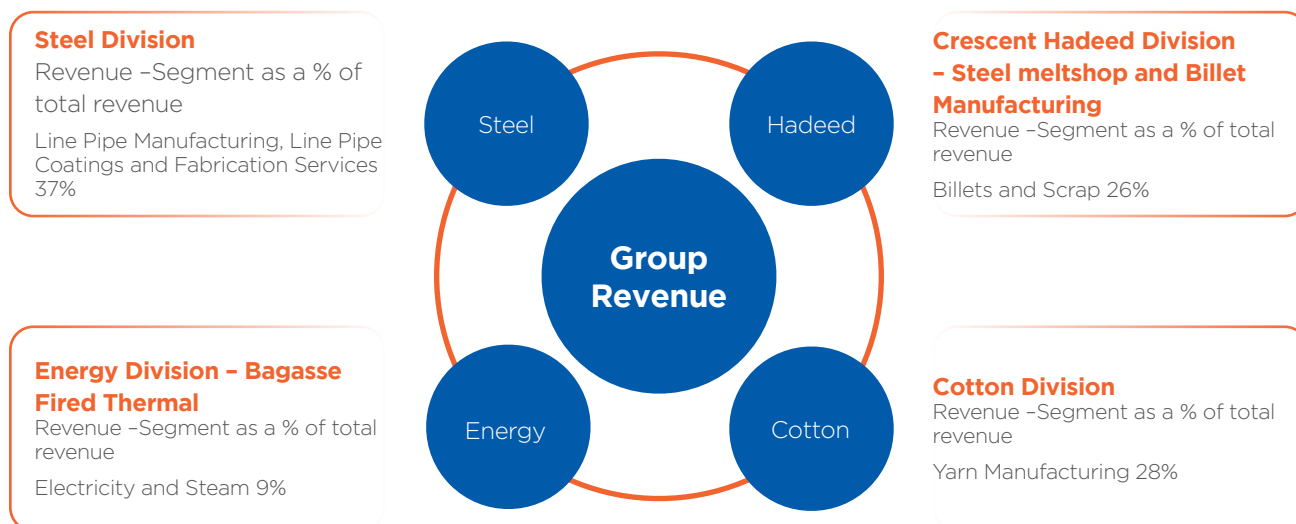
OWNERSHIP STRUCTURE



- 57% Directors, Chief Executive office, Their Spouses and minor Children
- 2% Associated Companies, Undertakings & Related Parties
- 21% National Investment (Unit) Trust / Mutual Funds and Modarabas
- 3% Banks, DFIs, NBFCs and Insurance Companies
- 17% Other Companies (Local and Foreign)

Principal activities and revenue streams

Total Revenue
In Rs. **7,259** millions



OUR BUSINESS

The success and growth of our business benefits all along the value chain: the government, our suppliers, our customers, their customers, service providers, utilities, infrastructure owners, investors, and more.

Crescent Steel incorporated in 1983 as a steel line pipe manufacturing business, today is a conglomerate listed on the Pakistan Stock Exchange with diversified business units operating in four defined sectors; engineering, textiles, capital markets, and power. The Company's operations are spread across six campuses in Sindh and Punjab with headquarters in Karachi and a liaison office in Lahore.

STEEL DIVISION

The Steel Division operates three plants across two campuses, a Pipe Manufacturing and Coating Plant in Nooriabad, Sindh and, a Machinery Fabrication Plant (Shakarganj Engineering) in Dalawal, Punjab. The pipe plant operates two Spiral Pipe (SP) production lines, specializing in large diameter spiral submerged arc welded steel line pipes. The Coating Plant applies flow efficient and anti-corrosion, external and internal pipe coatings on steel line pipes. The unit is also capable of applying weight coatings. Shakarganj Engineering fabricates machinery and equipment for the Sugar, Cement, Power and Steel industries.

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

LINE PIPE MANUFACTURING

The Spiral Pipe Plant has the capability of manufacturing high-quality steel pipes in the diameter range of 8 inch -120 inches (219 mm - 3,048 mm) with wall thickness from up to 25 mm and material grades up to API 5L X-100. The unit's pipe production capacity is 200,000 metric tonnes per annum.

The notional annual capacity for production based on a single shift of eight hours is 66,700 tonnes. Both plants are capable of operating for 24 hours at an annual plant capacity of 200,000 tonnes per annum. The notional pipe size is taken as diameter size of 30 inches with 12 inch thickness for SP-1600 and diameter of 40 inches with 58 inch thickness for SP-2003.

The actual production achieved during the year was 15,400 tonnes [FY20: 7,965 tonnes] line pipes of varied sizes and thickness, in 323 extended shifts i.e. total production of 3,879 hours. Actual production is equivalent to 52,113 tonnes [FY20: 34,527 tonnes] when translated to the notional pipe sizes.

Hot-rolled coils (HRC) are processed and converted into Submerged Arc Welded Helical Seam Line Pipes. If required, internal and/or external coatings of high-density polyethylene are 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

Crescent Steel is one of the first in the country to introduce anti-corrosion and flow efficiency internal and external pipe coatings. The coating plant was added to the unit in 1992 enhancing our product and offering.

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.

We can coat steel pipes ranging from 4 inches - 60 inches (114 mm - 1,524 mm), tape coatings on pipe diameter above 60 inches (1,524 mm) and internal epoxy coatings on diameters ranging from 8 - 60 inches (219 mm - 1,524 mm).

The annual notional capacity of the plant works out to 600,000 square meters based on 14-inch diameter pipes operating single ten hour shifts. We coated 30,528 meters [FY20: 128,416 meters] of different pipes. 22,587 square meters surface area [FY20: 88,647 square meters surface area] was achieved during the year over 230 hours of production, translating into a capacity utilisation of 4.32%.

ENGINEERING UNIT

The Engineering Unit established in 2005 was acquired by Crescent Steel in 2009 from Shakarganj Limited. The unit is located in Dalowal, Punjab.

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.

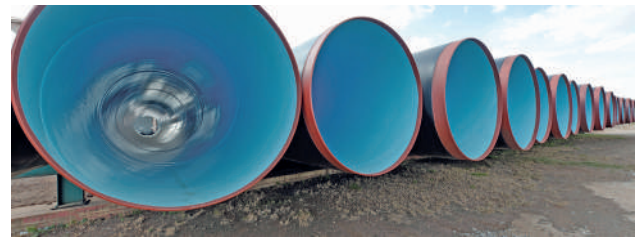
This unit was leveraged in the commissioning of our steel melting and billet manufacturing unit and supplied key infrastructure and equipment to the plant including the fabricated components of the continuous casting machine, overhead cranes, vibro-feeders and furnace hoods.

The Unit continues to provide critical machinery to the sugar sector and high-frequency transformer tanks to Pak Elektron Limited (PEL) in the power sector. Our engineering product offering and, fabrication capability includes:

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.

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

**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.

**CRESCENT HADEED
DIVISION – BILLET
MANUFACTURING UNIT**

The unit manufactures G-40 and G-60 steel billets in ASTM 615 standards specifications, through a steel induction melting and continuous casting process.

The plant operates in two shifts with an annual production capacity of 85,000 metric tonnes in various widths and a standard length of 6 meters.

The Company manufactured 20,950 metric tonnes [FY20: 10,894 metric tonnes] of billets. Owing to power

constraints, the unit operated only for about four months on self-generated (inter division) power supply that was only available during sugar cane crushing season. Production was suspended for rest period of eight months because of no alternative power supply arrangements.

Re-rolling mills use our billets to manufacture reinforced steel bars, angles, channels, sections, and other steel products for use in the construction and engineering sectors. The unit was set up with the mission to provide high-quality, sustainable steel construction materials for national infrastructure development requirements.

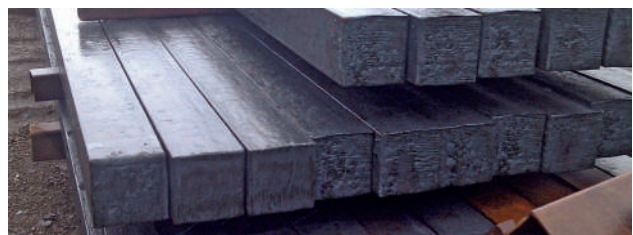
**SUPPLY CHAIN
INDUSTRIAL EQUIPMENT**



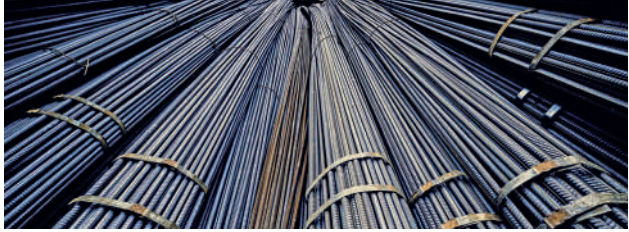
Steel scrap and alloys are imported/procured locally for melting and processing



Secure reliable power sourced from CS Energy



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



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



Rebar/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, Punjab.

The unit has 19,680 spindles and a production capacity of 385 bags per day; specializing in producing high-quality cotton/synthetic and blended carded yarn equipped with Slub, Siro and Compact attachments.

SUPPLY CHAIN COTTON YARN



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

The unit is equipped with modern high-tech European and Japanese machinery ensuring high-quality yarn processing, in counts from 10s to 31s.

The unit is registered with Ministry of Textile Industry Pakistan and is a member of All Pakistan Textile Mills Association (APTMA).

The plant capacity converted to 20s count polyester cotton yarn based on three 8-hour shifts per day, for 1,092 shifts is 9,197,007 kilogram. Actual production converted into 20s count was 8,790,199 kilograms for 1,092 shifts [FY20: 7,190,635 kilograms for 921 shifts].

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 and purchase synthetic polyester staple fibre (PSF) from local and foreign producers. 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 including Indonesia, China, and India or purchased from local producers and stockists.

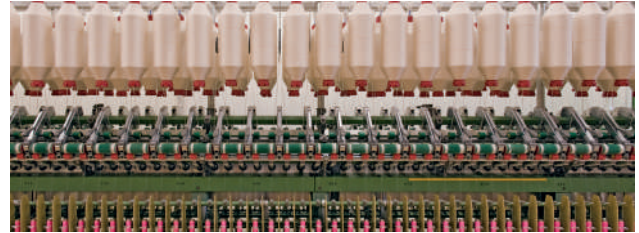
The yarn we produce at Crescent Cotton Products is sold to fabric Manufacturers who weave or knit the yarn into the fabric and sell it for further processing to garment manufacturers.



Ginner separates 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



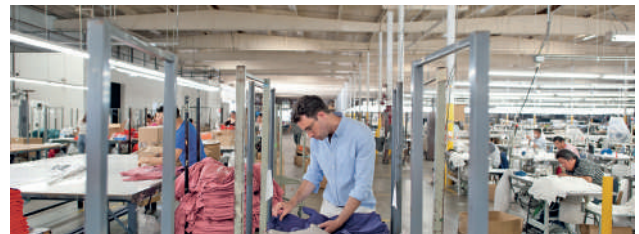
Yarn is sold to weaving and knitting units that convert yarn into fabric



Fabric is dyed or printed for finishing



Crescent Cotton Products purchases fabric for onward exports to garments manufacturers



Garment manufacturers design and manufacture the fabric into finished product



Retailers / whole sellers sell garments



Consumers use final product

INVESTMENT AND INFRASTRUCTURE DEVELOPMENT DIVISION

The Investment and Infrastructure Development Division manages the investment portfolios of stocks, securities, real estate and, commodity investments. The division also operates a wholly owned subsidiary incorporated in 2011, CS Capital (Private) Limited.

The portfolio is balanced and spreads risk over a diversified spectrum and offers the 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 and dividend income to support the working capital requirements of our business. In periods of liquidity stress the trading portfolio offers us the buffer to meet short term obligations through debt financing or liquidation of investments as well.

During the period under review, the division and the subsidiary together provided PKR 1,861 million [FY20: PKR 1,872 million] in working capital support to the group through the pledge of shares. In addition to this the Crescent Steel portfolio aided the Group cash flow requirements by generating PKR 92.4 million [FY20: PKR 449.4 million] by way of divestments and dividend income.

CS ENERGY - ENERGY DIVISION

The primary function of this unit is to provide generate and supply electricity for own source consumption and to customers and distribution companies, as permitted. Initially equipped with a 15 MW co-generation, thermal generation power plant at Bhone, Punjab, the Unit commenced commercial operations in December 2014. The Unit also employs a 16.5 MW condensing and extraction turbine to process steam during off-season periods to ensure uninterrupted supply to our billet manufacturing unit throughout the year. The thermal co-gen plant uses bagasse in the combustion process to produce power and process steam.

Bagasse, a by-product of sugar cane processing, is an alternate and renewable source of power. CS Energy purchases bagasse and uses it as a fuel to generate electricity and steam. The condensing turbine processes surplus steam to generate energy. During the year 106,485 tonnes of bagasse [FY20: 70,156 tonnes], 213,589 tonnes of water [FY20: 136,633 tonnes] and 206,030 tonnes of Steam [FY20: 131,851] were used for the generation of 27,031 MWh of renewable power [FY20: 16,341 MWh] of which 13,971 MWh [FY20: 7,360 MWh] was supplied to

Crescent Hadeed, and 12,236 MWh [FY20: 8,830] was supplied to to Shakarganj Limited-Bhone , while 170,270 tonnes [FY20: 125,707 tonnes] of low-pressure steam was also supplied to Shakarganj Limited - Bhone.

SUPPLY CHAIN ENERGY



Sugarcane grown and harvested by local farmers



Sugar mills procure and process sugarcane



Bagasse is produced as a by-product



Sugarcane grown and harvested by local CS Energy buys bagasse and produces electricity and steamfarmers



Sugarcane grown and harvested by local farmers

SOLAR ENERGY INVESTMENTS

Solution de Energy which was a fully owned subsidiary of CS Energy (Private) Limited, is now a fully owned subsidiary of CSAPL, post amalgamation of CS Energy (Private) Limited and CSAPL.

The project aims to 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 is in the phase of completing the requirements specified in LOI. Further, the Company has been allocated Land from PPDB. The interconnectivity study report was vetted and approved by National Transmission & Dispatch Company (NTDC). The Company has been granted electricity generation license from National Electric Power Regulatory Authority (NEPRA) for its 100MW Solar Power Plant.

THE CAPITALS AND VALUE CREATION

We strive to develop a sustainable value chain by maximizing outputs from all forms of capital we deploy in our business process

At Crescent, we look at everything through the lens of value creation because it strengthens our financial well-being and competitive positioning. We use the capitals at our disposal to deliver sustainable performance and augment value for all stakeholders. In addition to the economic value we generate, it captures our inputs, outputs and impacts across the value chain which includes our suppliers, employees, the community at large and the environment.

For a detailed business model that illustrates how we leverage our capitals for value creation please refer to page 20.

THE CAPITALS

Guided by the International Integrated Reporting Framework, we use the following forms of capitals to assess our position in industry, map the value creation in our business cycle and, the sustainability of our business operations.

SIX CAPITALS OF VALUE CREATION AND SUSTAINABILITY



FINANCIAL CAPITAL Generating Funds

We generated our financial capital from current business operations and through financing from lending partners to support our working capital needs and to finance growth and investments in other forms of capital.



MANUFACTURED CAPITAL Leveraging Infrastructure To Ensure Quality Delivery

We continuously invest in our production units, our corporate offices and operational processes to ensure operational safety, reliability and, to grow responsibly.



HUMAN CAPITAL Our Differentiator Strengthening Skill

Our people are at the heart of our organization. We invest in skills development, collective knowledge, training, and organization health to drive performance excellence. Our operating ethos is focused on the safety, health, fair pay, competency enhancement and overall well-being of our employees.



SOCIAL AND RELATIONSHIP CAPITAL Our Legacy As A Responsible Corporate Citizen

Building social and relationship capital is a critical and strategic management driven initiative that gives us the license to operate as responsible corporate citizens. We believe in building long-term high impact relationships with stakeholders and ensure the impact of our operations is minimized in communities where we operate, that we remain fully compliant with all applicable regulations, treat people fairly, are transparent in how we work and actively invest in causes we support.



INTELLECTUAL CAPITAL

Knowledge-Based Intangibles That Make Us Competitive

We have a strong culture guided by our values that fosters learning and values performance. Our management and information systems are robust and, we gather and incorporate regular feedback from stakeholders in striving to become better.



NATURAL CAPITAL

Voluntary Commitment For Environmental Stewardship

We use raw materials, water, energy, waste and track of our contributions to GHG emissions. We also seek to minimize the environmental impacts of our operations, such as discharge of emissions, wastewater and effluents. We also actively advocate for environmental protection and care.

OUR APPROACH TO VALUE CREATION

As a conglomerate with businesses diversified into four defined sectors; engineering, textiles, capital markets, and power, we are committed to offering quality products and providing equal employment opportunities that contribute to sustainable economic and social value.

DRIVERS FOR SUSTAINABLE VALUE CREATION

Our business model is structurally strong; we focus on operational quality and strive to create value by maintaining our leadership position, through innovation in production and processes, by leveraging the technical expertise of our people and the diversity of our portfolio of businesses. We have a strong corporate culture that underpins a strong commitment to the wellbeing of our people and the environment, institutional learning and continuous improvement through best practice benchmarking, knowledge sharing and technology. Our position as responsible corporate citizens with demonstrated ability to deliver consistent returns and a strong balance sheet strengthens our access to capital and to markets.

CREATING VALUE FOR SUSTAINABLE DEVELOPMENT

By managing our capitals and creating value, we contribute to the United Nations Sustainable Development Goals (UN SDGs).

As a responsible citizen, we map major contribution to the following SDGs, with particular focus on SDG 4, 8 and 12.



Capitals Engaged

Financial Capital

Owner's Equity	Rs.7,968 million
Net Worth	Rs.7,968 million
Long-term Debt	Rs. 202 million

Manufactured Capital

5 Manufacturing Facilities	Capacity
2HSAW Steel Pipe manufacturing lines	200,000 Tonnes (Notional)
Coating Plant	600,000 square meters (Notional)
Billet Manufacturing Plant and Steel Meltshop	85,000 tonnes
Yarn Spinning Unit	19,680 spindles
Power Plant	15MW (Co-generation, thermal generation power plant) 16.5MW (condensing and extraction turbine)
1 Container Yard	2 Offices

Intellectual Capital

Systems and Processes	Strong management systems, detailed procedures and a strong Internal Audit function
Tacit Knowledge and Knowledge Sharing	strong knowledge base, legacy staff, sharing personal and professional experiences
Brand Value and Reputation	Customer focus, reliability and product quality
Company Culture and values	Workplace environment, strong performance culture, open door policy, high levels of employee engagement and focus on core values in day to day work
Corporate Governance	Transparency, focus on corporate governance beyond regulatory requirements
Strategies	Ability to position ourselves in industry, strong management team

Social and Relationship Capital

Collaborative Partnership	<ul style="list-style-type: none"> - The Citizens Foundation - Indus Hospital - World Wide Fund WWF - The Health Foundation - Citizens Police Liaison Committee - Shaukat Khanum Memorial Cancer Hospital and Research Centre - Pakistan Centre for Philanthropy - COMMECS Institute of Business and Emerging Sciences - Deaf Reach - Sindh Institute of Urology and Transplantation - Layton Rahmatullah Benevolent Trust - The Robin Hood Army
Strong Customer and Industry Partnership	<ul style="list-style-type: none"> - Annual Voice of Customer Survey - Regular engagement with EDB - NSAC and other industry bodies - Strong partnership with EFP
Engagement with Govt and Regulators	<ul style="list-style-type: none"> - Full compliance towards all legal and regulatory asks - Strong engagement with SECP - Engagement with relevant ministries and government bodies when needed

Natural Capital

Energy and Fuel through Conventional and Renewable Resources	<ul style="list-style-type: none"> - National Grid - Bagasse - Gas - Solar
Energy Efficiency	<ul style="list-style-type: none"> - Energy efficient machinery, motors and electronics (including inverter HVAC and LED lighting) - Natural lighting interventions for conservation
Water	<ul style="list-style-type: none"> - Water treatment before discharge - Reusing water where possible - Sources include groundwater and municipal supply

OUR BUSINESS MODEL

BUSINESS CONTEXT

EXTERNAL VARIABLES IMPACTING VALUE

- Exchange rate volatility: PKR/USD
- 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 (raw material) and Political instability

OUR MATERIAL RISKS

- Rupee devaluation
- Increase in raw material costs
- Disruptions in planned infrastructure projects
- Geo political instability



MARKETING AND SALES

- Relationship Management
- Participation in tenders
- Demand Planning
- Development and needs assessment



PROCUREMENT

- Raw Material Imports
- Inbound Logistics
- Relationship Management
- Demand Planning

OUR PROFIT BLUEPRINT

REVENUES

- Sales of bare and coated line pipes
- Coating of customer supplied line pipes
- Sales of cotton and synthetic yarns
- Sale of power and steam to steel melt shop and utilities
- Sale of billets to rolling mills
- Portfolio gains and returns from strategic investments
- Rental income

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 business operates five divisions in four distinct industry segments. The flagship unit manufactures and coats steel line pipes primarily for Oil and Gas transmission and as a result sales in this segment are subject to volatility in line with the pace of development projects - our businesses in other areas provide us buffer to periods of low business in our flagship operations

OUR PRODUCTS AND OUTPUTS (PAGE REF 12-18)



Spiral Welded Line Pipes and Line Pipe Coatings
Sectors Served: Oil, gas, (transmission) energy, water and sanitation



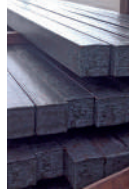
Sectors served: Engineering Steel remelting units



Quality Assurance Laboratory
Outputs: Quality Reduced turn around times



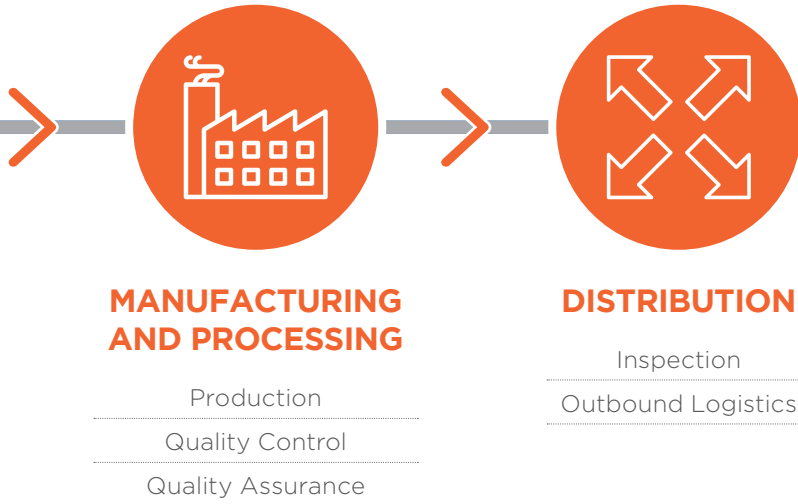
Bio energy/ Renewable energy
Sectors Served: Manufacturing units



Steel Billets and Ancillary Waste
Sectors served: Engineering, Steel Product manufacturers, metal recycling and construction



PV and PC Yarn
Sectors served: Textile



CUSTOMER

- Reliable partner for quality line pipes and line pipe coatings for the oil, gas and water transportation segments
- Supply of quality polyester cotton yarn to weaving and knitting units
- Supply of energy and steam to businesses including our own units
- Supply of quality steel billets for re-rolling/rebars
- Active investor in Pakistan

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
- Employee Engagement

SOCIETAL

- Contributing towards development through the supply of quality line pipes for energy and water infrastructure projects, billets for construction materials.
- Supporting healthcare access
- Advocating for environmental protection, conservation and climate action

Capitals Engaged

Impacts and Outcomes

Financial Capital

- Delivering sustainable returns
- 10 Year ROE: 9.44%
- 3,250 million wealth distributed
- Turnover: Rs. 7,259.3 million
- EBITDA 18.7%
- Supplier payments: Rs. 6,181 million
- Finance Costs: Rs. 213.4 million
- Income from Investments: Rs. 356.3 million
- PBT: Rs. 925.5 million

Manufactured Capital

- Generating long term returns through investments in plant, machinery and equipment to maintain and enhance capacity and quality of output
- Bare Pipes produced: 15,400 tonnes at capacity utilisation of 26% and 184 KM of quality line pipes delivered to customers
 - Coating application: 22,587 sq meter at capacity utilisation of 4.32%
 - 390 units of various machinery and related fabrication
 - Billets produced: 20,950 tonnes at capacity utilisation of 24%
 - 5,633.168 tonnes of KG Yarn produced at capacity utilisation of 97.48%
 - 26,207 MW Electricity Generation plant's installed production capacity 118,856 MWh

Natural Capital

- Protecting the environment through reduced impacts
- Our manufacturing operations produce air and other pollutants including waste which may lead to negative environmental impacts. Similarly energy is consumed in the sourcing, manufacturing and delivery of goods - we seek to reduce our impacts and have:
- Installed energy efficient machinery and equipment
 - Installed air pollution controls
 - Reliable captive generation through renewable resources including solar 35.48 MW
 - Reused 9.50 M litres of water
 - Generated 27,031 MW of renewable power from 106,485 tonnes of bagasse, 213,589 tonnes of water and 35,760 tonnes of steam
 - Generated 113,103 GJ of sown source power
 - Planted 4,700+ trees and mangroves saplings
 - Installed 25 MW of solar power capacity

Human Capital

- 16% female representation across our corporate offices
- Paid Rs 457 m in salaries and wages, 33% of PBT
- Provided 739 hours of training to enhance workforce skills
- A thriving culture for our people
- Generating value through skilled, motivated and well cared for employees; ensuring fair labor practices
- A safe working environment and conducive human resource management and compensation policies.
- Investing in targeted training and development for technical and management personnel

Social and Relationship Capital

- Creating value for the communities we operate in through investments in education, health and the environment
- Spent Rs 13.2 m in donations to causes we support
 - 15,000ml blood donated
 - 981 hours of volunteering time contributed by employees
 - 11 community partners engaged during the year
 - Continued to support an educated Pakistan by supporting 1,636 TCF students and providing 5 higher education scholarships for TCF grads and children of our employees.
 - 100% vaccination rate among employees for COVID - 19
 - 8,701 people vaccinated against/treated for Hepatitis

- Maintaining positive and productive relationships with employees, suppliers, shareholders and other stakeholders
- Employee Satisfaction Score: 3.69
 - Customer Satisfaction Score: 94%
 - Key Suppliers Evaluated: 100%

Intellectual Capital

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

AN OVERVIEW OF OUR PERFORMANCE OVER THE YEARS

AN OVERVIEW OF TWENTY TWENTY-ONE



ECONOMIC

2021

- EPS: Rs. 10.19
- ROE: 9.9%
- Total sales of Rs. 7,259 million with a gross profit margin of 6.8%
- Profit before taxation, Rs. 925 million with a margin of 12.7%
- Taxes of Rs.134 million, 14.5 % of PBT Income from investments Rs.356.38 million and ROI on weighted average investments is 31.35%
- Remuneration to employees constitutes 6.3 % of revenues
- Goods and services purchased constitutes 85% of Sales
- 183,576 km of quality line pipes supplied on time, for national energy infrastructure projects

2020

- LPS: Rs. 0.26
- ROE: (0.3)%
- Total sales of Rs. 3,822 million with a gross loss margin of 1.3%
- Loss before taxation, Rs. 283 million with a margin of (7.4)%
- Taxes of Rs.263 million, 6.9 % of sales
- Income from investments Rs. 62.13 million and ROI on weighted average investments is 5.13%
- Remuneration to employees constitutes 11.1 % of revenue
- Goods and services purchased constitutes 81% of Sales
- 126.854km of quality line pipes supplied on time, for national energy infrastructure projects



PEOPLE

2021

- 5 students supported through tertiary education sponsorships in Pakistan
- 981 hours volunteered
- 765 employees across locations where we operate
- 18% employees in formal training programs; average training of 0.96 hours per employee across all tiers
- 344+ local, 64+ foreign contractors, service providers and suppliers engaged

2020

- 778 employees across locations in which we operate
- 18.9% employees in formal training programs; average training of 0.93 hours per employee across all tiers
- 313+ local 49+ foreign contractors /service providers



COMMUNITY

2021

- Rs. 10.66 million donated to support causes working in education during the year
- Rs. 13.21 million in community investments, an increase of 712% from the prior year
- 15,000 ml of blood collected from donors during the year. 30 employees participated in blood drive held at the Head Office

2020

- 11 students supported through tertiary sponsorships in Pakistan and abroad
- 907 hours volunteered
- Rs. 1.07 million gifted to support good causes in education during the year
- Rs. 1.6 million in community investments, a decrease of 35% from the prior year 15,000 ml of blood collected from donors during the year. 30 employees participated in blood drives held at the Head Office and our campus in Nooriabad

- Rs. 342.5 million donated to support The Citizens Foundation educate Pakistan since 1995 at an average of Rs. 13.1 million per year. This translates to an average 2.50% of PBT for the period.
- ROE over 10 years is 9.9%
- Sales growth of 6.29% over the last 10 years
- Contributed 28% to the national gas transmission network over the last 35 years
- 30,000+ trees planted since 2008, reducing 179 tonnes of CO₂ which is equivalent to burning approximately 24,000 gallons of gasoline



ENVIRONMENT

2021

- Energy consumption:(GJ) 226,277;
Self-generated:(GJ) 113,103
National grid: (GJ) 113,174
- Energy Supplied outside the business: (GJ) 44,051
- GHG emission increased by 2,196 tonnes of CO₂
- 4,704 trees planted to reduce our carbon footprint by 28 tons annually

2020

- Energy consumption: (GJ) 159,970;
Self-generated:(GJ) 79,998
National grid: (GJ) 79,972
- Energy Supplied outside the business: (GJ) 31,788
- GHG emission decreased by 4,766 tonnes of CO₂
- 325 trees planted to reduce our carbon footprint by 2 tons annually



RECOGNITION

2021

- Our Company was ranked first in the category of Diversified Holdings by South Asian Federation of Accountants (SAFA) under the 'Best Presented Annual Report Awards' for 2019.
- The Annual Report of the Company for the year 2019 secured a certificate of merit in the Engineering and Autos
- The Annual Report of the Company for the year 2020 secured a certificate of merit in the Engineering and Autos Sector

2020

- Awarded with a certificate of merit for the Best Corporate Report 2019 in the Engineering and Autos Sector.
- Ranked first in the Diversified Holdings Sector by SAFA under the Best Presented Annual Report Awards for 2019



MEMBERSHIP OF ASSOCIATIONS

- Pakistan Centre for Philanthropy
- Management Association of Pakistan
- Pakistan Engineering Council
- Pakistan Steel Line Pipe Industry Association
- International Cotton Association Limited
- Employer's Federation of Pakistan
- Pakistan Steel Melters Association
- The Federation of Pakistan Chambers of Commerce & Industry
- Karachi Chamber of Commerce and Industry
- All Pakistan Textiles Mills Associations
- Pakistan Institute of Corporate Governance



EXTERNAL INITIATIVES

- API Specification Q1 and API 5L
- ISO 9001:2015, 14001:2015 , ISO 45001:2018
- GRI's Framework

AWARDS AND ACCOLADES

ICAP AND ICMAP BEST CORPORATE REPORT AWARD 2020

The Annual Report of the Company for the fiscal year 2020 secured a certificate of merit in the Engineering and Autos Sector.

SOUTH ASIAN FEDERATION OF ACCOUNTANTS: ANNUAL REPORT AWARDS 2019

Our Company was ranked first in the Diversified Holdings Sector by SAFA under the Best Presented Annual Report Awards for fiscal year 2019.

ICAP AND ICMAP BEST CORPORATE REPORT AWARD 2019

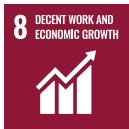
The Annual Report of the Company for the fiscal year 2019 secured a certificate of merit in the Engineering and Autos Sector.



REPORTING ON ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

ECONOMIC VALUE CREATION

Pakistan is a young country and offers a range of opportunities to leverage national resources and develop products to serve the needs of a growing nation. The operations and impact of the businesses we operate extend across Pakistan. Our products serve public sector organizations and the industry at large, enabling them to provide goods and services to end consumers across Pakistan. We have diversified our business portfolio to address the needs of the future - we believe in delivering sustainable value through all our operations and strive to ensure that our sustainability and business strategies are aligned. We believe that the engineering sector will remain an engine for economic growth in Pakistan and our aim is to develop a solid engineering sector portfolio. We are continuously seeking out opportunities to invest in new technologies to expand the footprint of all our businesses.



The boundaries of economic value generation and distribution are restricted to the organization itself, internally and to the government and society at large, externally. It is our belief that the objective of healthy economic performance is not restricted to benefiting the organization but extends across the value chain to contribute to the collective wellbeing of the economy and society.

We ensure the sustainable and responsible management of our business through compliance with all obligations imposed on us as well as those we choose to impose on ourselves.

Our revenues were Rs 9.43 billion [FY20: Rs. 4.74 billion] of which Rs. 6.2 billion [FY20: Rs. 3 billion] constitute payments to suppliers; a value addition of 35% or Rs. 3.3 billion [FY20: 35% or Rs.1.6 billion]

During the year, from the Steel Division and Engineering unit operations we produced 15,400 tonnes of steel pipes [FY20: 7,965 tonnes], applied 30,528 meters of line pipe coatings [FY20: 128,416 meters] and fabricated and sold 390 units of machinery and other equipment [FY20: 568 units]

The Cotton Division purchased 3,285.17 tonnes of cotton and 3,321.35 tonnes polyester [FY20: 2,009.95 tonnes Cotton and 2,990.39 tonnes Polyester] and produced 5,633.17 tonnes of yarn in FY21 [FY20: 4527.74 tonnes].

Through CS Energy we generated 97,312 GJ [FY20: 58,828 GJ] and sold 94,347 GJ of power in [FY20: 58,282 GJ]. As a byproduct of power generation, we produced 206,030 tonnes of steam [FY20: 131,851 tonnes] of which we sold 170,270 tonnes [FY20: 125,707 tonnes], and reused the remainder in the power generation process through a condensing turbine.

Crescent Hadeed manufactured 20,950 tonnes [FY20: 10,894 tonnes] and sold 20,935 tonnes [FY20: 10,894 tonnes] of steel billets during the reporting period.

In 2021, through our capital markets segment we made investments of Rs. 121.88 million [FY20: Rs. 15.06 million] and realized losses of Rs. 60.12 million [FY20: Rs. 4.14 million] through sale of investments. We made profit through dividend and rental income of Rs. 46.5 million [FY20: 30.78 million] contributing Rs. 9.52 to the Company EPS of Rs. 10.19.

We distributed a significant part of the value we created through the payment of taxes and levies to provincial and federal governments and, for the year these stood at Rs. 1.5 billion [FY: 20: Rs. 1.1 billion] constituting 165% of profits before tax.

We have defined Benefits and Contribution Plans for our employees and during the year we distributed Rs. 457 million in wages and benefits to our workforce of 765 employees [FY20: 425 million in wages and benefits to our workforce of 778 employees].

We distributed Rs. 13.21 million in the form of community investments [FY20: Rs. 0.62 million] and, Rs. 213 million to capital providers as interest payments [FY20: Rs. 315 million].

Revenue was Rs. 7,259 million as compared to Rs. 3,822 million last year, up 112.4% YoY, primarily on the back of a pick-up in demand in the steel line pipe and billet segments, which saw sales growth of 312% and 313% over last year to Rs. 4,805 million in FY21 (FY20: Rs. 2,262 million).

In FY21, gross profit margins stood at 6.8%, which was higher as compared to FY20 GP margins of 1.3 %. Net profit margins also increased to 8.7% as compared to 0.5% in FY20.

Consequently, return on equity and capital employed moved from negative 0.3% and 0.2% to positive 9.9% and 7.9%, respectively in comparison with last year.

Our economic performance directly impacts the local community as we purchase goods and services and employ a diverse workforce for the products, we manufacture. We are driven by taking calculated risks to generate sustainable financial benefits.

We strive to maintain and grow as a leading supplier of integrated pipeline solutions/ services in Pakistan and to emerge as the leading producer of high-quality steel products for the Pakistan market, specifically serving the water and energy segments of the country.

At Crescent Steel, business growth strategies are reviewed and monitored by the Board of Directors and the CEO; they are crucial to the functioning and mainstreaming of the operational management of the Company.

The executives of the Company undertake to represent the Company's economic value to its stakeholders, ranging from suppliers to customers. If necessary, the Company modifies its approach to improve value creation and drive performance in the best interests of the Company and its stakeholders.

Details of the Company's financial statements can be found in the FY21 annual report (pages 216-293).

ECONOMIC PERFORMANCE

ECONOMIC VALUE GENERATED AND DISTRIBUTED

The value generated in the fiscal year 2021 stands at Rs. 3,250 million

	2021	2020	2019	2018	2017
Economic value generated	(Rs. in millions)				
Total Revenue	9,430,855	4,744,061	7,662,017	11,660,156	15,023,072
Bought-in-material and services	(6,180,580)	(3,101,110)	(6,448,043)	(8,206,962)	(9,765,204)
Value generated	3,250,275	1,642,951	1,213,974	3,453,194	5,257,868

Economic value distributed

Employees'					
Salaries, wage, and other benefits	457,030	425,442	449,486	407,939	536,666
Value per Share	5.89	5.48	5.79	5.25	6.91
Government					
Income tax, sales tax, customs duties, WWF and WPPF	1,530,593	1,051,944	645,695	2,610,709	3,018,268
Value per Share	19.72	13.55	8.32	33.63	38.88
Shareholders					
Dividend*	-	-	-	155,265	407,571
Value per Share	-	-	-	2.00	5.25
Provider of Finance					
Finance cost	213,407	315,109	317,819	263,964	204,626
Value per Share	27.49	40.59	40.94	3.40	2.64
Society					
Donation towards education, health, and environment	12,013	618	2,836	35,087	80,813
Value per Share	1.55	0.08	0.37	0.45	1.04

Economic value retained	2021	2020	2019	2018	2017
Depreciation, amortization and retained earnings	1,037,232	(150,162)	(201,862)	(19,770)	1,009,924

	2021	2020	2019	2018	2017
Value distributed per share	28.51	23.10	18.24	44.74	54.72
Value generated per share	41.87	21.16	15.64	44.48	67.73

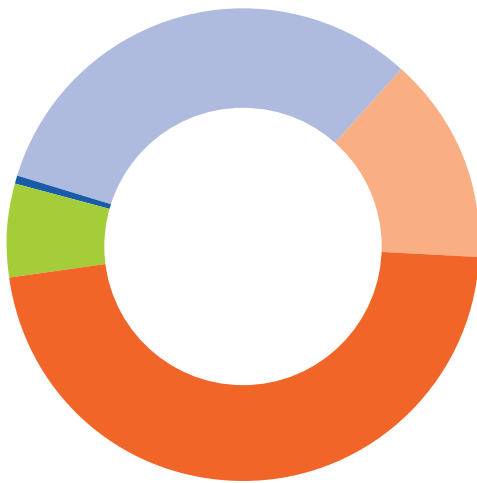
* This includes final dividend recommended by the Board of Directors subsequent to year end.

In 2021, Crescent Steel did not received any direct or indirect financial assistant from the government except certain tax concessions as per applicable laws.

DISTRIBUTION OF WEALTH

2021

2020



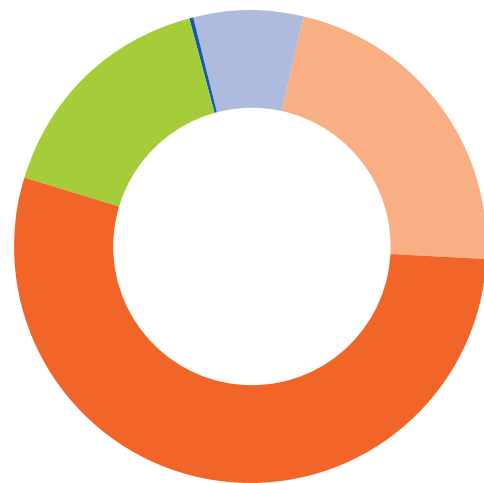
To Government
47.0%

To Employees
6.6%

Retained within
The Business
0.4%

To Society
31.9%

To Provider of Financial
14.1%



To Government
64%

To Employees
19%

Retained within
The Business
0.0%

To Society
-9%

To Provider of Financial
26%

SUMMARY DATA AND PERFORMANCE INDICATORS

For the current and past six financial year(s)

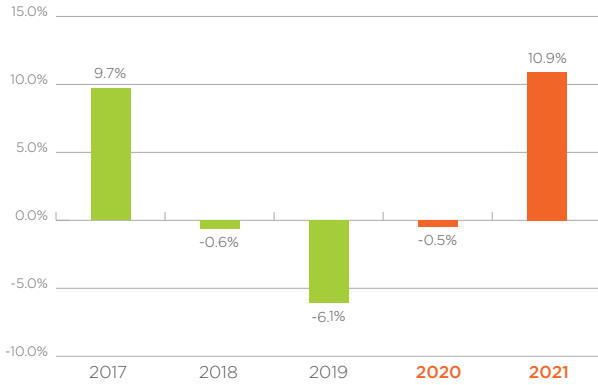
PERFORMANCE INDICATORS	2021	2020	2019	2018	2017	2016	2015
A - Profitability Ratios							
Earnings before interest, taxation, depreciation and amortization (EBITDA) (Rs. in millions)	1,358.8	260.9	189.0	635.7	2,008.4	1,914.4	389.4
Profit / (loss) before taxation and depreciation (Rs. in millions)	1,144.5	(54.4)	(131.5)	368.1	1,798.5	1,653.4	295.1
Gross profit / (loss) ratio (%)	6.8	1.3	(1.8)	5.4	13.7	26.6	0.9
Operating profit / (loss) margin to sales (net) (%)	10.3	(3.7)	(6.5)	3.3	10.0	18.6	2.2
Net profit / (loss) margin to sales (net) (%)	10.9	(0.5)	(6.1)	(0.6)	9.7	14.8	8.7
EBITDA margin to sales (net) (%)	18.7	6.8	2.8	6.4	16.3	25.3	16.9
Operating leverage ratio	37.6	3.8	3.6	4.0	0.0	2.6	1.6
Return on equity (%)	9.9	(0.3)	(6.0)	(0.8)	13.8	15.3	3.7
Return on average equity (%)	10.6	(0.3)	(5.8)	(0.8)	14.9	17.7	3.8
Shareholders' funds (%)	73.9	62.0	69.6	63.1	58.1	63.9	78.8
Return on shareholders' funds (%)	9.9	(0.3)	(6.0)	(0.8)	13.8	15.3	3.7
Return on capital employed (RoCE) (%)	7.9	(0.2)	(4.4)	(0.6)	10.6	13.8	3.4
Return on average assets (%)	7.2	(0.2)	(3.8)	(0.5)	9.0	12.3	3.1
B - Liquidity Ratios							
Current ratio	1.5 : 1	1.1 : 1	1.2 : 1	1.4 : 1	1.5 : 1	1.6 : 1	1.9 : 1
Quick / Acid-test ratio	1 : 1	0.6 : 1	0.9 : 1	0.9 : 1	0.9 : 1	0.9 : 1	1.4 : 1
Cash to current liabilities (%)	(26.4)	(14.6)	(33.6)	(6.6)	(5.8)	(6.8)	(18.9)
Cash flows from operating activity (%)	39.8	(35.0)	(3.1)	38.1	(0.9)	(68.4)	8.9
Cash flows from operations to sales (%)	14.3	(36.6)	(1.2)	15.2	(0.4)	(31.0)	4.1
Working capital (Net current assets)	1,253.4	487.3	499.4	1,753.8	2,949.6	2,095.1	929.3
Working capital turnover (times)	8.3	7.7	6.1	4.2	4.9	5.0	2.2
C - Activity / Turnover Ratios							
Debtors turnover ratio (times)	40.0	23.7	76.7	20.4	18.0	28.4	30.7
No. of days in receivables / Average collection period (days)	9.0	15	5	18	20	13	12
Inventory turnover ratio (times)	4.0	2.6	4.5	3.3	3.6	3.7	5.3
No. of days in inventory (days)	91	143	81	110	102	98	69
Creditors turnover ratio (times)	24.8	14.1	10.1	6.7	11.2	16.6	8.5
No. of days in creditors / Average payment period (days)	15	26	36	54	33	22	43
Property, plant and equipment turnover (times)	3.5	1.7	2.7	3.8	4.8	3.1	1.1
Total assets turnover (times)	0.7	0.3	0.7	0.8	0.8	0.7	0.3
Operating cycle (days)	85	132	50	74	89	89	38
D - Investment / Market Ratios							
Basic and diluted earnings per share (Rs.)	10.19	(0.26)	(5.40)	(0.79)	15.29	15.05	2.87
Price earnings ratio (times)	8.2	-	-	-	15.6	7.6	18.1
Price to book ratio	0.6	0.3	0.3	0.6	1.3	0.8	0.3
Dividend yield (%) *	-	-	-	2.2	2.2	4.4	1.3
Dividend payout ratio (%) *	-	-	-	(252.5)	34.3	34.6	21.7
Dividend cover ratio (times) *	-	-	-	(0.4)	2.9	3.0	4.1
Cash dividend (Rs. in millions) *	-	-	-	155.3	407.6	388.2	43.5
Cash dividend per share (Rs.) *	-	-	-	2.0	5.3	5.0	0.7
Market value per share (at the end of the year) (Rs.)	84.0	45.5	37.8	91.2	238.6	114.6	51.9
- Lowest during the year (Rs.)	45.8	27.8	27.4	89.8	116.0	54.6	34.9
- Highest during the year (Rs.)	96.4	58.7	101.9	229.4	283.1	134.8	62.4
Break-up value per share (Rs.)	102.7	90.3	89.6	98.1	110.8	94.3	86.8
Break-up value per share including RP investment at MV	101.0	92.9	96.2	121.4	148.7	93.6	86.3
E - Capital Structure Ratios							
Financial leverage ratio (%)	24.3	43.6	29.9	32.2	40.4	39.9	12.8
Long term debt to equity ratio (%) - Book value	2.5	3.6	4.0	4.6	4.5	6.4	5.3
Long term debt to equity ratio (%) - Market value	3.1	7.2	9.6	5.0	2.1	5.3	8.8
Cost of debts	8.5	12.2	12.3	8.0	8.4	8.4	10.9
Long term debt : Equity ratio	2 : 98	4 : 96	4 : 96	4 : 96	4 : 96	6 : 94	5 : 95
Total liabilities to total assets (%)	26.0	37.9	29.4	36.8	41.9	36.0	21.1
Gearing ratio (%)	19.5	30.2	22.8	22.8	28.3	28.0	9.8
Interest coverage (times)	5.3	0.1	(0.1)	1.6	8.8	6.9	2.9

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

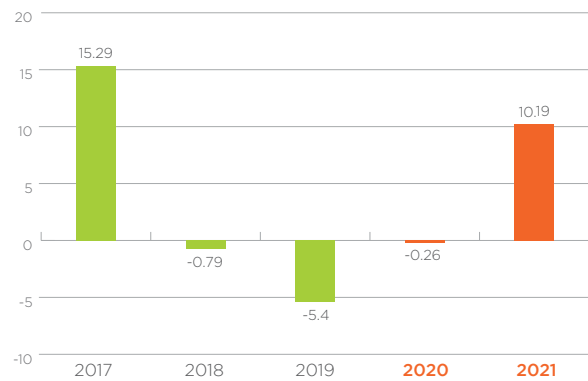
PERFORMANCE HIGHLIGHTS

ECONOMIC PERFORMANCE

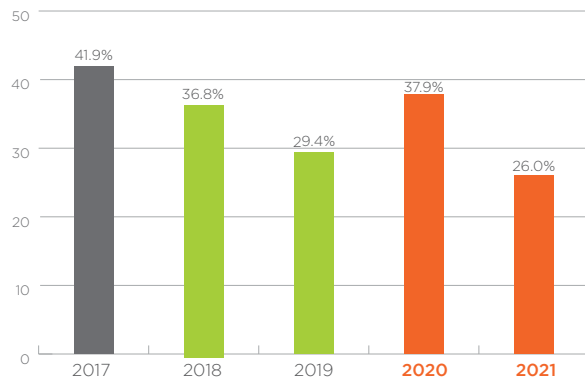
Net Profit Margin to Sales



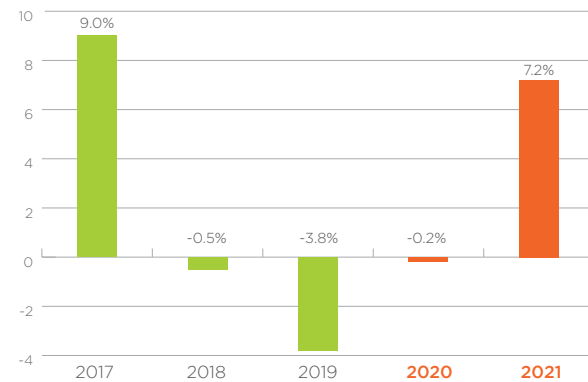
Earning Per Share



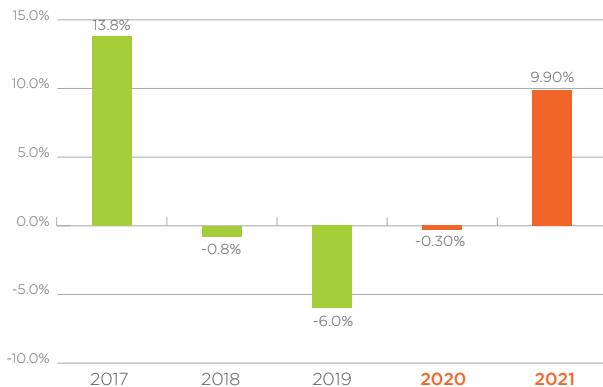
Total Liabilities to Total Assets



Return on Assets



Return on Equity



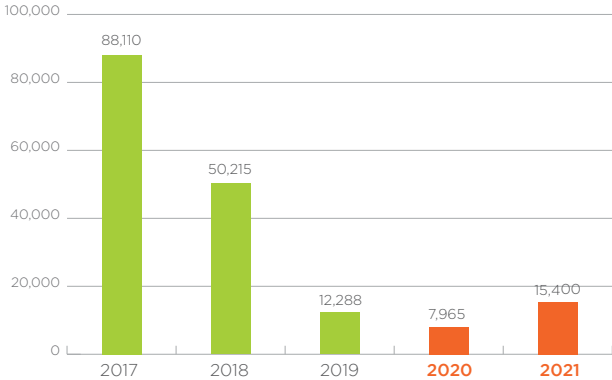
Debt to Equity



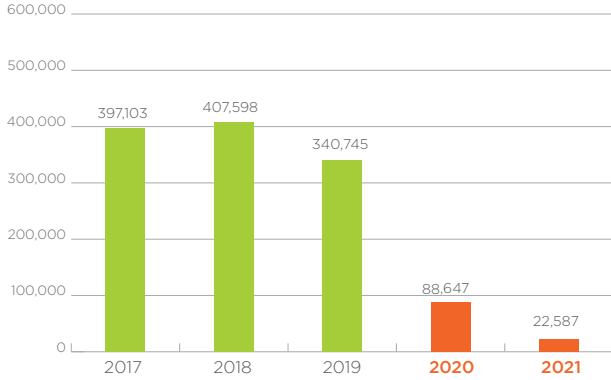
The variance in net profit margins and EPS is mainly due to exclusion of dividend income from associated companies and losses incurred by subsidiaries.

PRODUCTION INFORMATION

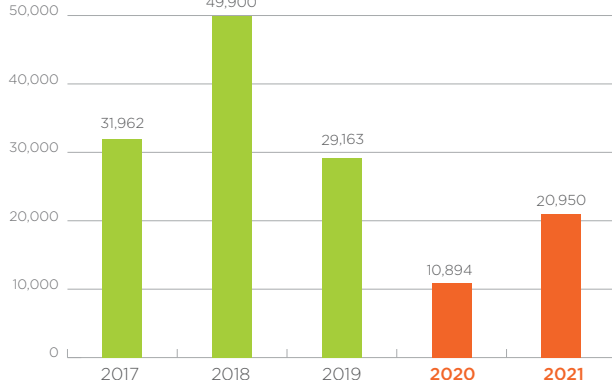
Steel Pipes (Tonnes)



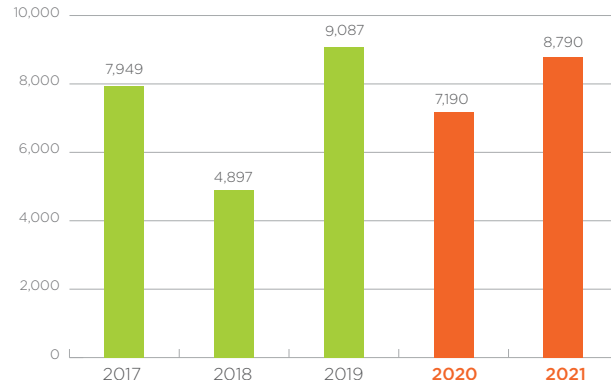
Line Pipe Coatings (Sq Meter)



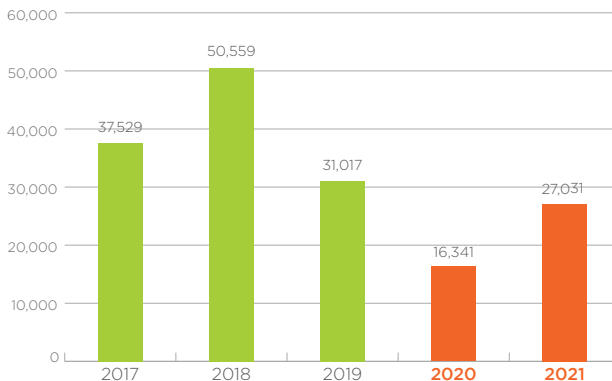
Steel Billets (Tonnes)



Yarn ('000Kg)



Energy (MwH)



OUR SUPPLY CHAIN

As a socially responsible business with high ethical, social and environmental standards, Crescent Steel endeavors to propagate a culture of quality, transparency, accountability, and integrity across our supply chain.

Supply chain and logistics play a key role in ensuring efficient and profitable operations of all our businesses. The supply chain function is not limited to sourcing quality products and services with conducive price and volume variables; suppliers are strategic partners for our business. We leverage our relationships with key suppliers and work with them for planning, logistics, and the introduction of new products and services.

We screen our suppliers for compliance with international and domestic standards and laws. On a best effort basis, we work with businesses that fulfill their obligations to the national exchequer and operate responsibly to deliver sustainable value and growth. We actively invest in and seek out suppliers that have adopted measures to protect their labor and the environment – suppliers that are proactive in adopting new methods and technologies and are committed to continuous improvement. In sourcing vendors for certain products or services, we encounter parties that are unregistered owing to the undocumented nature of the industries in which they operate and have actively encouraged and enabled them through the registration process with tax authorities. However, in certain instances there are no alternate options available in Pakistan.

Logistics play key role in our supply chain deliverables. The Company works closely with its inbound and outbound logistics service providers: from the clearing and transport of raw material from the Port to our plants, to supporting the movement and flow of finished goods to the customer site.

Our supply chain is geared towards sustainability and is committed to developing indigenous sources, where available. In this regard, we have worked with a range of domestic partners to enhance technical and professional capabilities. We aim to move beyond the boundaries of supplier-buyer relationships to create strategic partners; our suppliers engage with us at many levels, enabling us to generate additional revenue, and leverage our relationships for cost savings.

As a leading line pipe manufacturer engaged in oil and gas transmission projects of national and strategic importance, we have a rigorous protocol of supplier induction, evaluation, and monitoring. We engage with a range of foreign and domestic suppliers, for critical and non-critical goods and services. We assess our suppliers on a number of factors including inventory optimization, their flexibility and assuring compliance, visibility, and transparency. We consider labor management practices as a threshold encompassing community care and this forms a critical aspect of our supplier engagement criteria. We configure our supply chain model on three basic characteristics: product design and quality, risk assessment and opportunities for business growth. Our supplier engagement aims to strengthen the supply chain through as it helps to identify environmental and cost hotspots.

Our major imports include Hot Rolled Coils – we use high-grade alloy steel coils for manufacturing pipes for high pressure, large diameter transmission systems.

We imported 9,380 metric tonnes [FY20: 17,031 metric tonnes] of hot rolled coils and 385 metric tonnes [FY20: 109 metric tonnes] of coating material. The sourcing protocol of our raw material for our pipe and coating operations is critical. In accordance with API protocols, manufacturers of HRC are assessed and compliance of the raw material is verified against Mill Test Certificates, Manufacturing Procedure Specifications, and third-party quality assurance verifications.

We imported 23,000 metric tonnes [FY20: 17,911 metric tonnes] of ferrous scrap for our melting operations, Purchased 65 metric tonnes of Raw Cotton bales locally [FY20: 61 metric tonnes bales locally], imported 1,798 metric tonnes of raw cotton bales [FY20: 135 metric tonnes], purchased 1,742 metric tonnes of local polyester bales, and imported 2,308 metric tonnes in polyester bales in FY21.

Due to the nature of our businesses and the demand for superior product quality, we import a major portion of our raw material and consumables. However, as capacities improve we are able to source more materials, domestically.

In 2021 there were no significant change in the supply chain structure. Mainly material for production was imported from Asian, European and Middle Eastern countries i.e. China, Turkey, UAE, Afghanistan, and Germany.

TYPE AND NUMBER OF SUPPLIERS ENGAGED 2021

Operational Area	Local	Import	Total
Steel Division	149	23	172
Cotton Division	107	16	123
Corporate Division	31	-	31
IID/CS Capital	4	-	4
Crescent Hadeed	33	24	57
CS Energy	28	-	28
Total	352	63	415

PROCUREMENT PRACTICES WITH TRUSTED BUSINESS PARTNERS

For any business, suppliers are crucial strategic partners, providing goods and services, enabling the continuity of business. Supply Chain is not just an area for suppliers to merely comply with quality, price and volume variables. Our suppliers are strategic partners that adopt our standards to work towards the end goal of providing high quality and reliable products to our customers. In lieu of our business sustainability strategy, Crescent Steel aims to maximize indigenous procurement and minimize imports; however, due to lack of expertise, a range of products and services required for our operations are not available locally and must be imported. This includes our raw material, which accounts for 80% of our procurement cost. We

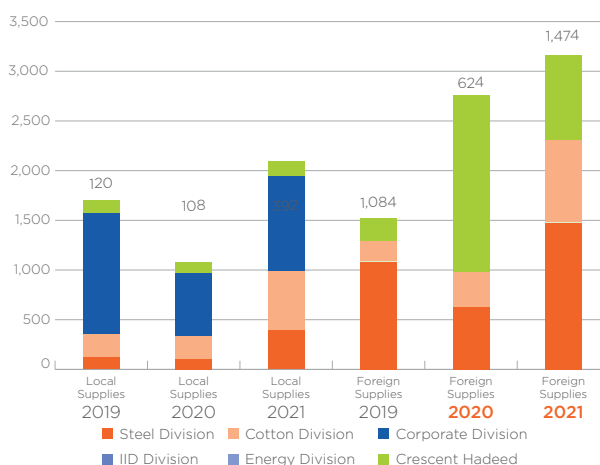
have worked with our local partners to develop and enhance expertise and capabilities to fabricate spares locally, in order to reduce the volume of imports. The core objective of our Supply Chain function is to reduce throughput time by minimizing the use of intermediaries, and by enabling supply chain depth to deliver the right materials, at the right time, at the right price.

After successful evaluation of the vendor, the order is processed and evaluated again on the basis of quality control. The quality control criteria includes measured specifications, product lifecycle, and requirements by the customer. Despite our long-term association with certain vendors, we do not compromise on the quality of material as they constitute a hefty proportion of our production as depicted in our financial statements. The division between our local and foreign vendors and amounts in the transaction are described briefly in the table below:

	RS. IN MILLION	IN PERCENTAGE
Purchases in 2021		
Local Vendors	2,134	40.3%
Foreign Vendors	3,161	59.7%
	5,295	100%
Purchases in 2020		
Local Vendors	1,083	28.2%
Foreign Vendors	2,758	71.8%
	13,841	100%

LOCAL **40.3%** AND FOREIGN **59.7%**

Composition of Local and Foreign Supplies



CRESCENT STEEL'S LOCAL PROCUREMENT CYCLE



The procurement cycle follows specific steps for identifying a requirement or need of the Company following which a purchase requisition is raised by the stores function. The supply chain officer floats inquiries and sends requests for quotation to the suppliers via email, or phone. After receiving quotations from suppliers containing their delivery terms, rate etc. a comparative statement is prepared on the basis of quotations obtained from the suppliers. The manager supply chain verifies and evaluates comparative statement with quotations and recommends a supplier.

The selection of vendors is reviewed every year normally in January to assess the consideration of the original decision. Such reviews help us in determining if circumstances have changed sufficiently to cause the company to change vendors. After acquiring quotations from approved vendors, the quotations are evaluated to determine the best terms for the product in accordance with customer preference, quality, and price.

The purchase order provides details of the price, terms and conditions and the seller highlights any additional agreements between buyer and seller.

ENVIRONMENT PERFORMANCE

NATURAL CAPITAL

Natural resources conservation for sustainable future



As a responsible corporate citizen, we seek to reduce our environmental footprint within our communities and value chain, working with our partners and peers to address the climate change challenge and contribute towards global targets for CO₂ emissions reduction. We believe that it's our responsibility to reduce the environmental impact of our activities which is also an opportunity for us to embrace innovation and technological change.

Our investment decisions to monitor and mitigate the environmental impact of our operations are guided by our philosophy of minimizing environmental impacts and improving resource efficiency. The manufacturing and coating of pipes, melting scrap to produce and billets and the production of yarn, involve energy intensive processes, a lot of water and, within the value chain produces significant quantities of emissions and pollutants.

The social, financial and physical risks of climate change and the global action to reduce greenhouse gas emissions are driving industry leaders, including Crescent Steel, to find new solutions for reducing their footprint by improving energy efficiency and using new technologies to meet the global objective of achieving a low carbon society. New technologies and practices bring benefits that are both economic and environmental, from materials recycling as part of the circular economy, to harnessing cleaner energy.

We are constantly working to reduce our environmental footprint and preserve the natural environment around us.

ENVIRONMENTAL PERFORMANCE



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

Managing the impact of operations on the environment

We have policies and procedures across the value chain to reduce energy consumption and reduce our environmental footprint. Our efforts include:

- Supporting a sustainable supply chain, supplier Code of Conduct including environmental risk minimisation in the supply chain
- Use of recycled steel scrap generated in our manufacturing process
- Efficient use of energy including enhancing clean energy options where possible
- Responsible use of water including recycling where possible
- Efficient use of material and minimising waste.
- Conducting better lifecycle evaluations to understand the impact of our products on the environment.
- These efforts help us in minimising our environmental footprint in operations and products and helps maintain our license to operate.

EMISSIONS

Pakistan has an insignificant carbon footprint globally, yet it ranks among the top 10 countries most vulnerable to climate change. The nature of our business poses no significant environmental risks. As part of our emission control policy, all our emissions and discharges are compliant with the prescribed limits set out by the National Environmental Quality Standards (NEQs). Our commitment and approach towards our stakeholders enables us to manage the environmental impact of our business.

The major direct emissions at our line pipe manufacturing sites are from plasma arc cutting, the stripping station at the coating unit. For monitoring, we employ an external agency which analyses emission from these sources on a quarterly basis when our plant manufacturing units are operational and functional. We follow ASTM (American Standard for Testing Materials) as a testing methodology for emissions and further conform to the limits prescribed by SEQS (Sindh Environmental Quality Standards) to control emissions. Tables are presented in the glossary which further explain this.

At the steel melt shop and power plant the primary source of emissions is the induction furnace which uses an induction process to melt steel scrap which is relatively more efficient on energy consumption. The unit also has a state-of-the-art air pollution control system to capture

dust and metal particulates released in the melting process to minimise the environmental impact of our process.

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

The HSE Committee at each manufacturing location sets out goals to manage their environmental impact either by deploying newer technologies that help reduce emissions or by augmenting capacity for greener and more efficient energy consumption. Our measures go beyond complying with the national standards enforced by the Pakistan Environmental Protection Act (PEPA) and National Environmental Quality Standards (NEQs). This includes 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.

No significant financial implications were incurred due to climate change.

BREAKDOWN OF CRESCENT STEEL'S EMISSIONS

SCOPE-I

Greenhouse Gases have a significant effect on the environment and its surroundings regardless of the presence of human life. Therefore, we strive to reduce emissions in every aspect, whether it is our production line or our daily consumption of fossil fuels.

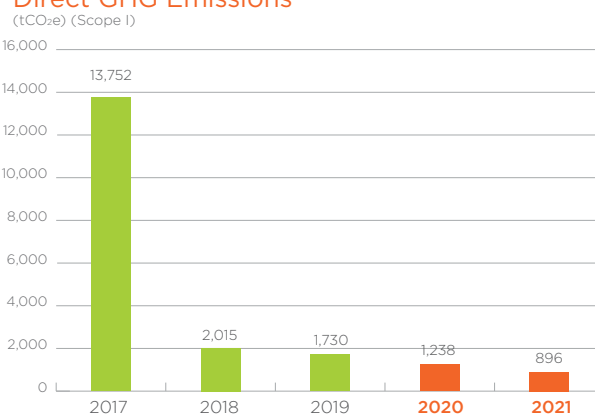
Considering that our country is most likely to be affected by climate change in the coming years, we acknowledge that it is not only our choice but our obligation to lead the expedition against emissions for a healthier planet.

Crescent Steel's direct emissions are the results of our production processes which directly affect the environment and are unavoidable. Direct CO₂ emissions are measured and recorded on a monthly basis at every plant site and are then totalled for the presentation of collective direct GHG emissions.

The sources of CO₂ emissions include fuels used for the pipe and billet manufacturing, steam from our subsidiary's power plant and from the process of power generation. The GHG figures present all direct emissions of our associate companies and subsidiaries. CO₂ serves as the major contributor to our total direct GHG emissions.

Crescent Steel's consolidation of GHG gases does not include biogenic emissions of CO₂ at any production site across its locations of operation. As the Global Warming Potential (GWP) values indicate, our direct GHG emissions are sourced from the Intergovernmental Panel on Climate Change (IPCC) established by United Nations Environment Programme (UNEP) and World Meteorological Organization (WMO). The Company has used the previous year as a base year as per its general practice.

Direct GHG Emissions



SCOPE-II and SCOPE-III

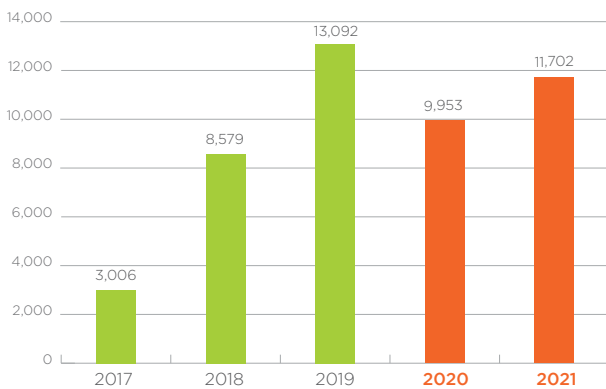
Our indirect GHG gas emissions are not significant in the long run but our commitment towards the community obliges us to adhere every aspect of environmental care. As a result, we inform every employee regarding the importance of reducing emissions in everyday life and its role in building a sustainable culture. Crescent Steel produces indirect emissions (SCOPE-II) in the form of external energy purchased by WAPDA.

The organization consistently explores opportunities for reducing energy consumption and utilizing renewable resources to reduce emissions as much as possible. The other indirect emissions (SCOPE- III) refer to the emissions caused by the fuel consumed in vehicles owned and used by the Company. The Company uses its fleet fuel card's total consumption as a basis to record its consumptions and uses conversion factors

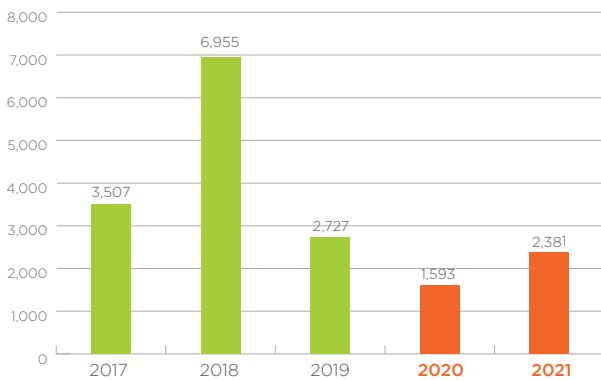
from the IPCC to convert the respective units in terms of CO₂ equivalent.

Similar to direct emissions, the company uses the previous year as a base year as per general practice. Gases included in SCOPE-II are CO, SOx, and Oxides of Nitrogen. As for SCOPE-III, Fluoride, Forklift emissions. Noise and vibration form part of our focus area, however, these are not measured we have mandated use of ear plugs and regular noise monitoring in place during production. Furthermore, the Company used the Fifth Report Assessment (AR5 from IPCC) as a source for the GWP rates used which depicts GWP values for a 100-year time horizon. For SCOPE-II, the Company has presented total indirect emissions instead of a location-based representation of emissions

Indirect GHG Emissions (tCO₂e) (Scope II)



Indirect Emissions (tCO₂e)



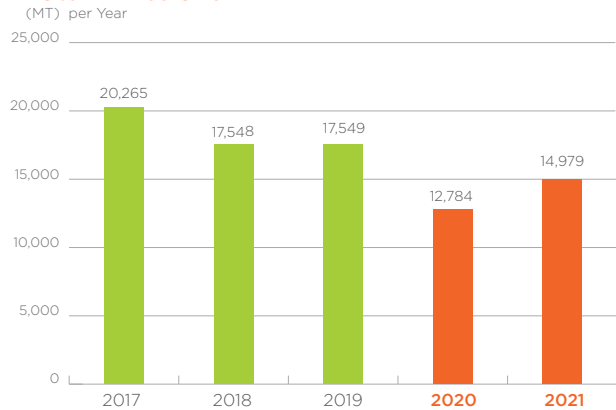
Prior to 2016, there was no mechanism for recording fleet fuel consumption

REDUCTIONS IN EMISSIONS

(SCOPE-I, SCOPE-II AND SCOPE-III)

Crescent Steel consistently aspires to reduce emissions in the atmosphere, whether direct or indirect. The following graphs portray all emissions on an annual basis. Combining all scopes, our total emissions have decreased over the past year. We have installed air pollution control systems at our manufacturing sites as an initiative to reduce air emissions and constantly review our emission outcomes on a monthly basis. Independently, Scope-I emissions have decreased by 341 metric tonnes (FY20: 493 metric tonnes) over the year while Scope-II emissions have increased by 1,749 metric tonnes (FY20: 3,139 metric tonnes) and Scope-III is increased by 788 metric tonnes (FY20: 1,134 metric tonnes) respectively over the last year.

Total Emissions



GHG EMISSIONS INTENSITY

Emission intensities are used to compare the environmental impact of different activities. Crescent Steel uses sales as an organization-specific metric to calculate its emissions intensity ratio. SCOPE-I, SCOPE-II, and SCOPE-III are the types of GHG emissions included in the calculation, containing all the gases mentioned in their respective scopes. Total GHG emission increased by 2,196 CO₂/MT or 17% as compared to last year [FY20: 4,766MT CO₂/MT] against an increase of 90% in sales over the prior year. The emissions intensity ratio for FY21 was 0.00018 MT CO₂/MT last year [FY20: 0.0029 MT CO₂/MT], which is a 38% decrease from the previous year.

Our production processes do not emit any ozone depleting substances, however, we do carry some HVAC units that use R-22 gas which are being phased out and for which ODS emissions are not presently monitored. We plan to commence reporting on ODS emissions if any, starting FY22. The company's health, safety, and environmental policy do not permit the use of Ozone-depleting substances as they cause significant harm to the environment. All emissions are recorded with the help of consumption patterns of fuel and output generation.

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 recognized 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.



ENERGY

Our businesses are manufacturing intensive and financial performance is heavily dependent on reliable sources of energy.

Therefore, our energy efficiency strategy calls on us to explore avenues of self-generation and secure reliable power while maintaining cost and environmental leadership.

Crescent Steel constantly explores new methods which can reduce our dependency on the national grid and mitigate the risks pertaining to power outages. The management is keen to use energy in accordance with the Sustainable Development Goals. For instance, at our office, we continue to take measures regarding the conservation of energy by switching off all air conditioners and all unnecessary utilities for two hours daily. Through such practices we aim to develop a culture of energy conservation.

The goals of energy consumption and conservation are set yearly by the management. Our energy consumption is measured through our electricity provider and billing for energy use. Policies pertaining to energy are under the jurisdiction of the Health, Safety and the Environmental committee which are reviewed every year and presented to the CEO for approval.

ENERGY EFFICIENCY

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

- Back up gas power generators and solar power at our line pipe manufacturing site.
- Solar power 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 lights and air conditioning units with energy efficient ones across our sites

Energy operates 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, to Shakarganj Limited, and Faisalabad Electricity Supply Corporation. Our Energy Scorecard on page 39 of this report reflects the energy produced at this plant.



2021

106,485 tons of bagasse and 35,760 yon of steam used to generate 27,031 MWh renewable power

ENERGY AND WATER CONSERVATION

The following energy conservation measures have been taken

- Water recycling system at the ultrasonic testing machines of SP2003 were installed to save electricity at approximately 2 units per hours of production and to conserve water of approximately 10GPH.
- Tungsten bulbs, energy savers and fluorescent lights were replaced with LED bulbs at various locations saving approximately 4.2 units per hour and a total of approximately 33.6 units per day.
- Twenty five 400-watt lights (10 kW) replaced with twenty five 200-watts LED lights (5 kW) for yard lighting resulting in 50% saving.
- Motion sensors were installed in meeting rooms at the Head Office to automatically power off lights and equipment.
- Replaced five 1.5 Ton window air conditioning units by two 1.5 Ton and three 01 Ton split inverter type air conditioning units.

MAJOR ADVANTAGES

REDUCED CONSUMPTION

- Recycling water at the ultrasonic testing machines will save water consumption of approximately 10GPH.

- Installed solar power system of 561.6 kWp rating will reduce electricity consumption of total 850,000 units per year from WAPDA or generators and will also reduce 420 tons CO₂ emission per year.
- LED lights will help in reducing electricity consumption up to 40%.
- Inverter air-conditioning will help conserve an estimated 20% of total energy consumption at our sites.
- Installed skylights in our pipe plant sheds, through which we are saving 60 units per day.

ENERGY REDUCTIONS

Energy consumption in 2021 increased by 41% due to higher business volumes which is reflected in the increase in turnover. The change in consumption is calculated yearly, keeping the previous year as a base year.

SOLAR PANELS

The Company is committed to increasing its use of renewable energy sources. One of the key projects being pursued in this area is installing a solar power system to generate clean and economical energy to reduce greenhouse gas emissions and reliance on fossil fuels or grid-based power. This year, the Company increased solar energy utilization from 20.8 KW to 582.4 KW at the Steel plant. This initiative will help save 3,060 GJ of energy and reduce CO₂ emissions by 420 tons every year.

ENERGY SCORECARD

ENERGY CONSUMPTION (GJ)	2021	2020	2019	2018	2017
Energy Consumption within the Business (GJ)	182,226	128,499	247,169	339,126	393,296
Energy Consumption Outside The Business (GJ)	44,051	31,788	29,553	34,417	55,135
Total Energy Consumption (GJ)	226,277	159,970	276,722	373,543	448,431

	2021	2020	2019	2018	2017	CHANGE (2020 VS. 2021)
Total energy consumption (GJ)	226,227	159,970	276,722	373,543	448,431	41%
Sales (Rs. in million)	8,495	4,473	7,285	11,463	14,145	90%
Sales per unit of consumption (Rs./GJ)	37,542	27,961	26,327	30,687	31,544	34%
Energy intensity ratio MT CO ₂	2.7	3.6	3.8	3.3	3.2	

FUEL TYPE	SELF-GENERATED ENERGY (GJ) 2021	SELF-GENERATED ENERGY (GJ) 2020	SELF-GENERATED ENERGY (GJ) 2019	CONSUMPTION PATTERN
Diesel	1,006	1,474	2,172	Consumed within the business
Gas	14,657	20,117	27,972	Consumed within the business
Bagasse	97,312	58,282	103,600	Supplied to the industry
Solar	128	125	122	Consumed within the business

FUEL TYPE	PURCHASED ENERGY (GJ) 2021	PURCHASED ENERGY (GJ) 2020	PURCHASED ENERGY (GJ) 2019	CONSUMPTION PATTERN
WAPDA/ K-Electric	113,174	79,972	143,450	Consumed within the business

PROPORTION OF ENERGY SELF-GENERATED AND FROM THE NATIONAL GRID

Energy Consumption - 2021



National Grid
113,174

Self-generated
69,052

62:38

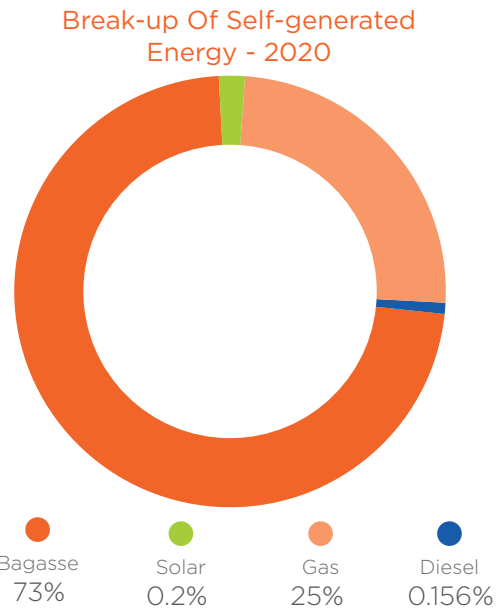
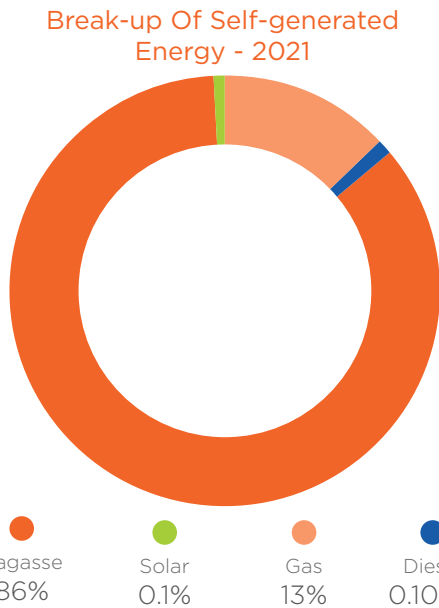
Energy Consumption - 2020



National Grid
79,972

Self-generated
48,210

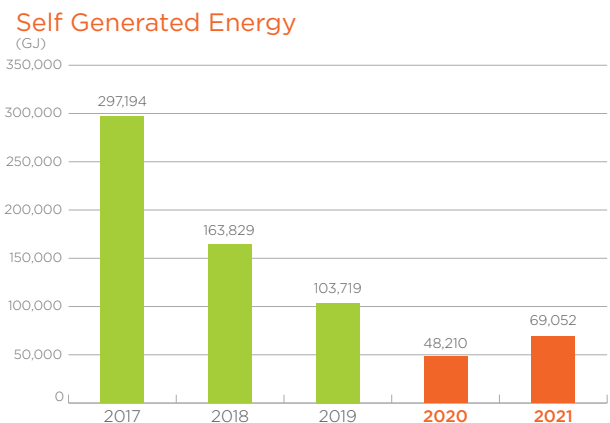
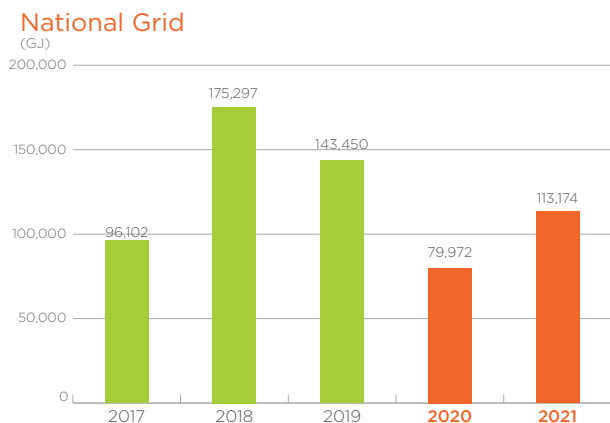
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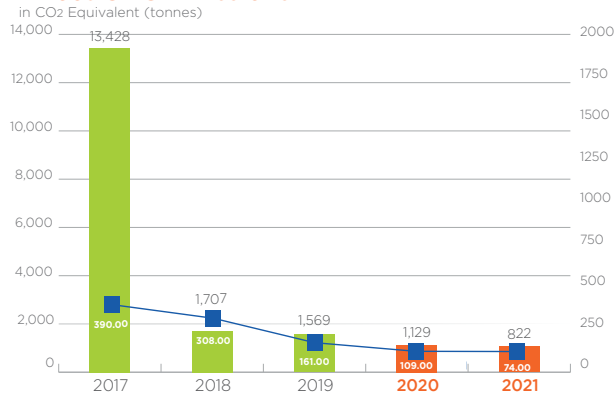
ENERGY CONSUMPTION OUTSIDE ORGANIZATION

Recording energy consumption outside the organization presents many challenges. We do not have any scale to measure this consumption. However, we do record our energy consumption in terms of inbound and outbound logistics which relates to fuel consumption by the company's own vehicles and contracted vehicles. The total consumption in terms of fuel is 34,010 GJ which increased by 46% from the corresponding period last year [FY20: 23,256 GJ] which includes consignment and scrap metal shipment from Karachi Port to our plants at Nooriabad and Bhone, inbound and outbound logistics, and vehicles maintained by the company. We measure this consumption with the help of fuel cards given to drivers before the initiation of any shipment. The consumption is recorded in litres consumed and then converted into Giga-Joules. The conversion rate is mentioned in the glossary.

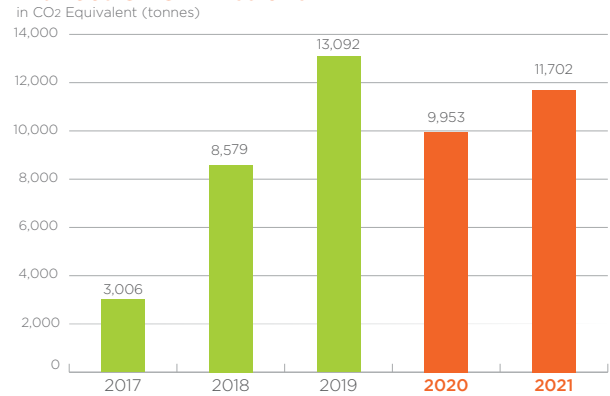
ENVIRONMENT PERFORMANCE HIGHLIGHT



Direct GHG Emissions



Indirect GHG Emissions



WASTE MANAGEMENT



We work to minimize the wastes resulting from our operations by reducing material consumption 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 and international best practices. Disposal methods include landfilling, recycling, and incineration.

Our approach towards waste minimization is essential for a cleaner and healthier environment. Policies are steered by the HSE committee which contributes to the company's precautionary approach regarding environmental hazards as much as possible.

In 2021, no monetary fines or sanctions for non-compliance with environmental laws and regulations have been imposed.

WASTE TREATMENT

Business Unit	Type	Specification And Units	2021	2020	2019	2018	Treatment
Steel	Hazardous	Plastic bags, drums etc. (in numbers)	3,000	10,000	43,008	39,008	Sold for recycling/ reuse
		Tube lights and Sodium Discharge bulbs(in numbers)	-	30	-	90	Incinerated
	Non-hazardous	Steel scrap (in tonnes)	733	609	2,246	5,800	Sold for recycling/ reuse
		Miscellaneous Scrap Empty Carton (No)	150	500	4,700	6,660	Saleable
		Polyethylene/ Polypropylene (in tonnes)	7	21	52	79	Sold for recycling/ reuse
		Debris, kitchen waste and others (in tonnes)	12	10	15	16	Landfilled
	Cotton	Hazardous	Cotton dust (in Kg)	39	67	61	48
Non-hazardous		Cotton waste (in tonnes)	379	327	264	301	Sold for reuse
Engineering	Hazardous	Bulbs and lights (in numbers)	250	89	129	166	Landfilled
Crescent Hadeed	Non-hazardous	Acid Lining SiO2(in Mtn)	685	320	336	679	Land Filled
		Slag(in Mtn)	769	342	881	2,059	Land Filled
		APC Dust (in Mtn)	46	25	96	142	Sold to Client
Total			6,069	12,364	51,788	55,049	

Includes cotton dust, cotton waste and APC dust from Hadeed sold to external parties

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 MANAGEMENT



A methodology is important to distributing optimal policies of water management.

Water issues and how they are overseen at locations change essentially due to locality conditions such as water accessibility, water quality and legislation.

Water Withdrawal from Various Sources (in liters)						
BUSINESS UNIT	SOURCE(LITERS)	2021	2020	2019	2018	2017
Energy	Condensate from sugar process	178,262	130,357	128,385	168,331	210,807
	Condensate water used by the turbine generator	31,315	4,051	61,304	126,879	45,349
	Groundwater	4,012	1,775	30,803	55,155	50,846
Steel	Groundwater	13,288,419	10,879,043	14,094,797	15,024,354	20,627,384
	Lake water	19,932,629	16,318,565	21,142,196	22,536,532	30,941,076
Engineering	Groundwater	431,511	191,600	965,371	1,192,478	1,350,757
Total water consumption		33,866,148	27,525,391	36,422,856	39,103,729	53,226,219

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

The Company uses the-state-of-the-art machinery at its locations where technically possible, to circulate water uninterruptedly after utilize in order to re-cool it for reusing. This cooling method is environmentally friendly and has reduced the withdrawal of fresh water. Water is not stored and does not have major effect.

Water Discharge (Litres)						
Business Unit	2021	2019	2018	2017	2016	Quality And Destination
Steel	325,372	390,658	1,149,900	1,220,900	1,185,750	Treated, drained to municipal sewer
Engineering	191,011	165,080	210,018	189,642	194,900	Untreated, drained to the Municipal Sewer
Energy	178,262	130,357	128,385	168,331	210,807	Treated, drained to SML drainage system
Total	694,645	686,095	1,488,303	1,578,873	1,591,457	

WATER REUSE AND RECYCLING



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 our bagasse based energy plant in Bhone, we reused water for production of steam to generated electricity

Percentage And Total Volume Of Water Recycled And Reused						
Water recycled /reused	Business Unit	2021	2020	2019	2018	2017
Total water recycled/reused m3/year	Steel	2,625,352	9,498,881	39,318,885	42,118,538	41,922,181
% of water recycled/reused		7.90%	34.93%	111.58%	111.97%	81.21%

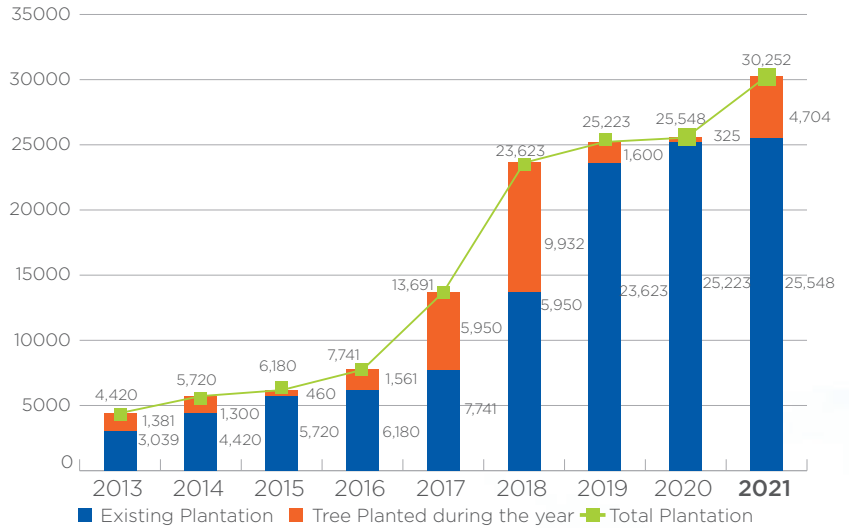
PLANTATION



Crescent Steel is aware of the significance of our ecological system and knows that for a better future we need to reduce our ecological footprint.

As a sign of our strong commitment to environmental conservation, during the year, we planted 4,704 trees. Over the years our plantation size has increased to over 30,200+ trees. These trees will help reduce our carbon footprint by 179 tons annually.

Tree Plantations



30,200+



BEACH CLEANING AND MANGROVE PLANTATION ACTIVITY

Mangrove forests are remarkably diverse and important ecosystems that keep coastal zones healthy. Mangroves provide essential habitat for thousands of species. They also stabilize shorelines, preventing erosion and protecting the land — and the people who live there — from waves and storms.

Despite the fact that mangroves are of immense economic and environmental importance to Pakistan, over the last few decades, these precious forests are fading away.

These forests are the lifeline of the Indus Delta and play a critical role in climate change adaptation and protecting the local population against sea-storms as well as cyclones.

Crescent Steel has been an active supporter of WWF in their effort to conserve the marine life by planting mangroves. This year we planted 1,000 mangroves, bringing our total plantation size to 2,700 mangroves, which we continue to maintain through monetary contributions that ensure that for every mangrove that doesn't survive, WWF will plant another sapling. These 2,700 mangroves reduce our carbon footprint by 37.23 tons annually.

We plan to plant more mangroves in the upcoming years to preserve our ecosystem.

Year	Number Of Trees Planted	Yearly Carbon Reduction (In Tonnes)
2012 (FY13)	50	2.66
2013 (FY14)	75	3.55
2015 (FY15)	100	3.55
2015 (FY16)	150	5.32
2016 (FY17)	150	4.43
2017 (FY18)	175	4.14
2018 (FY19)	1,000	17.73
2021 (FY21)	1,000	5.91
Total	2,700	47.28

This is equivalent to emissions from burning approximately 6,233 gallons of gasoline

CELEBRATING EARTH HOUR

Earth Hour has always drawn its power from the people and this year was no exception.

Over the years, the lights-off moment saw entire streets, buildings, landmarks, and city skylines go dark - an unmissable sight that drew public attention to nature loss and the climate crisis.

On Saturday, March 27th, 2021, 192 countries around the globe once again came together to increase awareness and spark global conversations on protecting nature. We showed that despite the physical distance, we were still able to unite digitally to speak up for nature louder than ever. We supported Earth Hour 2021 by switching off all unnecessary lights across all our campuses from 8:30 - 9:30 PM



SOCIAL PERFORMANCE

SOCIAL AND RELATIONSHIP CAPITAL

We are committed to driving inclusive growth and development in the communities where we work and live, running our business in a socially responsible manner, with the goal of bringing about positive social change through education, particularly primary education, help preserve our community wellbeing, identity and heritage where we can, supporting healthcare – in particular healthcare access for all, and fostering creativity through employee volunteering programs that help integrate and engage a cross section of communities.

SOCIAL INVESTMENT COMMITTEE

In order to foster a culture that emphasizes on corporate social responsibility, a Social Investment Committee is appointed by the CEO to consider the impact of the our businesses, operations and programs from a social responsibility perspective. The committee also considers the interests of shareholders, clients, employees, communities and regulators.

The Social Investment Committee reviews the distribution of charitable contributions in line with the Company's policy for donations, charities, and contributions which is set at the Board level. Terms of reference of the committee include:

- To review and recommend any changes to the Company's policy relating to Corporate Social Responsibility for the approval of the Board
- Review and recommend the distribution of charitable contributions in line with the Corporate Social Responsibility policy
- Review and monitor CSR activities, and
- Engage and measure social investments for impact

COMMUNITY DEVELOPMENT

Caring for the communities in which we operate is a strategic management driven initiative. We follow self- assessed guidelines for measuring community investments and impacts. Our operational approach is centered 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% to 5% of our 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 Crescent Steel Foundation.

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

OUR CASH DONATIONS INCLUDE:

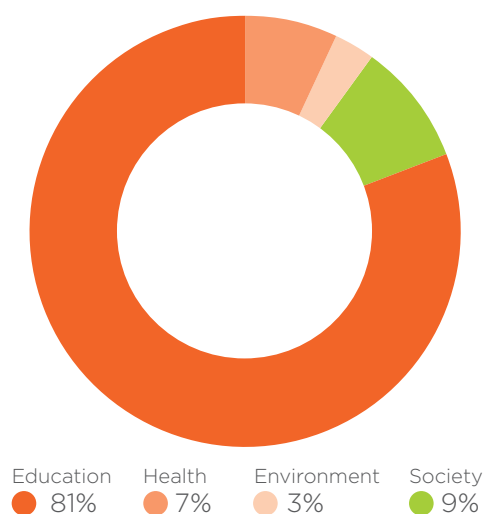
In time contributions have been valued using the organization average salary per hour for the year

CONTRIBUTIONS (RS)	2021	2020	20219	2018	2017
IN CASH	13,214,236	1,627,500	2,500,500	45,937,502	100,813,125
IN KIND	70,781	58,608	111,111	153,213	73,319
IN TIME	134,642	101,584	210,657	537,012	212,436
TOTAL	13,419,659	1,787,692	2,822,268	46,627,727	101,098,880

CONTRIBUTIONS TO:

- The Citizens Foundation as support for 6 school campuses built by us (9 of the 21 schooling units)
- The Citizens Foundation as tertiary scholarship support for four TCF alumni
- The Health Foundation as treatment for 40 hepatitis patients
- World Wide Fund for Nature-Pakistan (WWF Pakistan) for the mangrove plantation and beach cleaning activity
- Citizens Police Liaison Committee (CPLC) for opex support
- COMMECS Old Students' Association as sponsorship for their magazine

Contributions In Cash and in Kind



OUR IN TIME CONTRIBUTIONS INCLUDE:

Our CEO's time for serving on the Board of The Citizens Foundation, Pakistan Centre for Philanthropy, COMMECS and Indus Valley School of Arts and Architecture

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

EMPLOYEE VOLUNTEERING HOURS



OUR IN-KIND CONTRIBUTIONS INCLUDE:

- Items donated for Crescent Cares Week
- Meal arrangements for the WWF mangrove plantation and beach cleaning activity
- Commute for community visits organized during Crescent Cares Week

We took part in various social initiatives during the year of which some are mentioned below. Our contributions and work with TCF are covered separately on page 53-56 of this section.



SHAUKAT KHANUM MEMORIAL CANCER HOSPITAL AND RESEARCH CENTRE (SKMCH&RC)

SKMCH&RC is the first comprehensive care facility dedicated to the diagnosis and treatment of cancer in Pakistan.

SKMCH&RC has been raising awareness on the subject of breast cancer for the past two decades. In honor of Breast Cancer Awareness Month, we collaborated with them to hold an online breast cancer awareness session for our employees. The session focused on educating employees on self-assessment for early diagnosis and better treatment of breast cancer.

An online anti-tobacco session was also held in collaboration with SKMCH&RC to raise awareness on the harmful and deadly effects of tobacco use, second-hand smoke exposure and to discourage the use of tobacco in any form.

THE HEALTH FOUNDATION (THF)

THF aims to promote healthy practices for management of various diseases with an emphasis on Hepatitis B and Hepatitis C.



Crescent Steel in collaboration with THF held an awareness session for its employees to educate them regarding hepatitis B and C protection and prevention. The session was followed by a screening and vaccination drive for the Head Office employees where they were screened for hepatitis C and were administered vaccines for hepatitis B.

We also sponsored medical expenses, lab tests and consultation cost of 40 hepatitis patients through THF's Adopt a Patient initiative.

In the past we have also extended support to THF's Hepatitis Free Community Project in Rashidabad. Through this initiative, a total of 17,052 people have been sensitized regarding hepatitis B and C protection and prevention. During the year, 10 new cases of hepatitis B and 272 new cases of hepatitis C were registered. Hepatitis B vaccines were administered to 8,701 people.

THE ROBIN HOOD ARMY

The Robin Hood Army is a volunteer based, zero-funds organization that works to get surplus food from the community to serve the less fortunate people of the society.

We joined hands with The Robin Hood Army to organize a food distribution drive at the Aisha Academy orphanage for girls. Lunch was organized at the orphanage followed by fun-filled activities.



INDUS HOSPITAL BLOOD CENTRE

Crescent Steel collaborated with the Indus Hospital Blood Centre, the first centralized blood bank of Pakistan, to organize its annual blood donation drive. However, this year due to the ongoing pandemic and the nationwide blood shortage, we organized two blood drives at our Head Office in Karachi.

Active involvement and engagement was demonstrated by our employees as they voluntarily contributed to the blood bank collection drive. A total of 30 bottles/15,000 ml of blood was collected.

DEAF REACH

Deaf Reach is one of the only branch networks of schools catering to the needs of the Deaf community in Pakistan. They aim to create a long-lasting change in the lives of deaf children and their communities by providing a full circle solution from education and skills training, teacher development and parent training to job placement and community inclusion.

Crescent Steel in collaboration with Deaf Reach organized a sign language session for its employees to equip them with the basics of sign language. An online donation drive was also organized to raise funds for Deaf Reach.



CITIZENS POLICE LIASION COMMITTEE (CPLC)

CPLC is a non-political statutory institution managed by dedicated and concerned citizens with a focus to end social crimes such as theft, kidnapping, child abuse, etc.

Crescent Steel joined hands with CPLC this year to support their operational expenses. They also organized an informative session to educate our employees regarding the safety and security measures they can implement in their daily lives.

AMAN FOUNDATION

Aman Ambulance changed the landscape of emergency care in Pakistan by establishing a network of state-of-the-art ambulances providing round-the-clock emergency care in the province of Sindh. These ambulances are the first and only ambulances in Karachi that provide cardiac care, basic and advanced life support. In 2016 we donated an ambulance to the Aman Foundation to help save lives in case of emergencies. During the period July 2020 - June 2021, the ambulance dealt with 1,789 emergencies.

CRESCENT CARES WEEK

Crescent Cares Week, an employee engagement and society well-being program, is held every year with great enthusiasm. It is intended to instill value and care for the community within our employees by engaging them in various community care initiatives.

In 2021, activities planned throughout the week included food distribution drive with The Robin Hood Army, screening and vaccination drive for Hepatitis B and C with THF, sign language session by Deaf Reach, safety and security session by CPLC, Indus Hospital's blood drive at the Head Office, plantation activity at the Head Office, Nooriabad and Bhone campuses and TCF students visits to our Head Office, Jaranwala and Bhone campuses. All funds collected from these activities were donated to TCF (60%), THF (20%), Deaf Reach (10%) and ACF (10%).

Impact of Crescent Cares is illustrated on the next page



FY21



Generated PKR 151,341 in cash donations

FY20



Generated PKR 131,180 in cash donations

FY21



Generated PKR 92,510 in Kind donations

FY20



Generated PKR 95,645 in Kind donations

FY21



Volunteered 855 hours for community service

FY20



Volunteered 864 hours for community service

FY21



Donated 15,000 ml of blood

FY20



Donated 15,000 ml of blood

FY21



Planted 188 trees and plants

FY20



Planted 175 trees and plants

CRESCENT MATCHES

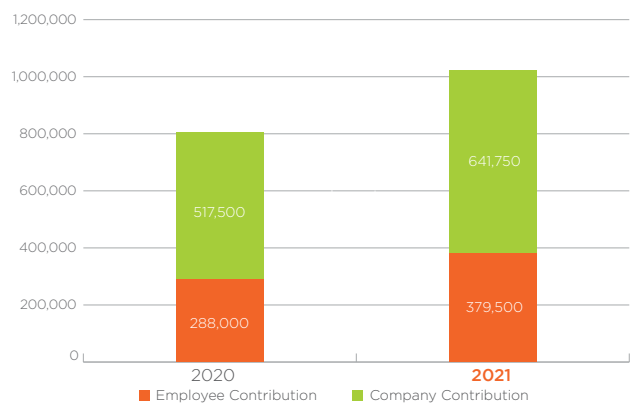
Distribution of funds raised through Crescent Matches: 41% to TCF for EDUCATION and 59% to Indus Hospital, Shaukat Khanum, SIUT and LRBT for various HEALTH causes.

Crescent Matches is geared toward capturing and multiplying the impact of employee giving. In 2021, the participation stood at 9 employees [FY20: 9 employees] and collections stood at Rs. 1,021,250 [FY20: Rs. 805,500]. Of this 37% constitutes employee contribution for the year.

Crescent Matches by Segment



Impact of Crescent Matches



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 in the Natural Capital section of this report.

SCHOLARSHIP SUPPORT

We continued to provide scholarship support for TCF graduates and have pledged to support four TCF graduates from other campuses. These students are enrolled in programs at Bahria University, COMSATS, Karachi University and NED. We have pledged sponsorships for the entire duration of their study programs.

SUPPORTING THE CITIZENS FOUNDATION EDUCATE PAKISTAN

Crescent Steel's main focus area of community investment is education. We believe that education is a long term investment which enables us in building a strong future for the community.

In our efforts towards an educated Pakistan, we have been in partnership with The Citizens Foundation (TCF) since 1996 to support quality education.

Over the past 25 years, the Company has helped build 21 schooling units (16 primary and 5 secondary) and supports operational expenses of 15 schooling units (12 primary and 3 secondary).

To date, an estimated 4,199 children have graduated from primary schools and 912 children have graduated from secondary schools supported by us. Combined enrolment in these schools today is 3,502 students, the majority of whom reside in some of the most impoverished communities of the country; 46% of these students are female.



Our Contribution To TCF's Footprint

Campuses Built by Crescent Steel	Units	Location	Students
Crescent Steel Campus I	1 P (M), 1 P (A)	Ibrahim Goth	395
Crescent Steel Campus II	1 P (M), 1 P (A)	Korangi Town	288
Crescent Steel Campus III	2 S (M)	Umar Maingal Goth	378
Crescent Steel Campus IV	2 P (M), 1 P (A)	Jaranwala	461
Crescent Steel Campus V	2 P (M), 1 P (A)	Jaranwala	473
Crescent Steel Campus VI	1 P (M), 1 P (A)	Bin Qasim Town	451
Crescent Steel Campus VII	1 P (M)	Jaranwala	144
Crescent Steel Campus VIII	1 P (M)	Chiniot	149
Crescent Steel Campus IX	2 P (M)	Jaranwala	271
Crescent Steel Campus X	1 S (M)	Bhone, Jhang	165
Crescent Steel Campus XI	2 S (M)	Jaranwala	327
Total	21 units		3,502

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	Chiniot	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	Chiniot	1	-
Crescent Steel Campus X	Jhang	Bhone	-	1
Crescent Steel Campus I, II and VI	Karachi	New Karachi Town	1	-
		Korangi Town	1	-
		Malir Town	1	-
Total			12	3

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

We have contributed to build 11 campuses (21 schooling units) with a student strength of 3,502 children - 46% of whom are girls - these schools employ a staff of 248 of which 170 constitute an all-female faculty. Over the course of our partnership with TCF, we have donated Rs. 342.5 million since 1995 at an average rate of Rs. 13.1 million per year.



SUCCESS STORIES

- Two TCF students from Crescent Steel Campus III were enrolled in the BSc Electrical Engineering program and BE Aviation program at PAF KIET, Karachi. The Company pledged to support their education through the Endowment Fund. Both of them have graduated.
- Two TCF students were enrolled in the BSc Physics and BSc Software Engineering programs at NED University. The Company pledged to support their education. Both of them have graduated.
- Two TCF students were enrolled in BE Electrical Engineering program at FAST University. The Company pledged to support their education. Both of them have graduated.
- One TCF student is enrolled in the Biomedical Engineering program at NED University. His CGPA of 3.71 is the highest amongst his batch mates and he is hopeful to graduate with a distinction. He plans to continue his higher studies in computational neuroscience. The Company sponsored his education for three years after which he was able fund the his education on an own source basis.

TESTIMONIALS

“When I got admission into the NEDUET back in 2017, I was excited to step into a new area and to explore, learn and do my best. As time progressed I found myself fascinated and comfortable in this interesting area of engineering, the most appealing factor for me was that it’s a multidisciplinary field, where as an engineer I could apply my technical skills and knowledge of the human body to assist healthcare providers, improve life, and make diagnosis and treatment easier and more efficient. The thing that hooked me to Biomedical Engineering was the realization that your work impacts the lives of people which helps one ponder on the importance of this field. From the beginning, we were taught courses related to medical science and engineering simultaneously. In my first year, I took a Chinese language course, which turned out to be a wonderful experience, it allowed me to get a sneak peek into the Mandarin culture.

Engineering has been full of many small, yet unforgettable, achievements. I remember making my first electrical power supply as my second-semester project, I was so proud of it that I showed it to everyone around me. Then, solving tedious differential equations, visualizing complex transformations in linear algebra, and making tiny computer programs were big achievements at that time. I learned to interpret and to extract hidden information in data in the biostatistics, and to compare

the DNA sequences in bioinformatics courses. I was excited when I presented an Internet of Things (IoT) based wearable for ECG monitoring device and then a prototype of home automation using artificial intelligence. I got a chance to be an intern as a clinical biomedical engineer at Abbasi Shaheed Hospital, and an intern sales and service engineer at Biomedical Pakistan. These opportunities allowed me to learn many new and important things for my career. In summer breaks and during lockdown, I kept on learning at university to improve my skill set, I learned to develop web and mobile applications, and took courses on Coursera to furbish my skills.

Currently, I am the leading CGPA holder in my batch and hopeful to graduate with distinction. Being in the final year, I am working on my final year project which is related to neuroimaging and computational neuroscience. Soon I am going to be called an engineer and will embark on a new journey having new challenges to solve. I am planning to continue higher studies in computational neuroscience, but I am still exploring new fields in which I can pursue my postgraduate and build a career. I am also preparing for GRE and aiming to score an admission with a scholarship in the best universities around the world.” – Anees-ur-Rehman (NED – Biomedical Engineering)

“This is Abdul Sami and I have done my bachelor’s in Avionics Engineering from PAF-KIET. During my graduation period, I had done an internship in the department of APF at PAC Kamra Islamabad. After my graduation, I started doing internships in different backgrounds. My second internship was in the Pakistan Meteorological department where learned more things related to Avionics as well as Electronics. My first official job started with the company named AONE DIGITAL SOLUTION as a sales executive. There I learned about Digital Marketing, Social Media platforms, and how to deal with different Clients in critical situations. After working there for some time, I got another opportunity and I am now working at another company as a Marketing Coordinator at Cloud Innovators.” – Abdul Sami (PAF KIET – Avionics Engineering)

MODE OF ENGAGEMENT	INPUTS	OUTCOMES
Operational Support	Contributed PKR 10.17 million towards school support.	The investment was utilized in managing the operational expenditures of the school and student's fee subsidies. This has supported 1,636 students in 9 school units.
	The Endowment Fund maintained with TCF earned a profit of 10.19% in FY21 [FY20: 9.83%], totaling the endowment size to Rs. 66,119,414 [FY20: 59,994,256]	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 utilize it for a new school unit.
Investing with TCF	An expendable endowment fund is being maintained with TCF to reward post-matric scholarships to TCF students. The fund earned a profit of 10.17% in FY21 [FY20: 9.83%], totaling the endowment size to Rs. 2,819,390 [FY20: Rs. 2,768,016]	We have pledged to support one Bahria University student through this fund for the entire duration of the program. The student is an alumni of Crescent Steel campus III
Scholarship Support	We contributed Rs. 215,548 as scholarship support for four students.	Pledged to support four undergraduate candidates in programs at NED University, COMSATS, Karachi University and Bahria University 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.
Multiplying our Impact	Rs. 141,000 [FY20: Rs. 134,500] were donated by employees to TCF through the Crescent Matches program.	Employee donations were matched at a ratio of 1:2 totaling donations to Rs. 423,000 [FY20: Rs. 403,500]
Sponsorship	Sponsored Rs. 200,000 for a TCF advertisement in the COMMECS Old Students' Association magazine.	The advertisement reached multiple audiences and created awareness regarding TCF.
Other Engagements	During Crescent Cares Week, students from TCF schools visited our Head Office, Jaranwala and Bhone campuses and were provided a briefing on various operations of each department.	The visits proved to be a learning experience for TCF students and our employees alike.

We believe that TCF is the only high impact organization providing quality primary and secondary education in less privileged areas across Pakistan and we are proud of our association with them. We regularly review activities, progress and the impact of our investment in TCF. Our employees regularly visit TCF schools and interact with the staff, community, and students. These school visits have however been on hold since 2019 on account of pandemic era school closures - these visits are now planned for May 2022.

Currently, TCF runs a network of 1,687 school units spread across 64 districts with a student strength of 275,000 children of which almost 50% are girls. TCF employs approximately 18,000+ Pakistanis of which 12,950 constitute an all-female teaching faculty.

OUR COMMUNITY PARTNERS IN 2021



THE CITIZENS FOUNDATION

The Citizens Foundation

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



World Wide Fund

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



Indus Hospital

Provides free of cost premium healthcare in Pakistan



The Health Foundation

Striving For A Healthier Pakistan



The Robin Hood Army

Works towards making food consistently available to everyone who needs it



Citizens Police Liaison Committee

A non-political statutory institution, working towards ending social crimes in Sindh



Deaf Reach

Works towards empowering the deaf community of Pakistan through education, skills training and career development



Sindh Institute of Urology and Transplantation (SIUT)

Provides free of cost treatment of urological and nephrological ailments, oncological treatments, treatments of hepatic and gastrointestinal diseases and organ transplantation facilities to the general public



Layton Rahmatullah Benevolent Trust

Works with patients to provide comprehensive eye-care, ranging from simple refraction to the most advanced retinal surgery and corneal transplants



Shaukat Khanum Memorial Cancer Hospital and Research Centre

Provides quality healthcare and treatment to cancer patients

CSAP FOUNDATION

CSAP Foundation has been established with the aim of bringing greater focus to our philanthropic CSR. The Foundation was granted tax exemption from FBR in 2018 (currently under renewal) and is operative as a non-profit organization.

The main objectives of the Foundation are:

- To consolidate our philanthropic agenda and social contributions under one umbrella
- To bring more focus to philanthropic CSR and community development objectives
- To bring greater focus, accountability, and transparency to our societal investments
- To enable access to funds and strategic partnerships

The Foundation focuses on improving the social infrastructure by supporting community welfare causes and in giving back to the society. Focus areas of the Foundation are:

- Providing shelter for the underprivileged
- Supporting 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
- Persuading and assisting in the control of pollution in all its forms and in the preservation of the living environment
- Encouraging and assisting in the promulgation of environmental laws, policies, rules, and regulations

Over the years CSAP Foundation has made contributions to various community partners in the education, health, environment and societal sectors. We are currently working towards positioning all our social contributions through the Foundation and are hopeful that it will enable us to bring greater focus to our philanthropic CSR and towards the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all.

On account of a pending tax exemption status, activities through the Foundation are kept at a minimal. We are on track to have the exemption status renewed in 2022. As a result, during 2021, the foundation made a total contribution of Rs. 1,279,350 in the education and societal sectors [2020: Rs. 2,319,750] from existing endowed funds and against active scholarship awards.

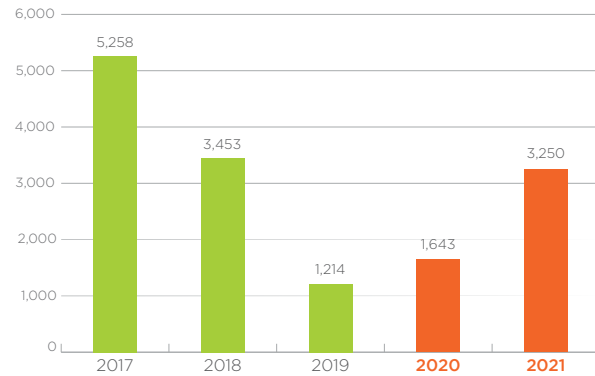
The multidimensional focus of the foundation ensures that we are able to serve the community by focusing on the immediate needs of our society while aligning them with long-term developmental objectives.

SOCIAL PERFORMANCE HIGHLIGHT

WEALTH GENERATED AND DISTRIBUTED

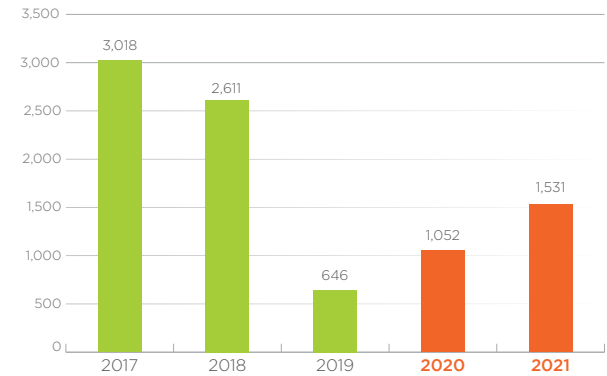
Net Wealth Generated

Rs. in million



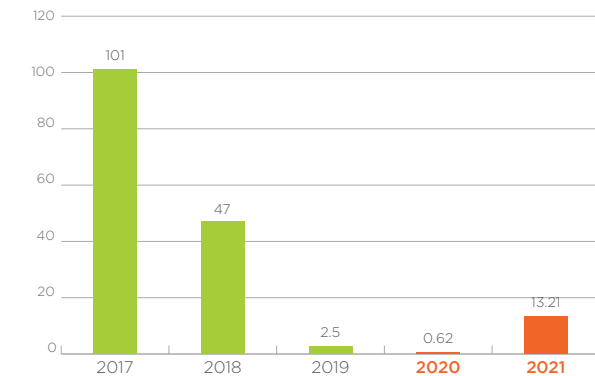
Contribution To Exchequer

Rs. in million



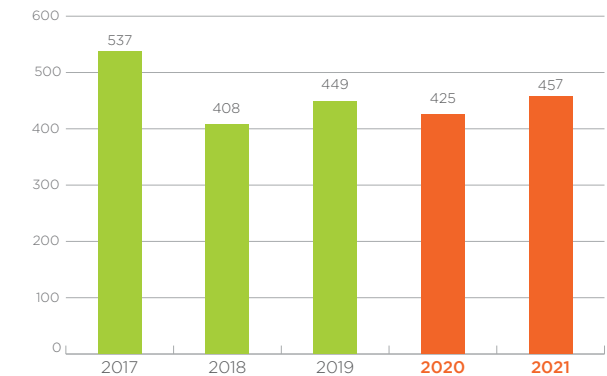
Social Investments

Rs. in million



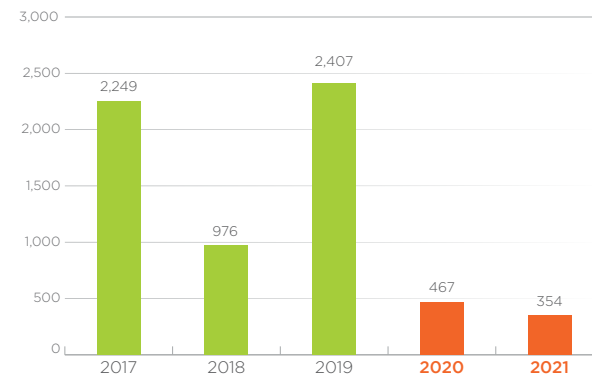
Contribution To Employees

Rs. in million



Training Expense

Rs. in million



HUMAN CAPITAL

Our people are the central support structure that helps us achieve our mission as without employee success, company-wide success is difficult to achieve. Our diversity, inclusion and engagement strategy is a key part of our sustainability efforts, as our future is intrinsically linked to the people we employ and the places where we operate.

Our commitment

To lead with care, providing an agile working environment that encourages health, safety and wellbeing, accountability, inclusion and trust, and allows employees to develop their skills and careers while contributing to the company's business goals.

Our objectives

Foster trust and empower employees to manage and promote change and innovation, providing them with the training and technological resources to succeed.

Embed values through transparent and effective processes, helping employees shape their professional careers through formal tools

Encourage continuous learning and feedback through concrete formal tools and processes.

Respect and promote diversity and inclusion in all its forms, focused on gender, generation and culture

Our actions

Our people, their enthusiasm, ideas, efficiency and skills, are one of our most valued assets and drivers for innovation which is the precursor for business growth. As an industry leader in line pipe manufacturing, which is inherently tied to development, we face a dynamic tempered by economic uncertainty, market, technology and

trade disruptions: nurturing the skills, abilities and determination of our people is more important than ever before for us to unlock a more sustainable future.

Our culture is based on a strongly held and widely shared set of values. We seek to recruit people who share our values, develop training and performance management programs that reinforce them and ensure that these value behaviors are rewarded and recognized.

Across all our operations, we recognize that our employees and contractors require:

Safe and
Healthy
Workplace

Fair and
Equitable
Remuneration

Career/Personal
Development

Diverse and
Inclusive Work
Environment

To achieve our HR objectives, we have a comprehensive strategy that supplements our policies in a manner that strengthens the organization's human capital, develops corporate culture, improves working environment and upholds our values.

At Crescent Steel, we have cultivated a culture of open and trusted communication where employees feel free to share/receive open and honest feedback and raise complaints and grievances with ease.

To get better insights regarding employee needs, we regularly evaluate the results of our employee engagement initiatives and opinion surveys. Additionally, our human resource function is subject to regular monitoring by an independent internal audit function that identifies implementation and policy gaps.



GOALS AND OBJECTIVES FOR 2021 - 2023

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

- Focus Groups to address key issues identified by the Employee Opinion Survey
- Implement and leverage a Human Resource Information System
- 360-degree surveys of key management staff and executives, targeting that 100% of departmental managers receive upward feedback
- Enhance the HR competency level of the organization so that every manager acts as an HR manager for their team
- Identify skill gaps across the organization and work to develop the right people to meet future growth objectives; review the inventory of skills to ensure it remains relevant to business goals
- Develop and deploy online learning tools especially for standard roles and organizational systems and policies
- Improve our employment of women by 25 percent by the financial year 2023 (at corporate office locations) and measure the number of women applying to vacant positions
- Encourage self-directed learning within the organization
- Hire the right person in the right position
- Continue to deliver equal average pay for men and women at comparative role and job grade
- Narrow the employee satisfaction gap; improve ESI to 4 by 2022 and target a 90% participation level
- Strengthen key operational areas by acquiring and retaining top talent in mid-management positions
- Simplify training and encourage the concept of self-learning within the organization
- Promote a culture where people are listened to, valued and assessed with fairness
- Improve average age of the organization by employing younger people





RESPONDING TO COVID-19

COVID-19 and the measures taken by governments to contain the spread of the virus, including restrictions of business and social activity have shone a spotlight on the inter-dependence between human health and organizational success.

The crisis has renewed focus on employees and their wellbeing, and the actions that companies are taking to protect them. Crescent Steel reacted swiftly to the situation, putting in place comprehensive measures to protect the health and safety of employees, customers and suppliers, and adapting digital systems to make it possible for employees to work from home where possible. Clear communication routines were established between people and management.

HEALTH AND SAFETY PROTOCOLS AT PLANTS AND OFFICES

Work at our mills was never suspended. Health and safety protocols were introduced for all personnel throughout our facilities, including temperature checks at entry and exit points, frequent and regular disinfection and cleaning routines, the mandatory use of facemasks, transport protocols and social distancing rules, as well as the redesign of common areas and designated isolation rooms.

The company devised mechanisms for teams to work at a distance and ensured proper use of PPEs at the mills to limit the potential for contagion, and encouraged people to work from home during times of high infection rates.

POSITIONING FOR A MORE COMPETITIVE FUTURE

The sharp fall in demand for our products following the onset of the pandemic triggered a rebalancing process to respond to a more complex competitive environment and increased market uncertainty. A second cyclical downturn within five years, overcapacity, and the imperative to ensure the company's financial stability during the pandemic, made it clear that we would have to make a reduction in our fixed cost structure. We responded by capping increments for top management at 5% in FY21.

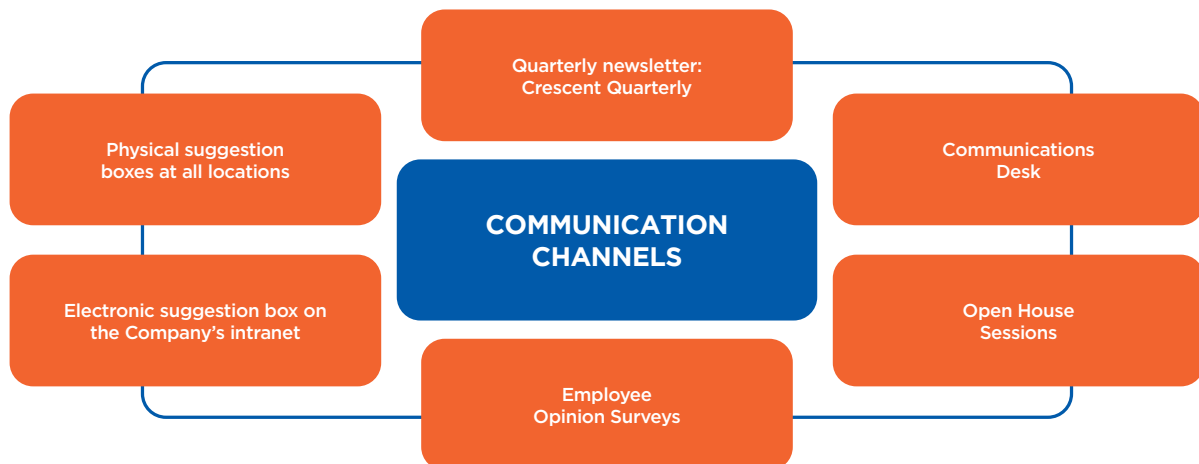
EMPLOYEE ENGAGEMENT

Engaged employees, who are connected with the company's mission and goals, can easily manage change and align their actions to move forward with the same pace, seeking out ways to operate at their best. Engaged employees also feel empowered and appreciated, creating a win-win for all. The outcome is a happy and focused workforce, one who feels passionate about their jobs and go beyond expectations to achieve the organization's goals.

Our values incorporate the essence of engagement and influence the way we work. They form the heart of all our decisions. For us to sustainably create value, it is crucial that employees are connected with our values and purpose.

We aim to create a place where people love to work and make efforts to engage employees at all levels.

Our communication channels include:



The central Communications desk, launched in 2013, is a one way channel to relay messages across all locations and keep the workforce updated.

The physical and electronic suggestion boxes provide employees with a direct line to the CEO, providing them an opportunity to give feedback, ask questions and offer ideas. Additionally, the annual Open House gives employees a chance to have a two-way discussion directly with the CEO to share any ideas and concerns. The ideas shared by employees via these channels become key drivers of process improvements at Crescent Steel.

We conduct the annual Employee Opinion Survey to gain insights on what matters to our people. The survey provides us an understanding of our core strengths and opportunities to improve.

In 2021, the response rate was 83%, which showed a decline of 3% compared with 2020, and the average employee satisfaction score was 3.69/5, which was also lower as compared to last year's score of 3.81/5.

This is primarily on account of the relatively newer BU, Crescent Hadeed being added to the EOS universe. Strong scores were registered for our strategy, values, structure of the organization, process flow, work environment and culture. As with every survey in the past major area of concern included compensation - we have however benchmarked compensation of all key positions against the market and find that we are competitive.

We also have a robust grievance and complaint mechanism in place, including a Whistle Blowing Policy where employees can anonymously report any improper conduct or wrongdoing without concern for reprisals or victimization directly to the Head of Internal Audit, Human Resources and/or the CEO. We ensure that such grievances are dealt promptly, fairly and in accordance with other related policies of the organization.

We aim to reach out to diverse talent and embrace the different skills, cultures, ways of thinking and experiences that talent brings. We offer our employees regular opportunities to step out of their daily work routine to contribute their time by volunteering to make a difference. Additionally, the daily lunch provides everyone an opportunity to sit together. This encourages interdepartmental engagement and reinforces our core values.

LABOR MANAGEMENT RELATIONS AND GRIEVANCE MECHANISM

A satisfied workforce is essential for higher productivity, reduced costs of compliance, and lower turnover. With the current pace of change and mounting pressure of accomplishing the business's strategic goals, it is important to have a good relationship with the workforce.

Crescent Steel is a labor-intensive organization with 78% of the total workforce comprising of worker grade employees at our factory locations. The management is determined to remain connected with our workforce, being aware of and, trying our best to meet their needs.

Everyone is encouraged to report to their respective supervisors/managers for any grievances or concerns relating to their health and safety and the workplace.

There are no collective bargaining agreements at our Company.

DIVERSITY AND INCLUSION

With the growing pace of change, achieving diversity in the workplace is an ongoing priority. One of our key goals in this area is to increase appointment of women to 25% by the financial year 2023 (at corporate office locations).

We believe a diverse workforce is an important asset. It acknowledges the individual strengths of each employee and the potential they bring. Valuing the differences of others is what ultimately brings us all together and is the secret to a successful, thriving workplace and a fair work culture.

MARKET PRESENCE

During FY21, the ratio of standard entry level wage by gender compared to local minimum wage remained 1:1 across all significant locations of operations and inclusive of plants and regional offices at Karachi, Nooriabad, Jaranwala, Bhone, Dalowal, and Lahore. As an equal opportunity employer, the company follows strict criteria and ensures that the rights of its employees are protected in all forms of work.

100% of our senior operational management employees including functional heads are residents of local areas/ regions.

EMPLOYEE DEVELOPMENT

Employee development is vital to sustainable business growth and success. In order to remain competitive in this changing business environment it is important that we invest in the development and upskill, train and educate our employees.

We foster a learning environment that promotes creativity and innovation to generate a positive impact for the organization. To build on and sustain the training and development of employees, a robust performance management and feedback system is in place.

We invested Rs. 0.36 million, 0.10% of profit before tax in FY21 [FY20: Rs. 0.46 million, (0.39%) of loss before tax] 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 6.53 hours [FY20: 4.16 hours] of formal training in FY21. Our performance in this area has been below targets and desired levels both because of business conditions and the constraints owing to the pandemic crisis.

AS ON 30 JUNE 2021:

16% or 13	Employees across our corporate offices were females
20% or 2 7% or 2	Members of the Executive Management Team were women Management roles were filled by women
3% or 26 11% or 8	Workforce consisted of minorities across all locations Workforce consisted of minorities across our Head Office
24% or 6	New hires at our corporate offices were females
1% or 4	Employees from our workforce comprised of differently abled persons
79% and 81%	New entrants represent rural communities Workforce is from rural Pakistan

There have been no incidents of discrimination reported during FY21.

Our commitment to equality and a gratifying workplace augments our core values.

12

Average training hours planned for every employee in 2022

100%

Percentage of eligible employees for whom performance reviews and career development plans have been prepared in 2021

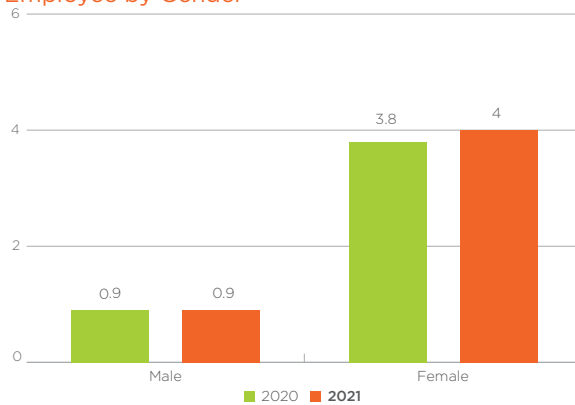
64%

Percentage of management grade employees for whom training need analysis has been conducted and training plans prepared in 2022

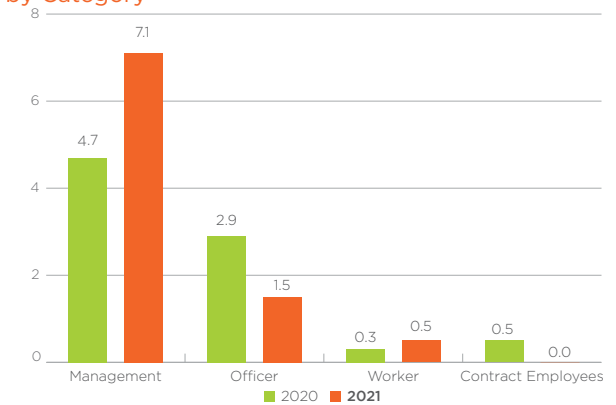
71%

Management staff was reviewed in the Organization Talent Review exercise

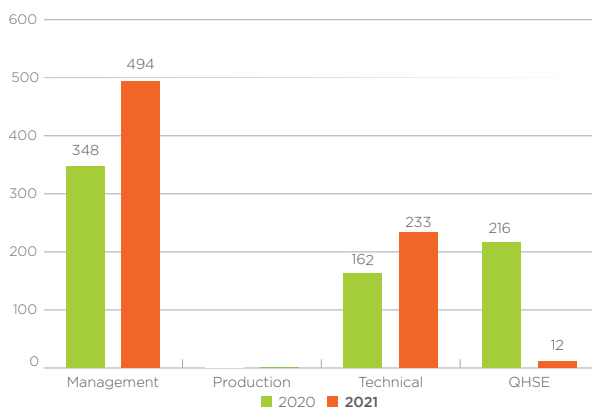
Average Training Hours / Employee by Gender



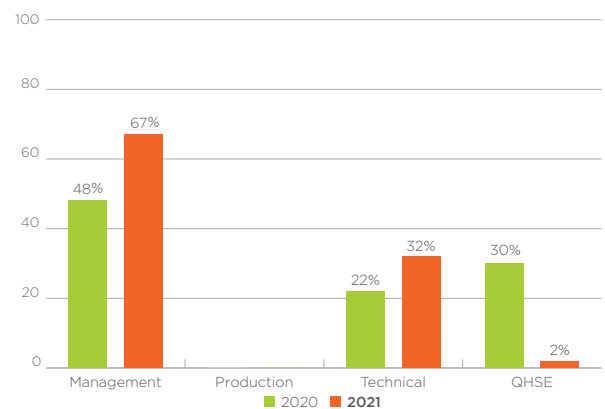
Average Training Hours / Employee by Category



Training Hours by Type of Training



Training Hours by Type of Training %



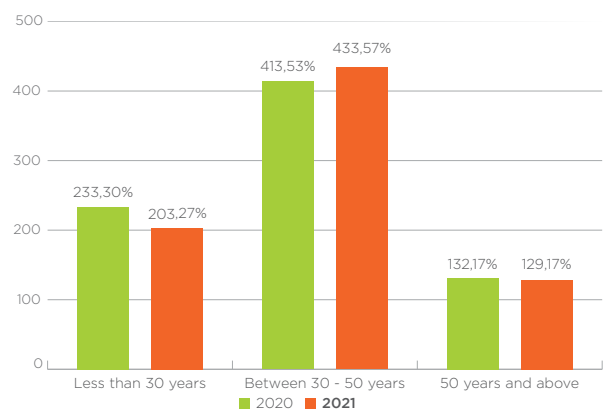
EMPLOYEE DEMOGRAPHICS

Crescent Steel is committed to creating a workplace where all employees have a chance to develop. We celebrate diversity and are committed to creating an inclusive environment for all employees. We provide equal opportunities to grow and encourage our employees to innovate, discuss and suggest new ideas.

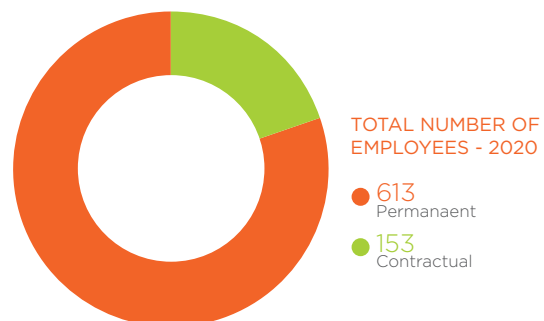
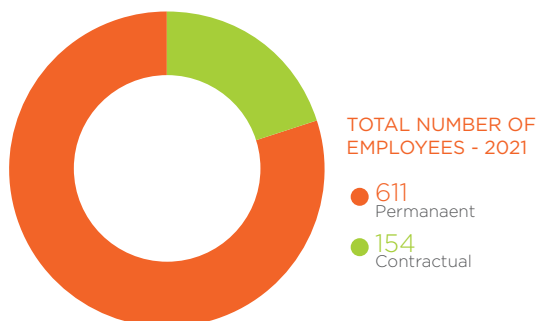
As an employer of over 750 people across Pakistan, Crescent Steel has a significant impact on livelihoods, opportunities and growth prospects for the people who work for the Company. We aim to employ, develop and retain people from the communities in which we operate. We promote diversity in the workplace and ensure a safe and healthy work environment for our staff.

Total Workforce - Region Wise		
	2021	2020
Bhone	28	21
Jaranwala	474	475
Karachi	76	74
Lahore	4	3
Nooriabad	141	157
Dalawal	40	34
Islamabad	2	2
Total	765	766

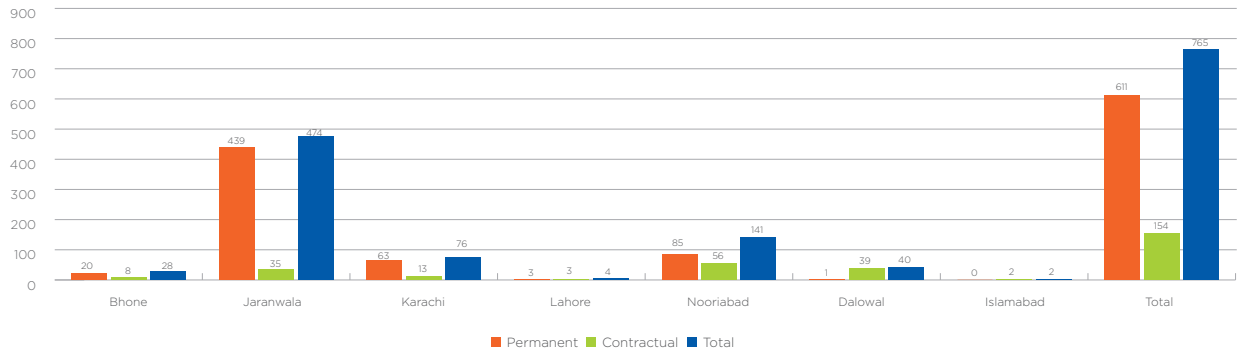
Employees by Age



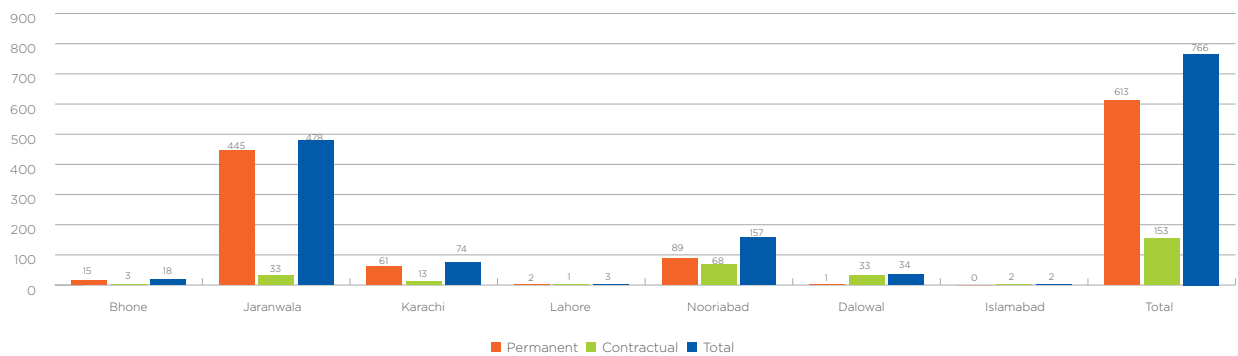
AVERAGE AGE OF EMPLOYEES - BY EMPLOYEE CATEGORY



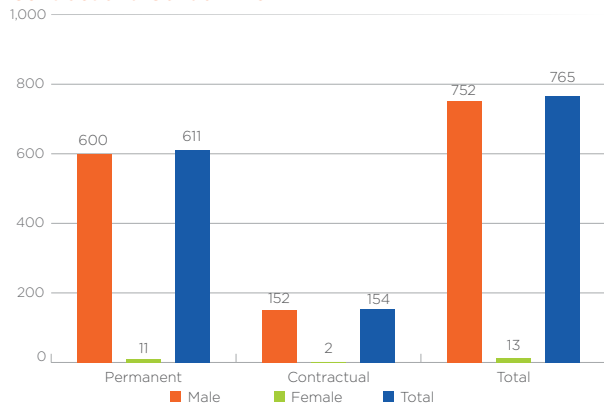
Total Number of Employees by Employment Contract and Region - 2021



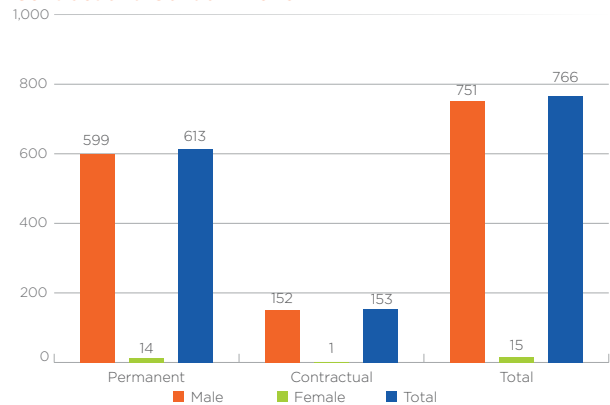
Total Number of Employees by Employment Contract and Region - 2020



Total Number of Employees by Employment Contract and Gender - 2021



Total Number of Employees by Employment Contract and Gender - 2020



New Hires	Incoming Employees 2021		Incoming Employees 2020	
	Number	Rate %	Number	Rate %
Less than 30 years	346	44.96	370	47.87
Between 30 - 50 years	312	40.49	316	41.63
51 years and above	30	3.96	26	3.45
Total	688	89.88	712	92.65
Karachi (Head Office)	24	3.13	17	2.24
Nooriabad	45	5.94	48	6.40
Jaranwala	580	75.97	608	79.63
Islamabad	-	-	-	-
Dalawal	10	1.30	7	0.92
Bhone	28	3.63	32	4.15
Lahore	1	0.13	-	-
Total	688	89.88	712	92.65

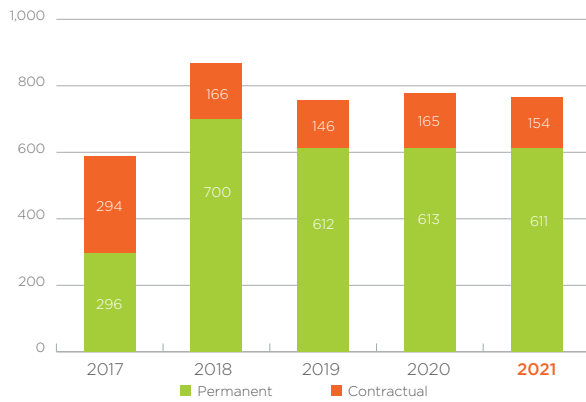
Employee Turnover	Outgoing Employees 2021		Outgoing Employees 2020	
	Number	Rate %	Number	Rate %
Less than 30 years	339	44.05	342	44.24
Between 30 - 50 years	303	39.33	316	41.63
51 years and above	47	6.20	35	4.64
Total	689	90.01	693	90.18
Karachi (Head Office)	22	2.87	15	1.97
Nooriabad	61	8.05	66	8.80
Jaranwala	585	76.62	599	78.45
Islamabad	-	-	-	-
Dalawal	4	0.52	5	0.66
Bhone	17	2.20	7	0.91
Lahore	-	-	1	0.13
Total	689	90.01	693	90.18

High turnover is due to spinning industry dynamics.

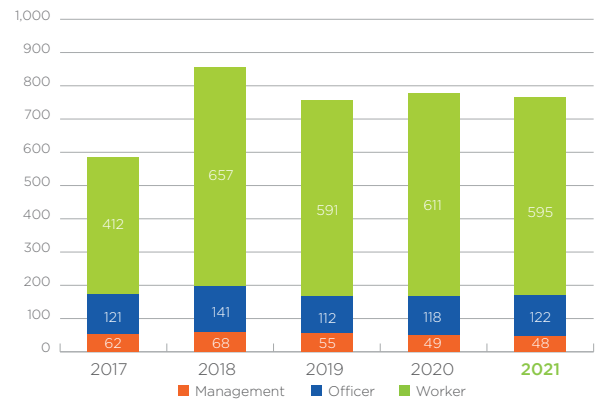
All employee data and information presented above is extracted from our Human Resource Management System and is, therefore, accurate.

WORKFORCE INFORMATION

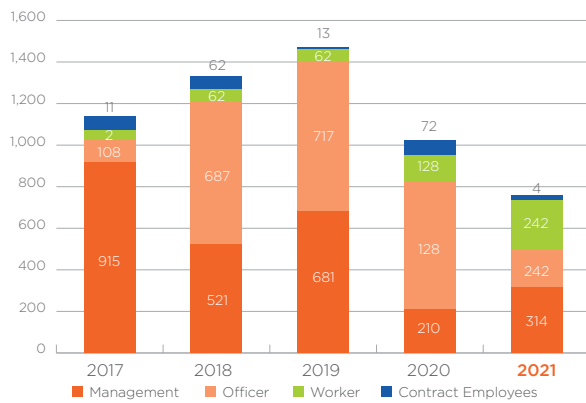
Number Of Employees



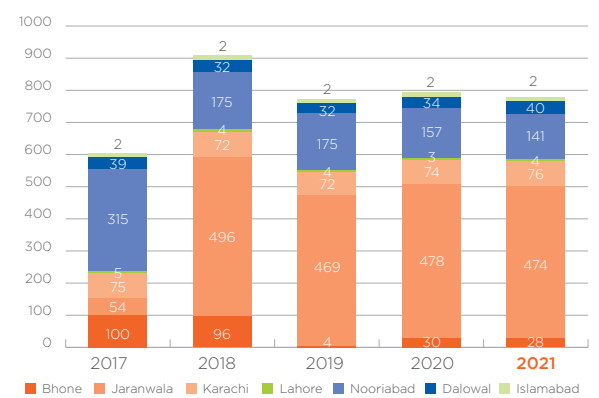
Number of Employees



Training Hours by Employment Type



Workforce by Region



Notes: The significant increase and decrease in the workforce over the years is on account of the cyclic nature of the business.

EMPLOYEE SATISFACTION

76%

of employees are satisfied working for Crescent [FY20: 76%]

79%

of employees are satisfied about guidance and coaching provided to execute the job [FY20: 78%]

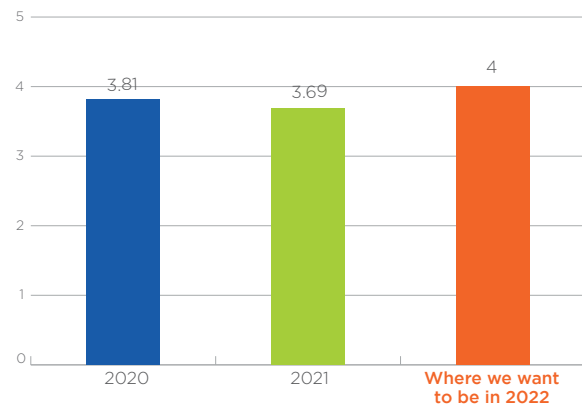
83%

of employees are committed to their jobs [FY20: 86%]

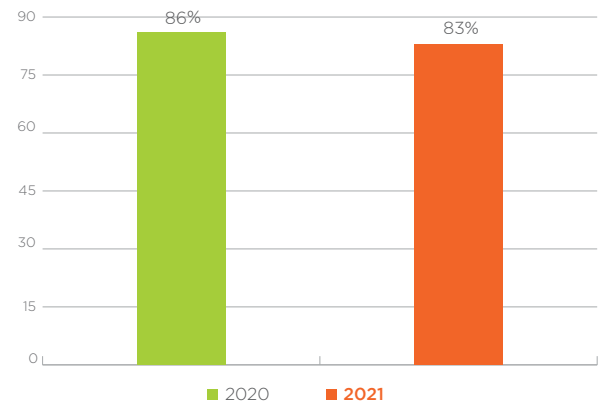
82%

of employees are satisfied that Crescent is sensitive to the safety need of employees and provides appropriate work tools [FY20: 84%]

Employee Satisfaction Index



Survey Participation Level



ENGAGEMENT AND DEVELOPMENT

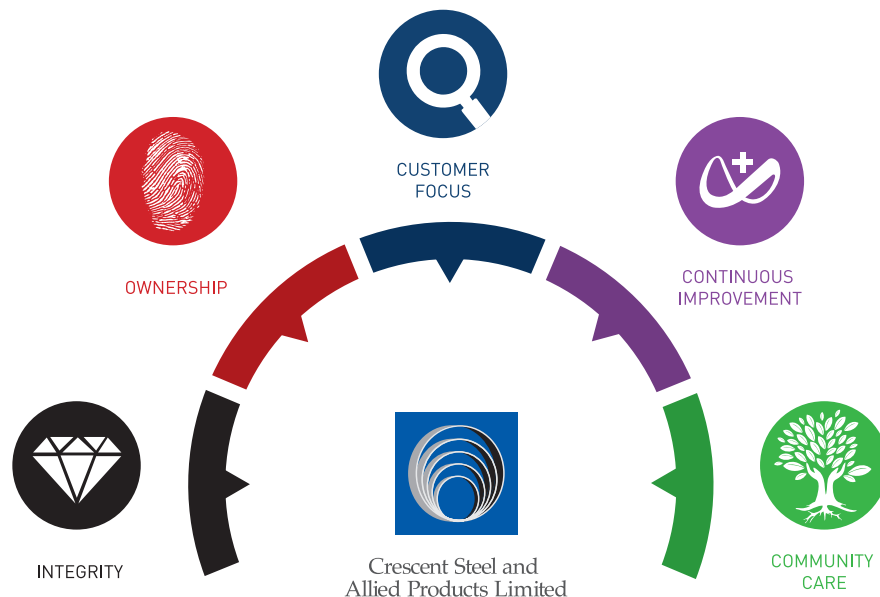
This section highlights our key employee engagement and development programs.

RECOGNISING VALUE BEHAVIOURS

Our values form our corporate culture and determine who we are.

For everyone in our company, our core values set out the basics of the code of conduct to be followed at all times. Our employees care passionately about helping others, they value their customers, take ownership, work with integrity in all their dealings and are always willing to improve.

These core values inspire our employees in their day-to-day affairs and govern the way they carry out business. To encourage and highlight value behaviors, we hold value awareness sessions and recognize and reward employees who live our values.



STRUCTURED TRAINING PROGRAMS

Employee training is of paramount importance for Crescent Steel, building on our value of Continuous Improvement. We are committed to boosting the knowledge base of our employees and preparing them to take up future roles within the organization.

We believe in transferring knowledge and skills to local communities in which we operate and retain those employees over the long term. Training does much more than just teach new skills, it sends a message to our employees that they are valued by us.

Every year, the HR department in collaboration with each department identifies training needs for employees. Based on the identified needs, a training plan and budget is prepared and presented to the CEO.

We have categorized trainings into four types; production, management, quality and HSE and technical. These are further classified into internal, external, in-house and on-the-job trainings. Crescent Steel believes in internal cohesion and therefore prefers "on-the-job" trainings for its employees. Each training is evaluated through a feedback form to gauge its effectiveness.

We also offer one-year training appointments to candidates for technical qualifications including ACCA and ICMA candidates.

This year, we inducted 6 interns [FY20: 9 interns] across various departments at our Head Office and Nooriabad campus for a minimum period of six weeks. Interns at CSAPL are provided with experiences that can lead to their personal and professional growth. It is a great way for them to explore different career paths and enhance their career opportunities. Our interns act as our ambassadors, enhancing our visibility as an employer. This is particularly important because as an engineering sector company with a relatively low annual intake, other avenues such as participation in career fairs and formal engagement with prospective hires is usually not feasible.

EMPLOYEE DEVELOPMENT AND ROTATIONS

In support of the Organization's mission and strategic goals, the HR function works along with employees to prepare them to take up additional responsibility when needed. To achieve this, we continuously invest in our employees to improve, enhance and refine their skills and also work towards developing new skills.

Additionally, Organization Talent Reviews continue to play a key role in identifying and developing employee talent at all levels. Conducted every year in May, these sessions are the key drivers for carrying out succession planning for employees identified as Future Leaders.

To develop employees, HR department also performs the role of training organizers in order to ensure that each employee is equipped to perform jobs in the most competent, effective and efficient way possible.

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

We also offer three-year apprenticeships at our manufacturing facilities. The apprenticeship is offered in electrical, production and mechanical areas and offers substantial benefits to both the trainees and the business.

LATERAL ROTATIONS

We also offer high performing employees opportunities for lateral rotations across functions. Lateral rotation enables employees to see the business from the outside in, enhances skill set and helps with future leadership roles.

PERFORMANCE MANAGEMENT

In order to sustain the performance and growth of both CSAPL and its people, we have set up a comprehensive performance management system. Our performance management process is designed to improve individual performance by setting individual and team goals which are aligned to the strategic goals of the organization, planning performance to achieve the goals and reviewing and assessing progress.

The system provides an opportunity to employees and their managers to assess performance against set targets and objectives. We believe that performance management is an ongoing process. Constructive and regular feedback is important for continuous improvement at all levels.

We keep our people informed on how performance is measured, reviewed and managed across the organization. Office hours for discussions, refreshers on how to self-assess and set goals are also available for staff.

Performance reviews are used to support decisions related to training and career development, compensation, transfers and promotions and are therefore, treated with utmost fairness.

COMPENSATION AND BENEFIT SCHEMES

To keep our people motivated and satisfied at work, we offer a comprehensive compensation and benefits plan. Our robust compensation and benefits package enables us to attract and retain our best employees.

Benefits are a part of the compensation package, and they are often worth a great deal to employees. In addition to guaranteed and variable pay schemes, the company offers a suite of employee benefit plans that include:

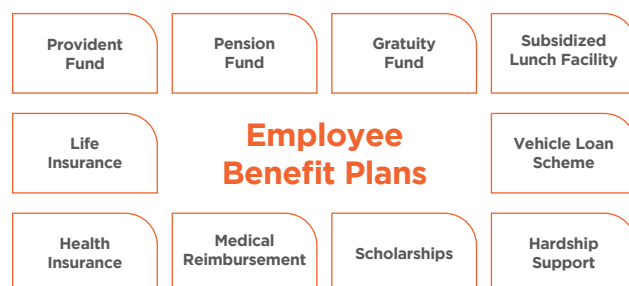
EMPLOYEE BENEFITS	
Life Insurance	√
Defined Contribution Plan (Provident Fund)	√
Defined Benefit Plan (Gratuity and Pension)	√
Disability Coverage	√
Maternity Leave	√
Subsidized Lunch	√
Health Care	√
Health Insurance	√
Company Maintained Cars / Mobiles	∅
Company Sponsored Vehicles (Car / Motorcycle)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

√ = to all employees

∅ = to our executives and management as per business need

Ω = on application, to eligible employees

■ = generally not available, however considered on case to case basis



At Crescent Steel, we share value created with our employees, providing them with competitive wages and a range of benefits. The Company maintains a provident fund on a contribution basis; and matches the employee's contributions to the fund (at 8.33% of basic salary up to 5 years of service and 10% of basic salary after 5 years of service). Benefit funds including both gratuity and pension, are contributed by the company at the rates of 8.33% and 2% of the employee's basic salary, respectively. Collectively, the company provides 5% of its pre-tax profits in Worker Profit Participation Fund (WPPF) for the assistance of its employees. We have categorized entitlement of benefits to employees by job levels:

This year 13 employees were allotted cars and 10 were allotted motorcycles through the Company Car and Motorcycle Scheme. The scheme, initially initiated with the objective of making commute easier for our employees, now helps us retain valuable employees.

COMMUNITY ENGAGEMENT

Building on our value of Community Care, community engagement is of paramount importance to us. Our people, embody our value and participate in the activities we put together that can lead to the social development of 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.

As a responsible and ethical Company driven by the value of Community Care, we place high value on employee participation in our initiatives. Our people, embody our value, both inside and outside the office space.

AIESEC GLOBAL INTERNSHIP PROGRAM

Crescent Steel, in collaboration with AIESEC, provides young people an opportunity to explore and develop their leadership potential through the international exchange of interns.

So far we have provided five international students internship opportunities to develop their intellectual, communicative and professional knowledge and although the program has been in hiatus for 3 years with the last intern exchange in 2018.

We plan to reconnect with AIESEC to engage more young people in the coming years. Inviting foreign students enhances the global outlook of our business operations and promotes a culture of diversity, learning and innovation.

CRESCENT SCHOLARS

A key ingredient of our mission is to contribute towards an educated Pakistan. In order to achieve this, we introduced a scholarship program in 2013 to support tertiary education for children of our employees. The program is currently in its eighth year and now includes 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 fifteen scholars, out of which thirteen are children of our employees and the remaining two are external scholars.

Children of Employees	Program and Institute Name
Syed Muhammad Mufeez (2014)	BE - Chemical Engineering candidate at NED University; is working as an HSE Executive at Aisha Steel Mills Limited
Abdul Rehman (2015)	BS - Electrical Engineering candidate at Habib University; has graduated and is working as a Senior Research Engineer at Habib University
Muhammad Taha Zaidi (2015)	BBA candidate at IBA; has graduated and plans to pursue his career in marketing analytics
Ahmed Ali (2016)	BSc - Computer Sciences candidate at FAST; has graduated and is working at VinnCorp as a Software Engineer
Muhammad Ans (2016)	BE - Mechanical Engineering candidate at International Islamic University; has graduated
Khizran Kulsoom Zaidi (2017)	MSc - Human Resources candidate at Karachi University; has graduated and is working as a System Support Analyst at National Institute of Cardiovascular Diseases
Syed Muhammad Bilal (2018)	BS - Computer Science candidate at DHA Suffa University; has graduated and plans to pursue his career in Information Technology
Sidra Sikandar Ali (2018)	MS - Hydro Science and Engineering candidate at Dresden University of Technology; currently in her fourth semester
Suleman Saad Thaniana (2019)	BS - Chemical Engineering candidate at Massachusetts Institute of Technology; currently in his fifth semester (we have partially sponsored his education)
Munazza Zafar (2017 and 2021)	Intermediate - Pre-Medical candidate at Islamabad Model College has completed her intermediate
	BS - International Relations candidate at Quaid-e-Azam University, currently in her third semester
Sidra Muhammad Ali (2018 and 2021)	Intermediate - Pre-Medical candidate at Trinity Methodist Girls' Higher Secondary School, has completed her intermediate
	PharmaD student at Hamdard University, currently in her third semester
Nimra Yamin (2021)	BS - Economics and Finance candidate at NED University, currently in her fifth semester
Muhammad Safiullah (2021)	Intermediate - Pre-Medical candidate at Government Islamic Science College, currently in his second year
Other Scholars	
Mariam Asaad (2016)	MS - Education candidate at Harvard Graduate School of Education; has graduated and is working as an implementation consultant with the World Bank and also leading a curriculum design project with The Citizens Foundation
Muhammad Waqar Mustaqeem (2016)	BSc - Actuarial Sciences candidate at London School of Economics and Political Sciences; has graduated and is working as Manager Shareholder Assets, Investment Strategy and Execution at Scottish Widows, Lloyds Banking Group



TESTIMONIALS FROM OUR SCHOLARS

"I would like to express my gratitude towards Crescent Steel and Allied Products Limited for introducing Crescent Scholarship Program to financially support student's academics. For me in particular, being selected for this program is an honor in itself and definitely an appreciable accomplishment. This program is not only contributing monetarily but is also encouraging me to be more consistent and diligent towards my studies. Besides that, now I am also able to save money for my Master's Program, which expectantly I'll pursue from abroad. Currently, I am enrolled in the 5th semester of my 4 years BS Program. All things considered, with sheer determination and dedication I am confident I will prove myself worthy of this opportunity."

Nimra Yamin (2021 scholar)



"I am thankful to CSAPL for awarding me a scholarship. I am very happy and appreciative as the recipient of this scholarship. I am currently a student of Intermediate (Pre-Medical) and my plan is to pursue my studies in one of the top medical universities in the future.

By awarding me the CSAPL Scholarship Award 2021, CSAPL has lightened the financial burden of my family, which allows me to focus more on the most important aspect, learning.

Thank you again for the generosity and support. I promise that I will work very hard and eventually give back to others."

Saifullah Iqbal (2021 scholar)



OCCUPATIONAL HEALTH AND SAFETY

Crescent Steel has proven to be a responsible corporate citizen over the span of its existence and follows standards related to health, safety, and environment. Our employees are trained to emphasize and strictly adhere to the precautionary approach laid out by the United Nation's Rio Declaration on environment and development focusing primarily on principle 15.

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 enables 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 an 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, an internationally recognized 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.

We take several safety measures within our Company such as identifying hazards, conducting risk assessments and environmental aspect impact analysis. Workers are provided with sufficient personal protective equipment and go through regular health check-ups.

These measures are all controlled by HSE related joint management-worker committees and are extended to all our workers. Each employee is required to ensure compliance with HSE policies, procedures, and instructions at their respective stations.

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.

In FY21, 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.

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.

Crescent Steel aims to give back to the environment and invests heavily for a better standard of living. While aiming to work responsibly, Crescent Steel tries to bridge effective business management along with reduced environmental footprints.

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 complying 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 of fire and safety procedures
- Emergency drills are conducted at least twice a year. Employees are urged to report unsafe work conditions and non-compliance with our HSE procedures
- Safe water: Water filtration systems have been installed at our sites and drinking water at our campuses are tested periodically
- Pathology tests are conducted annually, e.g. Blood tests, Vision test, and 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

Occupational Health And Safety Targets – 2021

For Business Unit – Steel

Lost workday case	02 (at maximum)	For our Corporate offices, Cotton Division, Crescent Hadeed, CS Energy and Shakarganj Engineering Unit, we strive to achieve zero cases of work-related injuries.
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

Number of injuries

	2021	2020	2019	2018	2017	2016
Number of injuries						
-Medical treatment cases	2	2	4	0	11	14
-Restricted work cases	-	-	-	-	-	-
-Lost workday cases	2	-	3	-	7	5
Number of occupation diseases cases	-	-	-	-	-	-
Number of work related fatalities	-	-	-	-	-	-
Injury rate (IR)	0.0009	0.00058	0.0019	0.0006	0.0015	0.0015
Occupational disease rate	-	-	-	-	-	-

Occupational Health And Safety: Business Unit – Energy Division

	2021	2020	2019	2018	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	-	-	-	-	-	-

Occupational Health And Safety: Business Unit – Engineering Division

	2020	2019	2018	2017	2016
Number of injuries					
-Medical treatment cases	-	-	-	2	-
-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 Cotton and Hadeed Units

SUSTAINABILITY STRATEGY

OUR APPROACH TO SUSTAINABILITY

STRATEGY

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

Our Corporate Strategy is geared towards sustainable and organic growth to enable long-term success and health of our businesses. As a business, we are driven by calculated risks and making financial gains; but as an organization, we are guided by a clear conscience of coexistence, unwavering integrity, pursuit of trust and continuously striving for reputation as a safe, responsible and reliable corporate citizen.

We use principles of sustainability to foster process innovation, new product development, improve manufacturing efficiencies and reduce material and energy consumption. Our strategy, objectives, goals, and commitments to sustainability principles are mentioned in the relevant sections of this report; a detailed overview of our Corporate Strategy and Objectives is available on page 09 of the Annual Report 2021.

STRATEGIC ALIGNMENT

ECONOMIC

We continue to provide reasonable and competitive returns to shareholders through dividends and value growth. In line with our mission to create value we are continuously reviewing our portfolio and resource allocation for the best combination of existing and new businesses to achieve our goals.

ENVIRONMENTAL

We ensure that the environmental impact of our operations is minimized, and that pollution control measures and processes are continuously improved. We contribute to a range of environment conservation initiatives for awareness and advocacy.

SOCIETAL

The pipes we supply are used to transport oil, gas and water through high pressure transmission systems to reach consumers across the country. Our billets are used to produce re-bars for construction. We continue to invest in an educated Pakistan and strive to manage and improve the impact of our operations.

MATERIALITY

ASSESSMENT METHODOLOGY

We use the Global Reporting Initiative (GRI) reporting framework to inform our definition of sustainability, materiality, and in identifying issues material to our business.

Materiality assessment is carried out using a self-developed materiality assessment toolkit that ranks issues in terms of significance (significant, high, medium and low) and relevance (Yes or No). Our goal is to understand which corporate responsibility issues are most likely to affect Crescent Steel's business strategy. We use the following indicators to select issues that will have the greatest impact:

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

We rank the list of sustainability issues (which has been derived from the GRI standards) in terms of relevance and significance to Crescent Steel and its stakeholder groups (ranking for stakeholder groups is based on management's best estimates), assess 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 form a materiality matrix. The matrix provides an initial understanding of issues which are of primary importance today, and those that Crescent Steel considers an opportunity and a responsibility in the future.

Ranking corporate social responsibility issues (derived from the GRI's topic specific standards) by individual business units, and service area leaders, enables us to assess Crescent Steel's performance and in developing future strategic plans related to these issues; while simultaneously monitoring the current progress of the issues at hand. The matrix provides us with an overview, enabling greater visibility on future opportunities and emphasizing areas of importance in the context of what is material to the sustainability of our business today.

The sustainability aspects we report are aligned with the risks identified in the Risk and Opportunity Report section of our Annual Report 2021. This report along with sustainability reporting in the past, discloses our management of, and performance in, aspects considered to be material to our business.

REVIEW AND IDENTIFICATION

We last reviewed our materiality assessment in FY20 to evaluate changing economic, environmental and social impacts and to recognize stakeholder expectations regarding our performance, strengths, and weaknesses. We have moved from an annual review of our materiality assessment to doing it once every three years. Our triennial materiality review, which includes examining each sustainability aspect according to its level of risk to the Company, the level of stakeholder interest and its relevance, has identified 16 key sustainability issues in economic, environmental and social aspects. All deserve focus, but seven priority issues have emerged as focus areas for fiscal years 2021-2023; these are defined in material aspects and its boundaries, later on in this section.



ECONOMIC

Economic Performance
Indirect Economic Impact
Procurement Practices
Market Presence



ENVIRONMENTAL

Energy
Materials
Effluents and Waste
Water

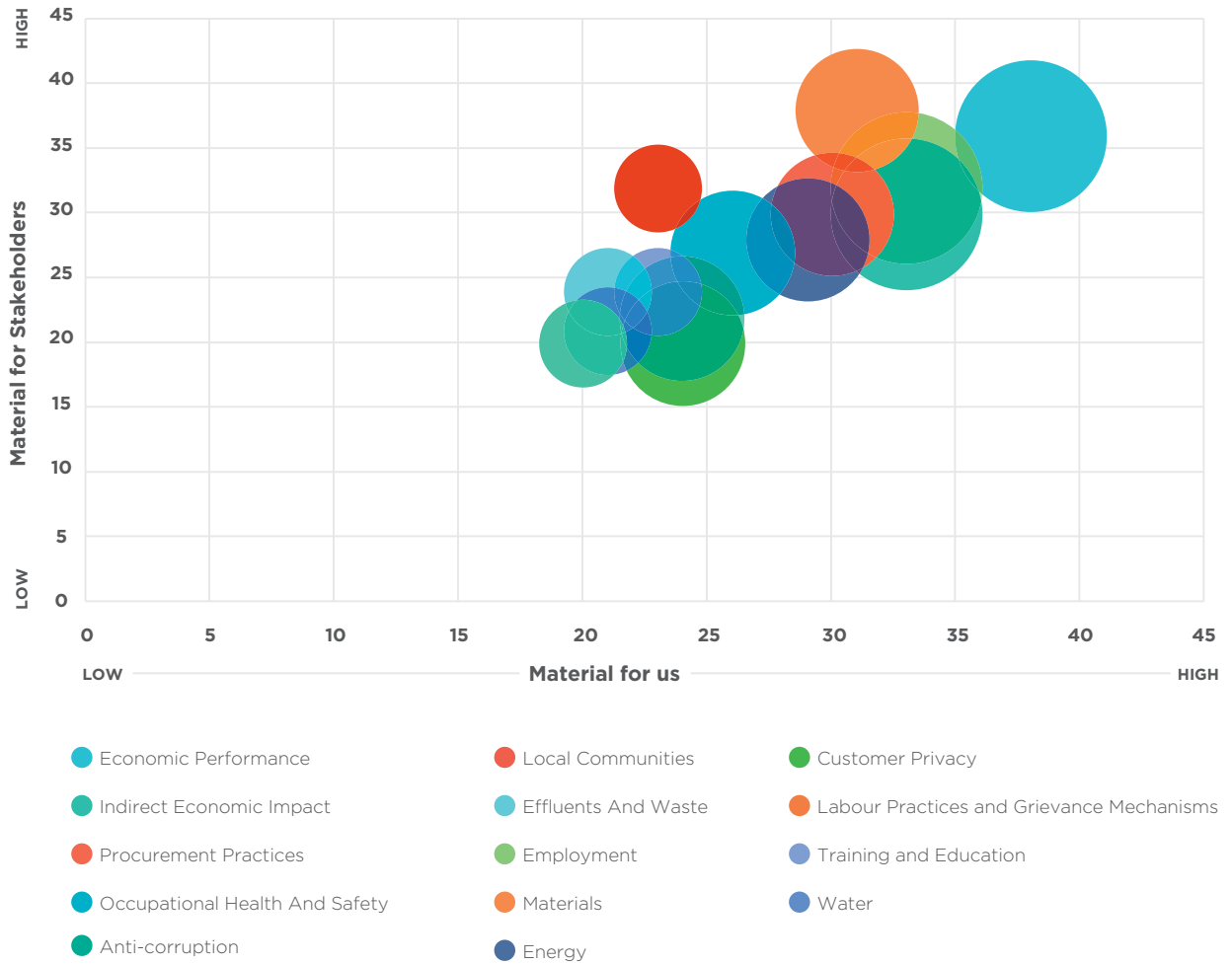


SOCIAL

Employment and Labor relations
Health and Safety
Customer Privacy
Anti-Corruption
Labor Practices and Grievance
Local Communities
Training and Education
Compliance

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

MATERIALITY MATRIX



MATERIAL ASPECT AND BOUNDARY IDENTIFICATION

The impact of every material aspect, inside and outside the organization is measured based on management best estimate and analysis using the materiality toolkit. These impacts are being reported for the seven items we consider material to our business sustainability over the next three years.

Moreover, the concern of stakeholders and limits of the boundary for disclosures are considered in accordance with GRI industrial characteristics and industry experiences. The reporting principles of GRI Standard - GRI 101 Foundation 2016, have been utilized to report on the significance and distinguishing limits for material issues.

We continuously identify and survey any threats to our businesses. We consider the opinions and advice of our stakeholders seriously, to understand, fully, the importance of the sustainability of our operations.

The company uses GRI standards' and concepts of materiality to report on any material information. Understanding and setting a threshold for our material aspects play an important role in the interest of our business and stakeholders. Regular performance reviews, integrated monitoring of processes, and persistent consultation from our stakeholders are all pivotal for the evaluation of material aspects.





Aspect	Material Issue	Material Aspect	GRI Indicator	Boundary inside	Boundary outside
Economic	Revenue generation through Sales and distribution of wealth to internal and external stakeholders	Economic performance	GRI 201-1	CSAPL	Community, Shareholders, government
	Corporate Responsibility Performance i.e. Cash, Kind and Time contributions/ Community Investments. Focus areas i.e. Education, Health and Environment	Indirect Economic Impacts	GRI 203-2	CSAPL	Community, government
	Company's strategic direction enhances business opportunities through local suppliers to contribution in economic development.	Procurement Practices	GRI 204-1	CSAPL	Our Suppliers, Community, Government
Environmental	Environmental impacts in view of use of non-renewable resources for energy production.	Energy	GRI 302-1	CSAPL	Community
	Depleting raw material resources affecting finite resources	Materials	GRI 301-1	CSAPL	
Social	Compliance with laws and regulations leads towards better productivity in line with diversified workforce	Employment and labor relations	GRI 401-1	CSAPL	Community
	Productivity of an organization is directly related to workers health and safety to deliver the best product to consumer.	Occupational health and safety	GRI 403-1	CSAPL	Community

OUR CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

We support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better world for all.

From the commencement of our operations, our commitment has always been to deliver quality products, efficiently and economically, minimising the negative impacts of our operations, contributing to the communities where we operate, providing fair and consistent returns to our shareholders and a desirable workplace for our employees where they are assessed and rewarded with fairness.

Our approach and contributions towards SDGs are listed below:

SUSTAINABLE DEVELOPMENT GOALS	OUR (GOALS)/STRATEGY	HOW WE HAVE CONTRIBUTED OVER FISCAL YEAR 2021
 <p>1 NO POVERTY</p> <p>End poverty in all its forms everywhere</p>	<p>To promote social entrepreneurship and tertiary education to enhance the employability of our people and of Pakistanis at large.</p>	<p>Collaborated with The Citizens Foundation to sponsor tertiary education of TCF Alumni.</p> <p>Provided counselling to TCF students during Crescent Cares Week.</p>
 <p>2 ZERO HUNGER</p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<p>Contribute towards food security and distribution programs/centers.</p>	<p>Our employees volunteered for a food distribution drive organized by The Robin Hood Army. Through the drive we were able to feed approximately 55 girls at the Ayesha Academy Orphanage.</p> <p>All excess food from the Head Office Mess is distributed to underprivileged near the Head Office.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well – being for all at all ages</p>	<p>Promote a healthy Pakistan by catering to basic health care needs of the people through awareness campaigns and initiatives while contributing with financial support leading to a hepatitis free Pakistan.</p>	<p>In collaboration with The Health Foundation an awareness session regarding Hepatitis B and C was organized for Crescent Steel employees.</p> <p>Sponsored medical expenses, lab tests and consultation cost of 40 hepatitis patients through The Health Foundation's Adopt a Patient initiative.</p> <p>With the help of the Health Foundation, a total of 17,052 people were sensitized regarding Hepatitis B and C protection and prevention. Hepatitis B vaccines were administered to 8,701 people.</p> <p>Donated 15,000 ml of blood through the Indus Hospital Blood Drive held during the year.</p> <p>In collaboration with Shaukat Khanum Memorial Cancer Hospital, an awareness session was organized for Crescent Steel employees to reduce the stigma around breast cancer.</p> <p>In collaboration with Shaukat Khanum Memorial Cancer Hospital, an Anti-Tobacco awareness session was organized for Crescent Steel employees.</p>
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>Our mandate is to build an educated Pakistan through a focus on primary education.</p> <p>We selectively support programs for tertiary education, especially when those resources may be absorbed into our businesses.</p>	<p>Our contributions helped educate 2,092 students in 2021, of this 2,091 were TCF students and one student was a child of an employee</p>

SUSTAINABLE DEVELOPMENT GOALS	OUR (GOALS)/STRATEGY	HOW WE HAVE CONTRIBUTED OVER FISCAL YEAR 2021
 <p>Achieve gender equality and empower all women and girls</p>	<p>We are committed to providing equal opportunities and are gender-blind in our recruitment. We ensure that the workplace is rewarding, safe and comfortable for all employees.</p>	<p>In 2021, 16% of our employees across our corporate offices were females. 20% of the Executive Management Team and 7% of the management roles were filled by women.</p>
 <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>We aim to conserve, reuse and recycle water at every opportunity.</p>	<p>We reused 7.90% of water consumed in 2021 across all our campuses.</p>
 <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>To manage our energy consumption, reduce our dependency on the national grid and mitigate the risk of recurring power outages.</p>	<p>We continue to conserve energy through various means and advocate to develop a culture of energy conservation in the organization.</p>
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>We aim to provide equal growth opportunities to our people and encourage them to innovate, discuss and present new ideas.</p>	<p>We employ a staff of 765 people across our locations and strive to provide the right resources and an environment that supports their growth and development needs.</p>
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>We support sustainability advancement and transformational change across our business and use the best technology to make our operations environment friendly.</p>	<p>All our emissions and discharges are compliant and within the prescribed limits set by the National Environmental Quality Standards (NEQS). As a part of our continued commitment to our stakeholders, we work hard to mitigate the environmental impact of our operations.</p>
 <p>Reduce inequality within and among countries</p>	<p>We provide equal opportunities to grow and encourage innovation, discuss, and suggest new ideas.</p>	<p>Our businesses continue to provide equal opportunity employment to hundreds of citizens across Pakistan. Our priority towards society and people are effectively integrated with our business offering and how we work on a day to day basis. In 2021, 3% of our workforce consisted of minorities and for the Head Office minorities constitute 11% of the workforce.</p>

SUSTAINABLE DEVELOPMENT GOALS	OUR (GOALS)/STRATEGY	HOW WE HAVE CONTRIBUTED OVER FISCAL YEAR 2021
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	<p>We strive to make a meaningful impact in the communities where we operate.</p>	<p>The line pipes we supply are used in hydrocarbon transmission to businesses and households across the country. This year we have supplied 183.576 km in quality line pipes to major utilities of the country.</p> <p>Additionally, We also ensure that we hire people from localities near our operations, as far as reasonably possible and in line with business requirements. Over the last year 79% of new entrants represent rural communities and 81% of our total workforce is from rural Pakistan.</p> <p>Contributed to Citizens Police Liaison Committee's monthly expenditures to play our part in providing a safer city for all and also collaborated with them for a safety and security awareness session for Crescent Steel employees</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p>To minimize wastage resulting by reducing material consumption as far as reasonably possible.</p>	<p>Where reuse is not possible, we ensure proper disposal of waste matter in accordance with local regulations imposed on us and international best practices. Disposal methods include landfilling, recycling, and incineration.</p>
 <p>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>We strive to conserve natural resources by partnering with WWF.</p>	<p>Mangrove forests serve as a valuable nursery for fish and other invertebrates. To date we have planted 2,700 mangroves which have reduced our carbon footprint by 37.23 tonnes.</p>
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p>	<p>We strive to support marine conservation and environmental advocacy activities.</p>	<p>During the year, we planted 4,704 trees. Over the years our plantation size has increased to over 30,200+ trees. These trees will help reduce our carbon footprint by 179 tonnes annually..</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>We strive to promote sustainable business practices throughout our value chain.</p>	<p>Through our business, we increase stability, improve economic prospects and contribute socially and economically towards the community.</p>



SUSTAINABLE DEVELOPMENT GOALS



2,213

Million in wealth distribution



15,000 ml

of blood donated



Supported
2,092

TCF students



16%

female representation across our corporate offices



9.50

M Litres of water reused



106,485

tonnes of bagasse and 35,760 tonnes of steam used to generate 27,031 MW renewable power



183.576

KM of quality line pipes delivered



4,704

trees and 1,000 mangrove saplings planted



113,103

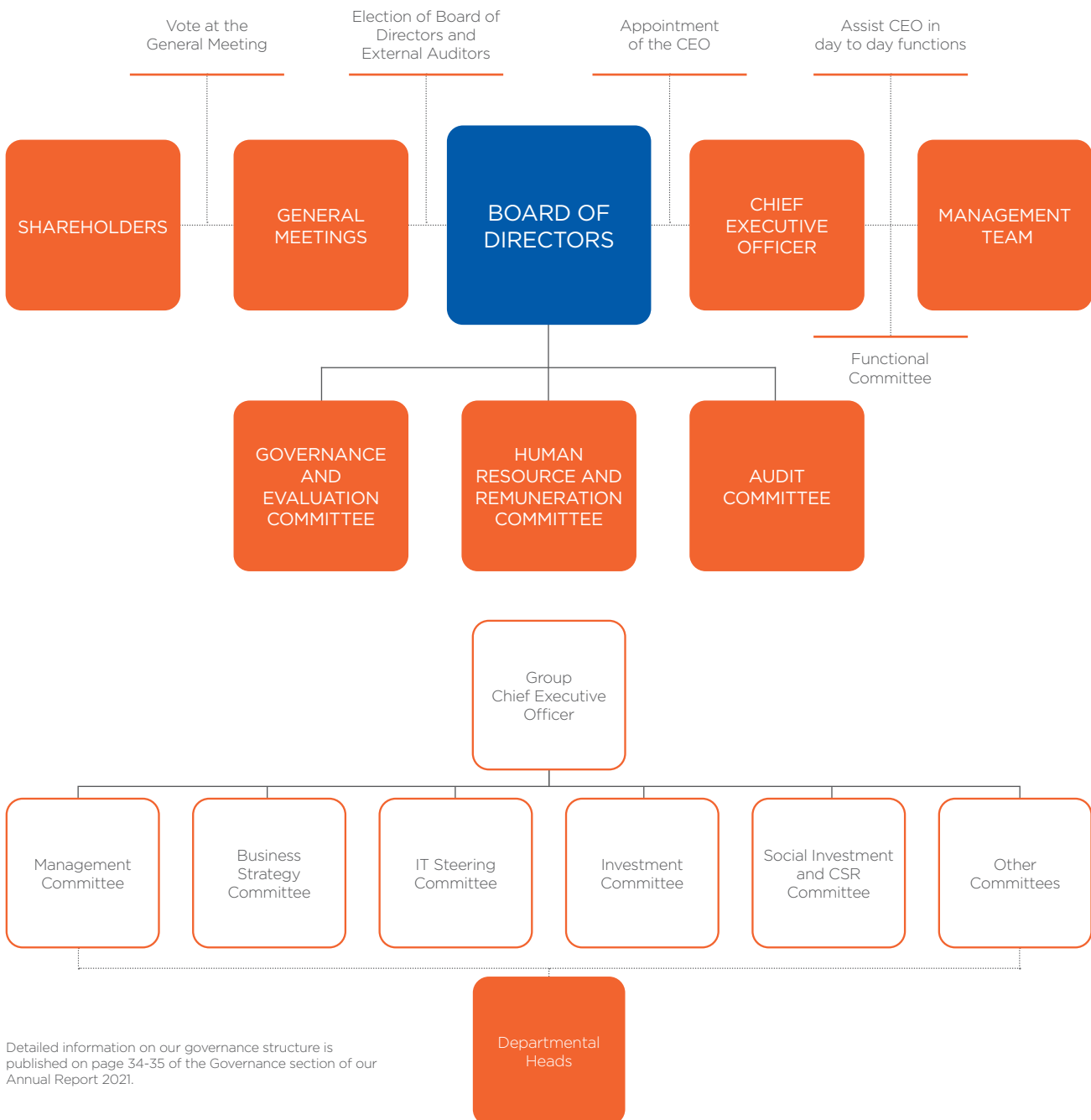
GJ of self-generated electricity, 15,400 tonnes of steel pipes and 20,949.62 tonnes of steel billets produced.



CORPORATE 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



MONITORING AND EVALUATION

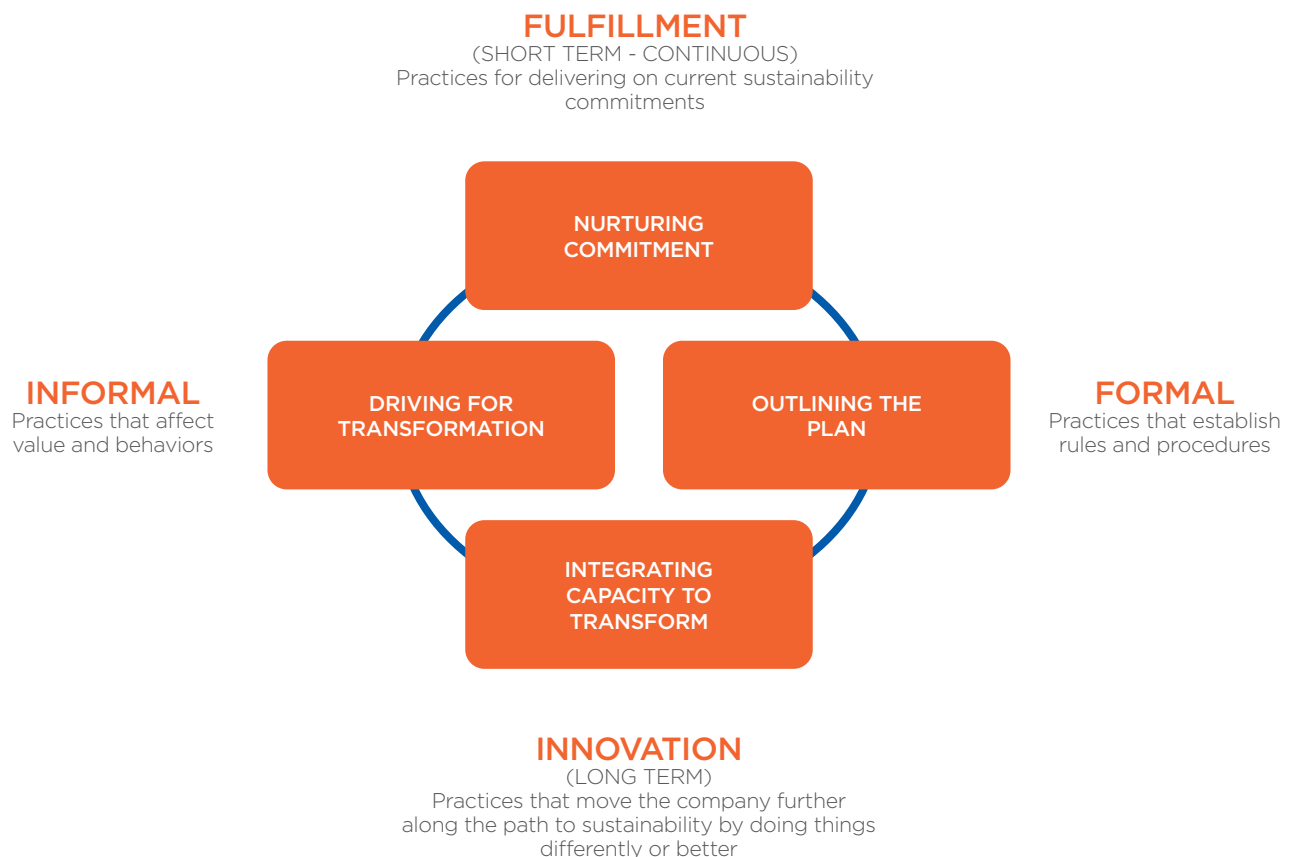
We have consciously chosen not to introduce an independent monitoring process to evaluate performance on sustainability objectives because our sustainability and corporate strategies and objectives are essentially the same. The way we manage our business helps to ensure performance on sustainability objectives is monitored through various systems already in place. These systems monitor performance at a corporate, BU, team and at an individual level.

SUSTAINABILITY CULTURE

Action plans with formal and informal initiatives help guide us in sustaining a culture of responsible actions -

Some of our planned actions include:

- Monthly reporting to management by each Business Unit 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



STAKEHOLDER ENGAGEMENT

Stakeholders play an essential role in Crescent Steel's continued success, especially in determining opportunities to collaborate towards common goals.

As the effects of the pandemic began to be felt around the world and governments took drastic measures to limit circulation, communications and interaction with our stakeholders underwent a major change. We took advantage of online tools and communications technologies to ensure we maintained contact with our different stakeholder audiences.

Crescent Steel defines its stakeholders as those individuals and organizations that affect or are affected by the Company's business. Our management approach aims to align corporate activities with societal needs. We focus on gathering feedback from stakeholders and building relationships of trust, reflecting this input in our operations.

Effective and meaningful stakeholder engagement is vital to the performance of our businesses.

We work to identify opportunities and risks in their early stages and provide a variety of opportunities for dialogue with stakeholders. This interaction takes place generally at our Head Office in Karachi and at other business facilities in Pakistan.

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 strategic partners are essential and managing their

expectations is vital to our future performance as a sustainable business.

Ineffective stakeholder engagement is a sustainability issue and we strive to mitigate this through formal and informal mechanisms. While engagement with our employees, suppliers, customers, shareholders, and investors is stronger, we recognise that we need to strengthen our engagement with other stakeholders that include local community and regulatory authorities.

Understanding and addressing the needs and expectations of our stakeholders is a sustainability imperative.

STAKEHOLDERS NEEDS AND EXPECTATIONS

We prioritize our key stakeholders by creating and maintaining regular and honest communication with them. We work to strengthen our engagement with them. Crescent Steel believes in operating responsibly and addressing the needs of these interconnected groups to ensure commercial success and enables us to deliver on sustainability priorities. We aspire to ensure that every employee, customer, and supplier takes responsibility for social issues and the design and execution of our engagement with the community, business, and strategic partners are impact oriented.



ENGAGEMENT BY STAKEHOLDER GROUP

We have consulted² stakeholder groups and identified the following areas of importance:

Stakeholder Group	Areas Identified	Our Response
1. Employees	<ul style="list-style-type: none"> Our impact on communities Working ethically Resilience of our business Career and development opportunities Safe workplace Diversity and inclusion Skillset enhancement Strong organizational culture High performance culture and fair remuneration Our response to COVID-19 	<ul style="list-style-type: none"> Annual Employee Opinion Survey to gather feedback HSE Briefing and emergency drills to observe safety measures Female representation at corporate offices at 16% and minorities at 3% Participation in employee engagement activities. 739 hours of training in FY21 [FY20: 726 hours]. Support for further education of employees and their children Enabling mobility and capital formation through annual subsidized vehicle acquisition scheme Awareness sessions around financial planning, wellbeing etc. Awareness sessions on social issues relevant to the Pakistani community Fully vaccinated status across all locations and workforce groups and regular info mailers on social distancing and protective measures relating to the pandemic crisis.
2. Customers	<ul style="list-style-type: none"> Producing and delivering high quality, reliable products on time Customer satisfaction; improving through product offerings and aiming to meet needs of customer base, including remaining in touch with needs and expectations Educating customers about new products such as Fusion Bonded Epoxy coatings etc. Enabling better execution of national projects by engaging customers at design phase 	<ul style="list-style-type: none"> Enhancing production capacity and adhering to international standards and best practice Customer satisfaction surveys Ensuring quality control and remaining up to date with the latest market trends and requirements
3. Suppliers	<ul style="list-style-type: none"> Growth through sharing information and expertise Improvement of formal and informal mechanisms to assess supplier-business relationships Improving HSE practices for a sustainable supply chain 	<ul style="list-style-type: none"> Regular evaluations of all suppliers for better business conduct. Environmental assessments ensure trust and quality between the business and its suppliers
4. Shareholders and Investors Self-assessed through informal consultations	<ul style="list-style-type: none"> Stable and efficient economic performance Effective management of the company's major business operations Making sustainable decisions for enhanced financial performance in the long run 	<ul style="list-style-type: none"> Periodic technological advancement of processes of plant and machinery at manufacturing sites to augment sustainable revenues while persistently pursuing opportunities for business development through strategic annual objectives
5. Local Community Self-assessed through informal consultations	<ul style="list-style-type: none"> The need for heavy investments in the education, health and societal sectors 	<ul style="list-style-type: none"> Supported various community partners such as TCF, Indus Hospital, The Health Foundation and WWF Provided scholarship support to 5 students bringing total scholars to 35, of which 15 are children of employees Contributed 981 hours in time towards various causes 30 employees donated 15,000 ML of blood to the IH blood bank

²Formal consultations only took place with three stakeholder groups; formal consultation from investors and the local community segment was not sought however, this assessment is based on discussions with investors, the brokerage community and partner NGOs that we work with. Local community and stakeholders and investors are self-assessed through informal consultations.

INTERNAL STAKEHOLDERS

EMPLOYEES

We work hard to establish a safe, diverse and inclusive working environment for all our employees. Safety and equal opportunity are not just a priority; they form an integral part of our approach to sustainability. We continue to focus on and monitor our safety performance and reinforce safe behaviors at all our offices and manufacturing sites. Our goal is to maintain a strong and vibrant organizational culture that supports the expertise of our people, enabling and developing high-performance teams.

MANAGING OUR PEOPLE, THEIR ENGAGEMENT, AND THEIR EXPECTATIONS



EXTERNAL STAKEHOLDERS

CUSTOMERS

We are proud of how we are positioned as one of Pakistan's leading engineering companies, helping customers to better manage their oil, gas and water transmission systems and in using sustainable structures for ports. In order to meet the increasing product needs of our customers, we have enhanced our manufacturing capacity by more than 100%.

We are consistently collaborating 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 is used.

Customer satisfaction is a major priority and customer feedback and expectations encourage us to improve our product offering and address quality and service concerns. We make use of several channels and make every effort to engage our customers and recognize their needs and expectations.



SUPPLIERS

Our supply chain plays a crucial role in sustainable procurement management. 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. We leverage our relationships with key suppliers and work with them for planning, logistics, and the introduction of new products and services. 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. As per our policy, we make sure that all our critical suppliers are ISO certified.

Our supply chain is divided into two categories; critical and non-critical and our supplier management system has defined supplier induction, evaluation, and re-evaluation protocols; these reinforce our commitment to sustainable and safe practices. To ensure sustainable practices across our supply chain, all new suppliers are regularly engaged through formal and informal mechanisms assessing their business viability, conduct and health and safety and environment practices. If our assessments fail to mitigate risks, a changed protocol for procurement practice is established for that particular supplier.

Suppliers Screened Using Environmental Criteria

We evaluate 100% of our suppliers through desktop research and our vendor questionnaire form with regular onsite visits and inspections for key raw material suppliers.

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.

SHAREHOLDERS AND INVESTORS

Aided by fiscal measures taken by the government in response to the pandemic crisis, economic activity picked up during FY21 and although operations for our flagship business in line pipe manufacturing remained suppressed, ancillary business lines, lower input costs and availability of liquidity through central bank led policies, provided adequate buffers to ride out what was a challenging year for us. Our financial performance and future prospects are discussed in further detail in our Annual Report 2021.

We take seriously the responsibilities associated with making complex choices as we try to meet the expectations of our stakeholders. We approach these challenges with confidence, knowing that our guiding principles and values will help us to make good decisions today, and every day.

The responsibilities associated with making complex choices are immense, and we undertake to responsibly evaluate the impacts of all our actions, as we try to meet the expectations of our stakeholders. We approach challenges with confidence, knowing that our guiding principles and values enable sound decision making today, and every day. Some of the ways in which we engage our shareholders and investors include:

Annual General Meeting

This meeting provides a platform for stakeholder engagement

Quarterly, Half-Yearly And Annual Reports

Reports are uploaded on the website and are available in print on request

Press Releases (As Required)

Updates of potential interests are published for our stakeholders via press release

Investor Interactions (As Required)

We participate in various investor conferences and broker briefing sessions to interact with existing and potential investors

Material Information (As Required)

Information is transmitted to Pakistan Stock Exchange Limited (PSX) on timely basis as per the requirement of PSX rule book

COMMUNITY

While operating at the core of our corporate strategy, investing in and caring for the local communities is our primary objective. We follow self-assessed guidelines for measuring the impacts of our community investments and these are regularly reviewed. We are proud of how our contribution to communities is evolving to include actions towards greater engagement with people and our employees.

We work hard to share the substantial economic benefits generated through our contributions to various gas infrastructure and energy development projects by providing employment opportunities and working with local suppliers.

We acknowledge the adverse impacts our developments can have on communities and strive to minimize them. Details on our initiatives and contributions for the fiscal year 2021 are available in the Social and Relationship Capital section of this report.

All our units have formal and informal programs through which we engage with local communities.

We also ensure that we hire people from localities near our units of operation, as far as reasonably possible and in line with business requirements. We gather feedback from the community itself so that we may better understand their needs. This allows us to address the feedback received.

None of our operations have significant actual and potential negative impact on the local communities.

ENGAGEMENT ACTIVITIES

Various engagement activities were organized 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 impact assessment visits to select community partners. These activities also form a part of how we engage the people who work with us.

EMPLOYEE AND COMMUNITY ENGAGEMENT

Stakeholders – Community and Employees

Activity	Month
Breast Cancer Awareness Session - Shaukat Khanum Memorial Cancer Hospital	September 2020
Crescent Cares Week	February 2021
Blood Drive - Indus Hospital	February 2021
Food Distribution Drive – The Robin Hood Army	February 2021
Sign Language Session – Deaf Reach	February 2021
Safety and Security Session – Citizens Police Liaison Committee	February 2021
Hepatitis Vaccination and Screening Drive – The Health Foundation	February 2021
TCF Students visit to Head Office, Bhone and Jaranwala Factories	February 2021
Earth Hour	March 2021
Mangrove Plantation and Beach Cleaning Activity – World Wide Fund for Nature Pakistan	April 2021
Anti-Tobacco Session - Shaukat Khanum Memorial Cancer Hospital	June 2021

REGULATORS AND GOVERNMENT BODIES

Regulators and government bodies are 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. The prevailing structure of duties and taxes on raw materials, coupled with higher production costs (compared to the region) has contributed to the deteriorating competitiveness of our products and has increased prices of our finished goods, compared with other countries in the region. 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 products (for large diameter welded pipes).

We are pursuing this issue with the 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 catalyze it. Unfortunately, the Engineering sector as a whole, and large diameter pipe manufacturers, in particular, do not have a level playing field. Through 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.

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 that 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 authorization to the use the API monogram of the American Petroleum Institute since its inception in 1987. In 1997, Crescent Steel was awarded ISO 9001 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 form part of our vendor evaluation system.

The pipes we produce and coat are inspected and tested by 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 analyze, the defects identified by ultrasonic testing
- Visual Inspection: To determine surface defects

- Hydrostatic Pressure Testing of Pipes: To check the 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 a client specified chemical requirements
- Hardness Testing: To check the 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

MEASURING CUSTOMER SATISFACTION

The unit continues to maintain a high customer satisfaction score of over 94% 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 Arc 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 to our main customer base.

Customer Satisfaction Level Over The Years	2021	2020	2019	2018	2017	2016
	94%	93 %	94%	91%	88%	84%

No incident of non-compliance with regulations and voluntary codes concerning products and services information and labelling, occurred during the year.

No incident of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship have been identified during the year.

COTTON DIVISION – COTTON SPINNING

We continue to maintain high standards of 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 fiber 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. The quality assurance and testing laboratory at the spinning unit is equipped with necessary testing equipment.

This includes:

FOR FIBER 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.

In 2021, all products were in compliance with labeling requirements specified by the laws and regulations.



MATERIAL CONSUMPTION

Our materials are divided into two basic categories i.e. critical and non-critical. Critical materials being those which have a direct impact on the company's production and non-critical being those which are indirectly associated with the company's products. It is imperative to understand that we use our critical raw materials efficiently.

As scarcity of resources is increasing globally, we, as an organization, understand the effective utilization of resources. We continue to strive to strengthen our processes across all our production sites.

Steel pipe scrap is used as a raw material for our billet making process in Crescent Hadeed. Similarly, we use a by-product of sugarcane bagasse as a source of electricity and supply to Crescent Hadeed, Shakarganj Mills and FESCO. We continuously explore new strategies and methodologies through which we can ensure effective utilisation of resources. We make sure that consumption of material does not adversely affect the communities in our surroundings. Our purchased materials go through quality control checks and some of our critical raw material suppliers are ISO certified.

As indicated in the table below, most of our raw materials are non-renewable items which cannot be reused, except for energy generated from bagasse and materials such as polyester, viscose and raw cotton from CCP which are reused or sold to external sources.

All the data presented in the table below represents accurate measurements of material consumed through gauges and instruments installed at the production lines. The HSE committee also conducts various checks to validate and authenticate the data.

Crescent Steel does not use any recycled input materials or any reclaimed products and their packaging materials.

Material Consumed	Unit Of Quantity	Quantity (Weight / Volume)				
		2021	2020	2019	2018	2017
Non-Renewable Materials						
Steel - Pipe Manufacturing						
HR Coils (comprises 99% of input materials)	MT	4,822	8,315	12,387	52,005	89,938
Steel - Coating						
High Density Polyethylene	Kg	43,220	214,625	698,175	1,538,165	1,302,125
Co Polymer Adhesive	Kg	5,949	24,600	62,375	165,395	12,982
Fusion Bonded Epoxy	Kg	7,446	31,840	79,770	190,334	181,800
Welding Wire	Kg	22,429	32,330	47,590	152,380	249,970
Welding Flux	Kg	23,945	44,755	61,010	123,615	272,630
Steel Grit	Kg	3,345	13,625	18,125	51,700	69,000
Cotton						
Yarn Wrapping Cone	No's	3,046,608	2,344,166	2,987,592	1,720,524	3,144,750
Polypropylene Bags	No's	112,067	99,821	116,741	71,262	115,747
Polythene Bags	Kg	9,446	7,569	10,391	6,610	11,559
Diesel	Ltr	3,020	1,275	3,115	1,465	3,255

Material Consumed	Unit Of Quantity	Quantity (Weight / Volume)				
		2021	2020	2019	2018	2017
Engineering						
Gas LPG	Kg	519	862	921	1,688	2,384
Gas Oxygen	Cubic M	2,098	3,020	2,208	6,150	8,316
Diesel Oil	Ltr	804	2,627	2,280	3,974	11,200
Disc (Grinding and Cutting)	No's	1,161	2,144	932	1,997	2,378
Welding Electrode	Tonnes	4.58	6.06	1.90	6.7	8.5
Round Bar, Pipes, Nut Bolt etc.	Tonnes	12.72	21.33	58.91	133.6	88
Sheets Stainless Steel	Tonnes	10.78	10.0	7.69	6.3	3.3
Crescent Hadeed						
Melting Scrap(HMS, Shredded, Bundled Scrap)	Mt	21,384	11,449	27,305	53,481	33,882
Silico Manganese	Kgs	160,942	141,075	290,656	482,797	311,790
Ferro Manganese	Kgs	21,477	42,610	209,963	361,246	192,129
T.C Tips	No's	5,836	3,200	9,850	18,180	11,416
Mill Scale	Kgs	866,750	257,960	1,297,950	1,695,630	1,387,750
Oxygen Gas	M3	21,147	13,434	27,358	56,975	38,920
Diesel Oil	Ltr	11,515	5,820	18,660	25,910	14,215
MS Lancing Pipe	Mtr	63,300	31,700	-	128,500	73,716
Quartz Powder	Kgs	686,810	352,650	1,060,490	2,313,020	5,578
Boric Acid	Kgs	161	80	280	11,853	31,899
Sodium Silicate	Kgs	15,430	7,715	28,205	54,549	2,567
Nozzle - Ex	Kgs	2,444	1,330	3,780	9,730	4,854
Silica Sand	Kgs	118,200	92,589	172,151	278,420	334
Renewable Materials						
Energy						
Bagasse	Tonnes	106,485	70,156	108,163	189,364	159,917
Cotton						
Raw Cotton	Tonnes	2,842	2,366	2,860	2,475	2,790
Polyester	Tonnes	3,266	2,584	3,244	1,531	3,010

APPENDICES

GRI CONTENT INDEX

The subsequent table lists all disclosures in accordance with GRI Standards. Page reference is given against each disclosure or reference to other publicly available sources

Key

SR = Sustainability Report 2021

AR = Annual Report 2021

Fully disclosed



Partially disclosed



General Standard Disclosures			
Gri Standard	Disclosure	Page Number	Omission And Reason
GRI 101: Foundation 2016	GRI 101 contains no disclosures		
General Standard Disclosures			
Gri 102: General Disclosures 2016	Organizational Profile		
GRI 102-1	Name of the organization	Cover Page	● ● ● ● ● ● ● ● ● ●
GRI 102-2	Activities, brands, products, and services	SR 7	● ● ● ● ● ● ● ● ● ●
GRI 102-3	Location of headquarters	SR 12 ,AR Company Information	● ● ● ● ● ● ● ● ● ●
GRI 102-4	Location of operations	SR 12 - 18	● ● ● ● ● ● ● ● ● ●
GRI 102-5	Ownership and legal form	SR 12 - 18 ,AR Pattern of share holding	● ● ● ● ● ● ● ● ● ●
GRI 102-6	Markets served	SR 12 - 18 , SR 26	● ● ● ● ● ● ● ● ● ●
GRI 102-7	Scale of the organization	SR 11, SR 30-31	● ● ● ● ● ● ● ● ● ●
GRI 102-8	Information on employees and other workers	SR 67-70	● ● ● ● ●
GRI 102-9	Supply chain	SR 32 -33	● ● ● ● ● ● ● ● ● ●
GRI 102-10	Significant changes to the organization and its supply chain	There has been no significant changes in the size or capital structure of our operations during 2021	● ● ● ● ● ● ● ● ● ●
GRI 102-11	Precautionary Principle or approach	SR 78	● ● ● ● ● ● ● ● ● ●
GRI 102-12	External initiatives	SR 23	● ● ● ● ● ● ● ● ● ●
GRI 102-13	Membership of associations	SR 23	● ● ● ● ● ● ● ● ● ●
Strategy And Analysis			
GRI 102-14	Statement from senior decision-maker	SR 8-10	● ● ● ● ● ● ● ● ● ●
Ethics And Integrity			
GRI 102-16	Values, principles, standards, and norms of behavior	SR 6	● ● ● ● ● ● ● ● ● ●
Governance			
GRI 102-18	Governance structure	SR 88, AR 30-33	● ● ● ● ● ● ● ● ● ●

General Standard Disclosures

STAKEHOLDER ENGAGEMENT

Gri Standard	Disclosure	Page Number	Omission and Reason
GRI 102-40	List of stakeholder groups	SR 91	● ● ● ● ● ● ● ● ● ●
GRI 102-41	Collective bargaining agreements	SR 65	● ● ● ● ● ● ● ● ● ●
GRI 102-42	Identifying and selecting stakeholders	SR 90-91	● ● ● ● ● ● ● ● ● ●
GRI 102-43	Approach to stakeholder engagement	SR 90	● ● ● ● ● ● ● ● ● ●
GRI 102-44	Key topics and concerns raised	SR 90-91	● ● ● ● ● ● ● ● ● ●
REPORT PROFILE			
GRI 102-45	Entities included in the consolidated financial statements	SR 7, SR 12-18	● ● ● ● ● ● ● ● ● ●
GRI 102-46	Defining report content and topic Boundaries	SR 4 and SR 81	● ● ● ● ● ● ● ● ● ●
GRI 102-47	List of material topics	SR 83	● ● ● ● ● ● ● ● ● ●
GRI 102-48	Restatements of information	SR 4	● ● ● ● ● ● ● ● ● ●
GRI 102-49	Changes in reporting	SR 4	● ● ● ● ● ● ● ● ● ●
GRI 102-50	Reporting period	SR 4	● ● ● ● ● ● ● ● ● ●
GRI 102-51	Date of most recent report	SR 4	● ● ● ● ● ● ● ● ● ●
GRI 102-52	Reporting cycle	SR 4	● ● ● ● ● ● ● ● ● ●
GRI 102-53	Contact point for questions regarding the report	SR 4	● ● ● ● ● ● ● ● ● ●
GRI 102-54	Claims of reporting in accordance with the GRI Standards	SR 4	● ● ● ● ● ● ● ● ● ●
GRI 102-55	GRI content index	SR 100-105	● ● ● ● ● ● ● ● ● ●
GRI 102-56	External assurance	Not seeking assurance this year	● ● ● ● ● ● ● ● ● ●

MATERIAL TOPICS

ECONOMIC

GRI 103 : MANAGEMENT APPROACH 2016

GRI 103-1	Explanation of the material topic and its boundaries	SR 83	● ● ● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 26	● ● ● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 27, AR 48-53	● ● ● ● ● ● ● ● ● ●

GRI 201: ECONOMIC PERFORMANCE 2016

GRI 201-1	Direct economic value generated and distributed	SR 27	● ● ● ● ● ● ● ● ● ●
GRI 201-3	Defined benefit plan obligations and other retirement plans obligations and other retirement plans	SR 75	● ● ● ● ● ● ● ● ● ●
GRI 201-4	Financial assistance received from government	SR 27	● ● ● ● ● ● ● ● ● ●

MARKET PRESENCE

GRI 103 : MANAGEMENT APPROACH 2016

GRI 103-1	Explanation of the material topic and its boundaries	SR 83	● ● ● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 60	● ● ● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 60	● ● ● ● ● ● ● ● ● ●
GRI 202: MARKET PRESENCE 2016			

General Standard Disclosures

Gri Standard	Disclosure	Page Number	Omission and Reason
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	SR 66	● ● ● ● ● ● ● ●
GRI 202-2	Proportion of senior management hired from the local community	SR 66	● ● ● ● ● ● ● ●

INDIRECT ECONOMIC IMPACTS

GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 46	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 46	● ● ● ● ● ● ● ●
GRI 203:INDIRECT ECONOMIC IMPACTS 2016			
GRI 203-1	Infrastructure investments and services supported	SR 46, SR 48-49	● ● ● ● ● ● ● ●
GRI 203-2	Significant indirect economic impacts	SR 46, SR 48-50	● ● ● ● ● ● ● ●

PROCUREMENT PRACTICES

GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83, SR 32- 33	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 32- 33	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 32- 33	● ● ● ● ● ● ● ●

GRI 204: PROCUREMENT PRACTICES 2016			
GRI 204-1	Proportion of spending on local suppliers	SR 32- 33	● ● ● ● ● ● ● ●

MATERIALS

ENVIRONMENTAL

GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83, SR 98	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 78	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 78	● ● ● ● ● ● ● ●

GRI 301 : MATERIALS 2016			
GRI 301-1	Materials used by weight or volume	SR 98 -99	● ● ● ● ● ● ● ●
GRI 301-2	Recycled input materials used	SR 98	● ● ● ● ● ● ● ●
GRI 301-3	Reclaimed products and their packaging materials	SR 98	● ● ● ● ● ● ● ●

ENERGY

GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83, SR 34	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 78	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 78	● ● ● ● ● ● ● ●

General Standard Disclosures

Gri Standard	Disclosure	Page Number	Omission and Reason
GRI 302: ENERGY 2016			
GRI 302-1	Energy consumption within the organization	SR 38	● ● ● ● ● ● ● ●
GRI 302-2	Energy consumption outside of the organization	SR 40	● ● ● ● ●
GRI 302-3	Energy intensity	SR 39	● ● ● ● ● ● ● ●
GRI 302-4	Reduction of energy consumption	SR 36	● ● ● ● ● ● ● ●
WATER			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83, SR 38	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 78 ,SR 43	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 43	● ● ● ● ● ● ● ●
GRI 303: WATER 2016			
GRI 303-1	Water withdrawal by source	SR 43	● ● ● ● ● ● ● ●
GRI 303-2	Water sources significantly affected by withdrawal of water	SR 43	● ● ● ● ● ● ● ●
GRI 303-3	Water recycled and reused	SR 43	● ● ● ● ● ● ● ●
EMISSIONS			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83 , SR 34	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 78	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 78	● ● ● ● ● ● ● ●
GRI 305: EMISSIONS 2016			
GRI 305-1	Direct (Scope 1) GHG emissions	SR 35-36	● ● ● ● ● ● ● ●
GRI 305-2	Energy indirect (Scope 2) GHG emissions	SR 35-36	● ● ● ● ● ● ● ●
GRI 305-3	Other indirect (Scope 3) GHG emissions	SR 36	● ● ● ● ●
GRI 305-4	GHG emissions intensity	SR 36	● ● ● ● ● ● ● ●
GRI 305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	SR 36	● ● ● ● ● ● ● ●
EFFLUENT AND WASTE			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 41, SR 83	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 41, SR 78	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 41	● ● ● ● ● ● ● ●
GRI 306: EFFLUENT WASTE 2016			
GRI 306-1	Water discharge by quality and destination	SR 42	● ● ● ● ● ● ● ●
GRI 306-2	Waste by type and disposal method	SR 42	● ● ● ● ● ● ● ●
GRI 307: ENVIRONMENTAL COMPLIANCE 2016			
GRI 307-1	Non-compliance with environmental laws and regulations	SR 41	● ● ● ● ● ● ● ●
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 103-1	Explanation of the material topic and its boundaries	SR 32,SR 83	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 32 ,SR 91-93	● ● ● ● ● ● ● ●









General Standard Disclosures			
Gri Standard	Disclosure	Page Number	Omission and Reason
GRI 103-3	Evaluation of the management approach	SR 32 ,SR 91-93	● ● ● ● ● ● ● ●
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
GRI 308-1	New suppliers that were screened using environmental criteria	SR 93	● ● ● ● ● ● ● ●
GRI 308-2	Negative environmental impacts in the supply chain and actions taken	SR 93	● ● ● ● ●
LABOUR PRACTICES AND DECENT WORK			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 64-65	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 64-65	● ● ● ● ● ● ● ●
GRI 401 : EMPLOYMENT 2016			
GRI 401-1	New employee hires and employee turnover	SR 69-70	● ● ● ● ● ● ● ●
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 74-75	● ● ● ● ● ● ● ●
LABOUR MANAGEMENT RELATIONS AND EQUAL OPPORTUNITY			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83, SR 70	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 73-74	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 73-74	● ● ● ● ● ● ● ●
GRI 402: LABOUR MANAGEMENT RELATIONS 2016			
GRI 402-1	Diversity of governance bodies and employees	SR 65	● ● ● ● ● ● ● ●
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
GRI 406-1	Incidents of discrimination and corrective actions taken	SR 65	● ● ● ● ● ● ● ●
HEALTH AND SAFETY			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 83, SR 70	● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 78	● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 78	● ● ● ● ● ● ● ●
GRI 403: OCCUPATION HEALTH AND SAFETY 2016			
GRI 403-1	Workers representation in formal joint management - worker health and Safety committees	SR 78-79	● ● ● ● ● ● ● ●
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR 78-79	● ● ● ● ● ● ● ●
GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation	SR 78-79	● ● ● ● ● ● ● ●
GRI 416: CUSTOMER HEALTH AND SAFETY 2016			
GRI 416-2	Incidents of non-compliance concerning the health and Safety impacts of products and services	SR-97	● ● ● ● ● ● ● ●

General Standard Disclosures

Gri Standard	Disclosure	Page Number	Omission and Reason
TRAINING			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 60, SR 81, SR 83	● ● ● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 60 ,SR 73-74	● ● ● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 60	● ● ● ● ● ●
GRI 404: TRAINING AND EDUCATION			
GRI 404-1	Average hours of training per year per employee	SR 67	● ● ● ● ● ● ● ● ● ●
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	SR 73- 74, SR 92	● ● ● ● ● ●
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	SR 65	● ● ● ● ● ● ● ● ● ●
LOCAL COMMUNITIES			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 81	● ● ● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 91, SR 94-95	● ● ● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 91, SR 94-95	● ● ● ● ● ● ● ● ● ●
GRI 413: LOCAL COMMUNITIES 2016			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	SR 46-47, SR 52	● ● ● ● ● ● ● ● ● ●
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	SR 46-47, SR 52	● ● ● ● ● ● ● ● ● ●
MARKETING AND LABELING			
GRI 103 : MANAGEMENT APPROACH 2016			
GRI 103-1	Explanation of the material topic and its boundaries	SR 81	● ● ● ● ● ● ● ● ● ●
GRI 103-2	The management approach and its components	SR 96-97	● ● ● ● ● ● ● ● ● ●
GRI 103-3	Evaluation of the management approach	SR 96-97	● ● ● ● ● ● ● ● ● ●
GRI 417: MARKETING AND LABELING 2016			
GRI 417-1	Requirements for product and service information and labelling	SR 96-97	● ● ● ● ● ● ● ● ● ●
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling	SR 97	● ● ● ● ● ● ● ● ● ●
GRI 417-3	Incidents of non-compliance concerning marketing communications	SR 97	● ● ● ● ● ● ● ● ● ●

OUR CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

SDGS		PAGE NO	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	SR 46-47, SR 48-50, SR 52, SR 66	202-1, 203-1, 203-1, 203-2, 413-2
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	SR 27, SR 46, SR 48-50, SR 52	201-1, 203-1, 203-2, 413-2
	Ensure healthy lives and promote well-being for all at all ages	SR 35-36, SR 42, SR 46-47, SR 48-50, SR 52, SR 78-79	203-1, 203-2, 305-1, 305-2, 305-3, 305-4, 305-7, 306-1, 306-2, 307-1, 403-2, 403-3
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	SR 20-21, SR 67	404-1
	Achieve gender equality and empower all women and girls.	SR 46, SR 48-49, SR 65, SR 66, SR 69-70, SR 74-75,	202-1, 203-1, 401-1, 401-2, 404-1, 404-3, 405-1, 406-1
	Ensure availability and sustainable management of water and sanitation for all.	SR 42, SR 43	303-1, 303-2, 303-3, 306-1, 306-2
	Ensure access to affordable, reliable, sustainable and modern energy for all.	SR 36, SR 38, SR 39, SR 40, SR 42	302-1, 302-2, 302-3, 302-4
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	SR 27, SR 32-33, SR 38, SR 39, SR 40, SR 43, SR 46, SR 48-49, SR 65, SR 66, SR 67-70, SR 73, SR 74-75, SR 78-79, SR 92, SR 98-99	102-8, 201-1, 202-2, 202-1, 204-1, 203-1, 203-2, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 302-4, 303-3, 401-1, 401-2, 403-1, 403-2, 403-3, 404-1, 404-3, 404-2, 405-1
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	SR 27, SR 46, SR 48-49	201-1, 203-1

SDGS		PAGE NO	GRI STANDARDS DISCLOSURE
 10 REDUCED INEQUALITIES	Reduce inequality within and among countries	SR 65,SR 67-70	102-8 ,401-1,404-3
 11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities inclusive, safe, resilient and sustainable	SR 46, SR 48-49	203-1
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	SR 35-36, SR 38, SR39, SR 40, SR 42, SR 43, SR 96-97,SR 98 -99	301-1,301-2,301-3, 302-1,302-2,302-3, 303-3,305-1,305-2,305-3, 305-7,306-1,306-2,417-1
 13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	SR 35-36, SR 38, SR 39,SR 40	302-1,302-2,302-3,302-4, 305-1,305-2,305-3,305-4
 14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources	SR 35-36,SR 42	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1
 15 LIFE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	SR 35-36	305-1, 305-2, 305-3, 305-4, 305-7
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote just, peaceful and inclusive societies	SR 6,SR 41,SR-97	102-16,307-1, 416-2, 417-2,417-3
 17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalize the global partnership for sustainable development	Not applicable	

DEFINITIONS AND FORMULAS

Term	Explanation
Absentee	An employee absent from work because of incapacity of any kind, not just as the result of work related injury or disease. Permitted leave absences such as holidays, study, maternity etc. are excluded.
Base year	Used for comparison in the measure of a business activity. The base year for the report is 2020.
Benefit	The direct benefit provided in the form of financial contributions paid by the organization or reimbursement of expenses to employee
Carbon dioxide (CO₂)	The measure used to compare the emissions from various types of greenhouse gas (GHG). The CO ₂ equivalent for a gas is determined by multiplying the metric tonnes of the gas
Community development	A plan that details actions to minimize, mitigate, or compensate for adverse financial, social, and environmental impacts and find opportunities or actions to enhance the positive impacts of a project on the community
Defined benefit plan	Post-employment benefit plan other than a defined contribution plan
Defined contribution plan	Post-employment benefit plan under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions
Direct (Scope 1) GHG emissions	Direct GHG emissions occur from sources that are owned or controlled by an organization
Employee	Individual who is in an employment relationship with the organization, according to national law or its application
Employee turnover	Employees who leave the organization voluntarily or due to dismissal, retirement, or death in service
Foreign Suppliers	We consider foreign suppliers as those who are situated outside Pakistan.
Grievance mechanism	System consisting of procedures, roles and rules for receiving complaints and providing remedial actions
Governance body	Committee or board responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders
Indirect Energy (Scope 2) GHG emissions	GHG emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization
Injury	Non-fatal or fatal injury arising out of, or in the course of, work
Injury rate	The frequency of injuries, relative to the total time worked by all workers during the reporting period
Local Suppliers	The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations.
Management approach disclosure	Narrative description of how an organization manages its material topics and their related impacts
Material topic	A topic that reflects a reporting organization's significant economic, environmental and social impacts; or that substantively influences the assessments and decisions of stakeholders
Other indirect (Scope 3) GHG emissions	Indirect GHG emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions
Significant locations of operations	We consider significant locations of operations which are near to our corporate offices in Karachi and Lahore and near our plant sites at Nooriabad, Bhone, Jaranwala and Dalawal.
Senior management	Top ranking members of the management of an organization that include the Chief Executive Officer (CEO) and other individuals reporting directly to the CEO

FORMULAS USED

A) Standards, methodologies, assumptions, and/or calculation tools used.

B) Source of the conversion factors used.

TYPE OF FUEL	CONVERSION FACTOR FOR CONVERTING IN GIGA JOULES (GJ)
Coal (metric tonne)	27
Crude oil (metric tonne)	44.8
Diesel (metric tonne)	43.33
Natural Gas (MMBtu)	1.054615
Electricity (kilowatt-hour)	0.0036

C) 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 (2019).

D) Indirect GHG emission factor for electricity purchased from WAPDA is 0.67 kg of CO₂ eqv. /kWh and from that of KESC is 0.58 kg of CO₂ eqv. /kWh. It has been assumed that the electricity at Nooriabad, Jaranwala and Bhone is supplied from WAPDA, while the electricity at the Head Office in Karachi is supplied by KESC as per IPCC standards and indirect

GHG emissions on management best estimates.

TYPE OF FUEL (IN GJ)	IPCC (INTERNATIONAL PANEL ON CLIMATE CHANGE) DEFAULT KG CO ₂ /GJ
Coal	96
Diesel Oil	74.1
Natural Gas	56.1

METRIC	CONVERSION IN LITRE
1 cubic meter	1,000 litre
1 tonne of water	1,000 litre

METRIC	CONVERSION IN KG
1 metric tonne	1,000 kilograms

Energy Intensity =

Absolute energy consumption* / organization-specific metric

GHG Emissions Intensity =

Absolute GHG Emissions* / Product or Sales quantity

Reused water (Gallons) =

Net production time x 90

Percentage of reclaimed products and their packaging materials=

Products and their packaging materials reclaimed within the reporting period x 100/ Products sold within the reporting period

Percentage of recycled input materials used (%) =

Total recycled input materials used/ Total input materials used

Opening No. of Employees =

Closing - Outgoing + Incoming

Average No. Of Employees =

(Opening + Closing) / 2

Rate of Employee Turnover =

(Outgoing / Average No. Of Employees) x 100%

Training hours per employee:

Training hours / number of employees

In time into in cash conversion:

Average Salary = Total Gross Salary of all Employees/
Total Number of Employees

Injury rate (Injuries/day) =

Number of injuries / total number of days worked by
the total workforce

Occupational Disease rate

(Occupational disease cases / day) =

Number of Occupational disease cases / total number
of days worked by the total workforce

Lost day rate (Lost days / day) =

Total lost days by the affected workers (due to
occupational accidents and diseases) / total number
of days scheduled to be worked by the workforce in
the reporting period

Absentee rate =

[Actual absentee days lost / total days scheduled to
be worked by the workforce for the period] x 100%

Economic Performance:

LPS (Liquidity per share):

Total Number of Shares Traded over a Period/Average
Number of Shares

ROE (return on equity):

Net Income/Shareholder's Equity

Total Liabilities to total assets %:

(Total Liabilities / Total Assets) *100

Return on Assets:

Net Income/Average Total Assets

Debt Ratio:

Total Liabilities/Total Assets

Net Profit Margin:

Sales Revenue/ Net Income

Debt to Equity:

Total Liabilities/Shareholder Equity

Earnings per Share:

(Net Income - Preferred Dividends)/ Average Number
of Shares Outstanding.

EMISSIONS RESULTS

External Test Results (June 2019).				
Measuring Parameters	Units	Testing Method	SEQS Limits	Test Results
A. Pipe Plant Process Emission				
CO	Mg/ Nm ³	ASTM D-6522	800	Not conducted because plant was inoperative
so ₂	Mg/ Nm ³	ASTM D-6522	1700	
Oxides of Nitrogen	Mg/ Nm ³	ASTM D-6522	400	
Particulate Matter	Mg/ Nm ³	ASTM D-3685	300	
Fluoride	Mg/l	ASTM D-4185	150	
B. Coating Plant Stripping Emission				
CO	Mg/ Nm ³	ASTM D-6522	800	Not conducted because plant was inoperative
so ₂	Mg/ Nm ³	ASTM D-6522	1700	
Oxides of Nitrogen	Mg/ Nm ³	ASTM D-6522	400	
Particulate Matter	Mg/ Nm ³	ASTM D-3685	300	
Fluoride	Mg/l	ASTM D-4185	150	
C. Fork Lifters Emission				
Smoke	Ringelmann Scale	ASTM D-2156	2	1.5
CO	CO (%)	ASTM D-6522	6	0.4
Noise	Decibels	ASTM E-1124	85	70.4
D. Backup Generators (non-routine; only operative when KESC/WAPDA supply is down)				
Following parameters are analyzed: CO, Oxides of Nitrogen, Smoke, SO ₂ , Noise and Particulate matter				

Glossary And Acronyms

API	American Petroleum Institute
ASTM	American Society for Testing and Materials
CSR	Corporate Social Responsibility
CO ₂	Carbon dioxide
CO	Carbon monoxide
EPS	Earnings per share
GHG	Greenhouse gas
GJ	Gigajoule
GRI	Global Reporting Initiative
GWP	Global Warming Potential
HRC	Hot Rolled Coil
HSE	Health Safety and Environment
ISO	International Organization for Standardization
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountants of Pakistan
LOI	Letter of Interest
MT	Metric ton
Mg/ Nm ³	Milligrams per cubic meter
NEQS	National Environmental Quality Standards
NTDC	National Transmission and Despatch Company
OHSAS	Occupational Health and Safety Management System
PEPA	Pakistan Environmental Protection Act
PSX	Pakistan Stock Exchange
PPDB	Punjab Power Development Board
QMS	Quality Management System
SEQS	Sindh Environmental Quality Standards
SO ₂	Sulphur Dioxide
SOP	Standard Operating Procedure
UNEP	United Nations Environment Programme
WWF	World Wide Fund

FEEDBACK FORM

CORPORATE RESPONSIBILITY REPORT

2021

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.

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Name

Designation

Organization

Contact Details

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 Telephone

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

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