

CASUAL SPORTS WEAR CSR REPORT 2012



Prepared in Collaboration with:
Programme for Industrial Sustainable Development (PISD-II)
www.pisd.org.pk

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Message from CEO

Corporate Social Responsibility is a complex subject that encompasses many aspects of our business and ultimately affects the lives of people around us.

We have the expertise and resources to make a real difference by improving the infrastructures, the policies, the pricing and boosting the local economy. We will continue to concentrate our efforts in these areas.

The effect we have on the environment is another key challenge. We need to have the most positive and the least negative effect. To this end, we have taken steps to ensure we do not just meet standards, but go beyond them.

As part of our commitment to acting ethically, we support our people in every way we can, to best manage any impact that is caused and to help them through the process and beyond by conducting training programs and various other measures.

In the coming years, we will continue to focus on our CSR priorities by integrating CSR even more solidly into our strategy and by spreading the word. Our stakeholders' feedback on this report will help us better identify areas for improvement, assess our performance and help us responding to their needs in a better way.



Our Vision

We at Casual Sportswear aim to be the recognized leader in the international textile market through our high quality products, increased customers' satisfaction, reasonable profits and greater volumes while remaining environmentally sound and socially conscious in all our operations.



Our Mission

In line with our vision statement, our mission is to create value, make a difference through innovation and timely deliver the best quality product for our customers' satisfaction in a safe, reliable, efficient and environmentally sound manner. Casual Sportswear will continue to shape and lead the markets in which it chooses to compete.

Our Values

Integrity: We interact with others ethically and honorably.

Respect: We empathize and fully consider the diverse needs of others.

Commitment: We achieve success for our customers, our teams and ourselves.

Insight: We use a high level of knowledge to proactively respond with the right solutions.

Spirit: We enrich our work environment with teamwork, contagious enthusiasm and a 'can-do' attitude.

Corporate Profile

Casual Sportswear represents one of Pakistan's leading exporters of denim garments and since its inception in 1990 has come a long way earning a reputation for quality among the world's leading brands of denim product. With 2000 employees working in the facility, our goods are exported to American and European markets.

We at Casual Sportswear understand and believe that we have a multitudinous responsibility towards our buyers as well as our employees. Therefore each of the manufactured products is made using high production and quality standards yet in accordance with the high employee standards in the region. We are proud to state that all compliance standards of our clients as well as local labor law of Government of Pakistan are being practiced in our plant.





Fabric store



Cutting



Stitching



Hand Scraping



Embroidery



Sampling



Checking & Finishing



Packing

Our Collection

At Casual Sportswear, our main product is Denim, Stretch Jeans. We produce premium denim from 8 oz to 14.5 oz, 100% Cotton, Lycra, T-400 and Poly Cotton. Our denim carries multiple finishes including Normal, Flat, Resin and Pigment Coating (3D finish).



Our Customers

Without our customers we would not have been where we are today. Our customers have chosen us based on our focus on top quality served, deep knowledge about our specific product categories, and our innovative product offerings.

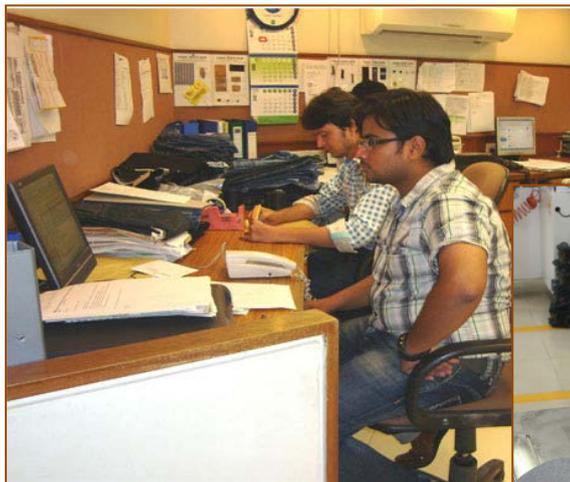
Manufacturer & Exporter of Jeans wear

Since 1990, Casual Sportswear has been operating as a sole proprietorship firm with a clear vision of manufacturing denim jeans for the men, women and kids following high standards of manufacturing methods and superior quality standards for our buyers. With this vision, the investment on machinery has been done with utmost precision, as we believe that the right machinery plays a major role in manufacturing a high quality garments.



Quality Assurance

Quality Assurance and Control, based on the principles of Statistical Process Control (SPC) ensures monitoring of all quality aspects in the manufacturing process and generates reliable information of quality-associated issues in order to take remedial action. The data collated enables Production Management to set more stringent goals of reduced rework and rejection percentages as well as identify operators who require more training to meet requirements. Quality Assurance team that reports to the Director carries out final inspection of the finished products based on Acceptable Quality Level (AQL) prior to release for final audit by customer inspectors or third party audit agencies.



Certification & Accreditation

Casual Sportswear is a responsible apparel manufacturer and represents both in motivation and practice, internationally established codes of social responsibility and ethical business practices. The Management System of Casual Sportswear is based on following:

- ✓ **ISO 9001-2008** QUALITY MANAGEMENT SYSTEM
- ✓ **ISO 14001-2004** ENVIRONMENTAL MANAGEMENT SYSTEM
- ✓ **OHSAS 18001-2007** OCCUPATIONAL HEALTH & SAFETY ASSESSMENT
- ✓ **WRAP** WORLD WIDE RESPONSIBLE ACCREDITED PRODUCTION
- ✓ **C-TPAT** SECURITY SYSTEM
- ✓ **BRC** BRC GLOBAL STANDARD CONSUMER PRODUCTS
- ✓ **SA8000-2008** SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM
- ✓ **ETI** ETHICAL TRADING INITIATIVE
- ✓ **SEDEX** SUPPLIER ETHICAL DATA EXCHANGE
- ✓ **SMETA** (Sedex Members Ethical Trade Audit)
- ✓ **GOTS** GLOBAL ORGANIC TEXTILE STANDARD
- ✓ **O.E** ORGANIC EXCHANGE BLENDED STANDARD
- ✓ **OEKO-TEX 100**

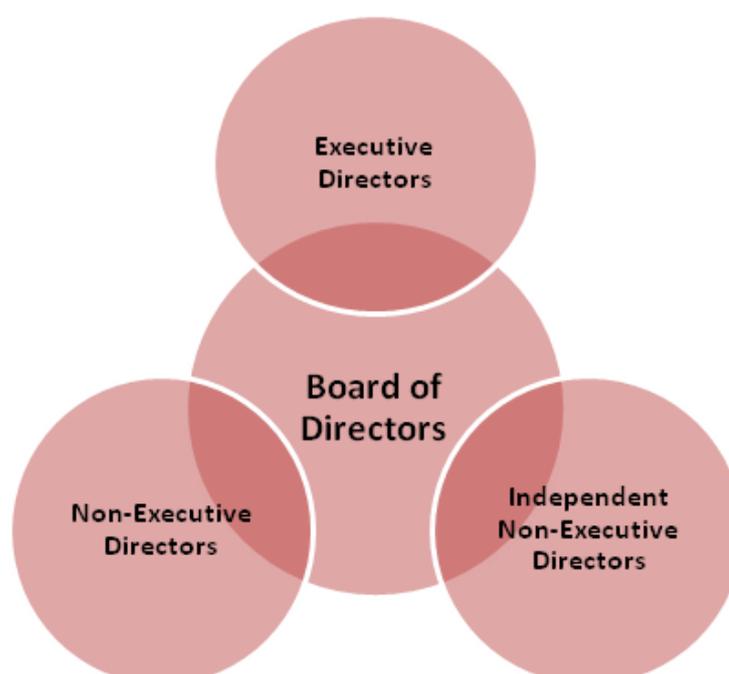


Corporate Governance

Casual Sportswear aims to conduct fair, impartial and efficient business activities having the highest degree of transparency and consistency by adhering to all the applicable laws and corporate rules.

It is essential for Casual Sportswear to enhance its corporate governance policies as it fulfills its corporate social responsibilities. We strive to maintain a high level of management transparency by disclosing to stakeholders our business goals and guidelines that clearly indicate management responsibility, and by sharing information on our progress toward these goals as promptly as possible. As a company we will work to continue earning the trust of our stakeholders.

Our approach to corporate governance is founded on three cornerstones: compliance built on the high ethical standards of all employees, efforts to bolster information security and an effective and appropriate risk management system. We work together to achieve our goals, ensuring that all our employees are properly trained and understand the issues involved.



Environmental Achievements

Companies today face the pressing need to balance environmental preservation and economic progress as they pursue their business activities. The purpose of environmental conservation activities is to reduce environmental impact to a level that the Earth's self recovery capability can deal with and sustain the global environment. Casual Sportswear, by considering how the relationship among the three Ps (planet, people and profit) in environmental, social and economic activities has changed over time, defines the kind of society we should pursue and carries out its responsibility as a company to create such society.

Casual Sportswear's environmental philosophy, expresses our ideal picture of a sustainable society. To achieve this, we have defined three key issues to be tackled: protecting the air, water and soil, reducing greenhouse gas emissions, and recycling resources. We are continuously working toward the ultimate goal of reducing the environmental impact caused by our operations. In this regard, Casual makes every effort to minimize the ecological impact of its corporate activities and is working to implement cleaner technologies in its processes.

In this connection, we have recently become a partner to Programme for Industrial Sustainable Development. With the help of highly professional and experienced staff, the Programme aims to enable major industrial estates achieve sustainability by implementing best cleaner production and energy efficiency practices in their member units.

Under this programme, an integrated environmental and energy audit was conducted to identify key environmental and energy efficiency concerns and improvement options at Casual Sportswear. Suitable options are successfully implemented and some are in the process of implementation. Following sections briefly describe the initiatives taken in this regard.

Good Housekeeping

Good working environment is a key to efficient production. There is a need to eliminate inefficiencies and accident hazards caused by unfavourable conditions in the workplace in order to do a job properly and safely. At Casual Sportswear, good housekeeping is ensured at all levels.



Lighting & Ventilation

We have worked on upgrading our work environment through proper lighting system and installation of industrial exhaust fans. It has resulted in controlling the temperature, and has also enhanced workers' productivity.



Storage of Materials

The efficient handling and storing of materials are vital to production. At Casual Sportswear, all materials are stored in appropriate places in order to provide a continuous flow of materials through the workplace whenever needed.



Prevention of Air Pollution

At Casual Sportswear, we thoroughly implement systems and control standards to manage air pollutants and undertake activities to reduce the amount of the substance used and emitted in our production operations. We aim for even higher levels of air pollution control than those mandated by the national laws. We regularly conduct air emission tests for the boilers at our factory.

Plantation

Casual Sportswear following the theme of United Nations Environment Programme (UNEP) '*Plant for the Planet*' has initiated tree plantations inside and outside the main building in order to improve the air quality and the scenic beauty.



Water Conservation

'The world is heading towards a fresh water crisis and we, at Casual Sportswear, know that we have to do our part in water conservation'. The challenge is how to effectively manage, conserve and distribute water. We have implemented water efficiency techniques that help us to ensure water demands that will continue to be adequately met in the future, as well as to reduce the costs for businesses and to the environment. In this regard, all water hose pipes are fitted with nozzle guns and water flow meters are installed on the main lines for effective water monitoring and management.

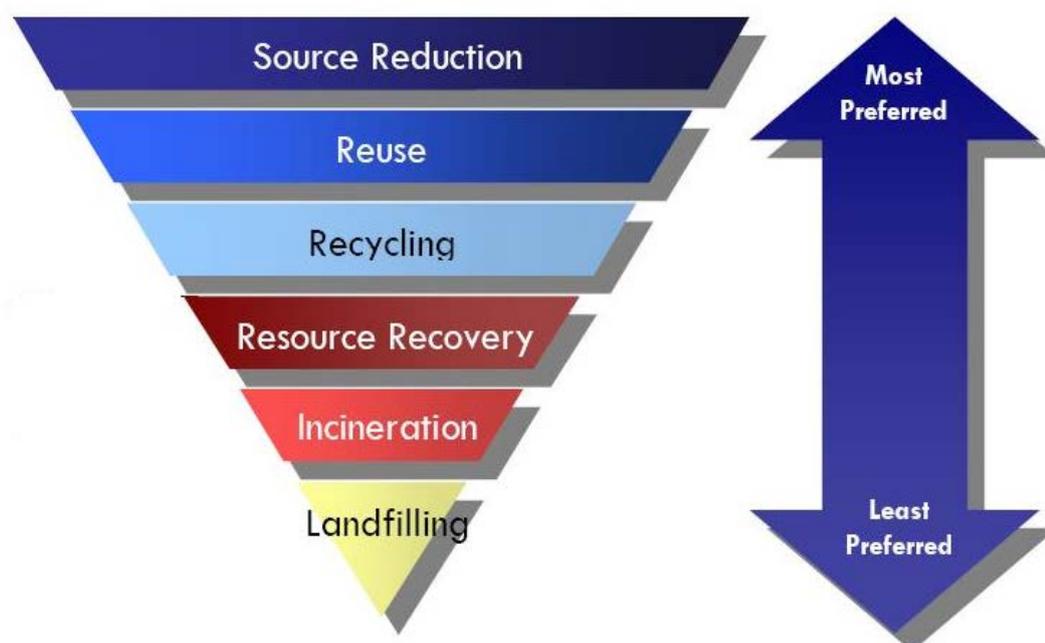
Effluent Treatment Plant

Casual Sportswear has an effluent treatment plant for treating its wastewater. The plant decolors as well as reduces the pollution load of wastewater in compliance with National Environmental Quality Standard. The treated effluent is disposed into an industrial sewer.



Solid Waste Management

We encourage our people to do more towards reducing waste and increasing recycling. We want our people not just to recycle the waste they are responsible for, but also to look for ways to take waste out of the system. This is how we endeavor to create a truly sustainable business. We have adopted a comprehensive solid waste management system that includes segregation of wastes, proper maintenance of solid waste records and its safe disposal. Some of the non-hazardous solid waste is sold out, while the remaining is collected by Karachi Export Processing Zone (KEPZ) on monthly basis. Solid waste categorized as hazardous is incinerated through a contracted organization.



Energy Management

A particular focus at Casual Sportswear is to reduce the consumption of fuel in our production, increase the use of greener technologies and reduce the environmental footprint and financial costs.



Casual Sportswear became partner to the Programme for Industrial Sustainable Development, with a firm belief that the development and implementation of energy efficient technologies and practices are necessary for an effective energy management system. Subsequently, integrated environmental and energy audit of the unit was conducted to identify key areas and improvement options.

Efficient Steam System

We realize that operating with a low efficiency steam system can cost us more than we realize in the long term, hence efficiency of steam system is one of the most important areas to be examined in energy audit. It is the main heat resource that is consumed in process application at Casual Sportswear. It is either employed directly for water heating or indirectly for various processes.

Condensate Return

At Casual Sportswear, condensate return system is provided to retain maximum latent heat and to reduce water consumption and related expense. All the condensate from the dryers of Washing is transferred through two inch return lines to the boiler feed tank where it is utilized to raise the boiler feed water temperature.



Steam Traps

At Casual Sportswear, all condensate return lines are provided with steam traps. Steam trap is a crucial component of steam system for good steam and condensate management. It discharges condensate from a steam system while restricting the escape of live steam.



Insulation of Steam Lines

Insulation of steam and condensate return lines is done to prevent heavy energy losses ultimately resulting in saving money. Insulation also helps to control surface temperatures for personnel protection and increases operating efficiency of heating and ventilation, while preventing damage to equipments due to fire or corrosion. At Casual Sportswear, all the main lines for steam distribution are well insulated, ensuring full utilization of heating system.



Use of Natural Gas

Casual Sportswear uses natural gas for heating in the production processes and utilities. Its major consumption is at gas fired boilers. Natural gas is considered cleaner fuel in comparison to other fossil fuels as it releases less greenhouse gases in the atmosphere.



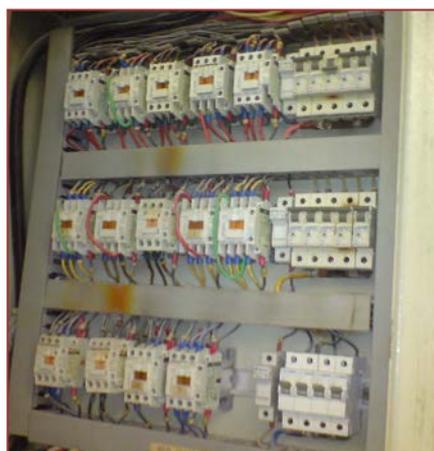
Energy Efficient Lights

Casual Sportswear has an effective Illumination Management System in place. Maximum use of available day time light is ensured. Workers are trained to switch off lights during the lunch break. Moreover, energy efficient LED strip lights are installed in the stitching department.



Electrical Distribution System

Proper electric distribution system is important for the reduction of energy loss. The electrical power distribution system, from the source to utilization points, consists of electric lines of varying sizes, switches, circuit breakers, and protective equipment. Casual Sportswear has very well maintained panels, cables and motors. The overall voltage balance at the distribution boxes is well within the standard limit.



Power Factor Improvement

Power factor plays an important role in energy efficiency of the system. The overall power factor is generally affected due to inductive loads absorbing reactive power. By installing power factor bank, we have achieved improved power factor, increased voltage level on the load and ultimately reduced electric consumption.

Variable Frequency Drives

Variable Frequency Drives are installed at Tonello washing machines. These are used for controlling the rotational speed of an electric motor by controlling the frequency of the electrical power, ultimately resulting in reduction of overall electric consumption.



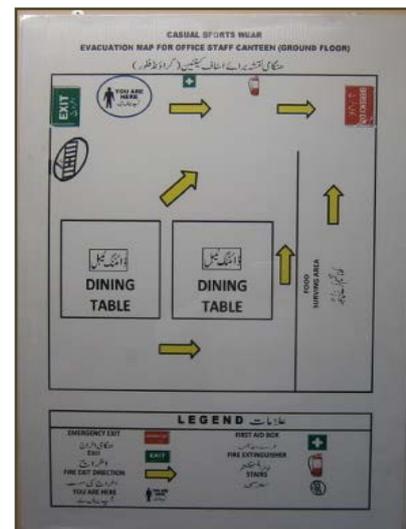
Workers Health & Safety

Casual Sportswear believes that a friendly work environment increases efficiency and motivates employees to deliver their best. We work to maintain a positive and professional working relationship with all of our employees. We make every effort to create a safe and pleasant work environment for them.

We are working hard on a number of health initiatives including a continued emphasis on work safety and have established Social Management System to detect, avoid, or respond to potential threats to the health and safety of personnel. We have obtained OHSAS 18001 certification for occupational health and safety management system. A senior management representative has been appointed for ensuring a safe and healthy workplace environment for all personnel, and for implementing the Health and Safety elements of this standard.

Emergency Response

Clearly shown evacuation routes to be used in emergencies along with fire safety equipment like fire extinguishers and smoke detectors ensure the safety of workers. Casual Sportswear has prepared emergency response plans, which are displayed in the respective departments at prominent places. Presence of eyewashes, fire-blankets and protective clothing is ensured.



Safety Guards

Safety guards in the textile industry are provided to avoid free access of workers and visitors to fast moving parts and thus reduce serious accidents. All the machines in the processing areas at Casual Sportswear are satisfactorily guarded.

Fire Management

Clearly marked as to their effectiveness for types of fires and the operating instructions, well maintained fire extinguishers and hydrants are placed at all appropriate locations in the factory.

Smoke detectors are installed throughout the factory and are checked periodically. Regular fire drills are also carried out.



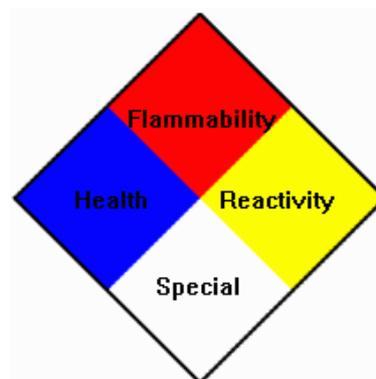
Safety and Warning Signs

Signboards are an effective way of communicating safety messages and instructions with respect to material handling, safe and start-and-stop procedures. At Casual Sportswear, safety signs, posters and instructions are posted at prominent places.



Chemical Handling

For safe chemical handling, Casual Sportswear has collected material safety data sheets (MSDS) of all the chemicals from the supplier and classified chemicals according to their physical and chemical properties. Workers are continuously trained and educated for chemical handling and storage.



First Aid Boxes

Casual Sportswear has ensured the presence of first aid boxes and other essentials in accordance with Sindh Factories Rule 1975 in all departments of the industry. First aid boxes are regularly updated with the necessary items and checked periodically.



Personal Protective Equipments

At Casual Sportswear, appropriate personal protective equipments (PPEs) are provided to the workers since the job safety practices recommend personal protective equipments for every task, based on the MSDS if chemicals are involved and based on job safety analysis for other tasks.



The management ensures the effective use of PPEs during work hours. PPEs are provided to the workers, adequate in numbers and appropriate in sizes. Workers are not allowed to share them as these might transmit diseases at the workplace. Workers are responsible for proper usage and maintenance of their PPEs and are trained accordingly.



Human Resource Development

Casual Sportswear is fully aware of the fact that taking good care of our employees is the responsibility of the industry itself. It has therefore established a Compliance Management Team to implement, monitor, audit and review the activities in various areas including Recruitment & Employment, Compensation, Workplace and Personal Safety and Housekeeping and Welfare.

We, at Casual Sportswear understand the structure of a company where employees are comfortable to work in. We are ready to take on new and challenging projects. We aim to establish a vibrant corporate culture and enhance the workplace to enable diverse employees to take on new challenges and play an active role.



Child Labor

Casual Sportswear is not engaged in or supports the hiring of child labor at any level of the facility. Child labor is strictly prohibited here. The minimum age for employment is 18 years. The child labor policy applies to all permanent and contractual workers of the facility. At the time of hiring, candidates are required to present documented proof in order to ensure they do not fall under the applicable age bar.



Forced & Compulsory Labor

Casual Sportswear does not support forced or compulsory labor, as defined in ILO Convention. Also, it does not require workers to pay deposits or lodge identification papers upon commencing employment. Workers have the right to leave the workplace after completing the standard workday, and are free to terminate their employment upon giving reasonable notice to their employer.



Working Hours

Casual Sportswear complies with all applicable laws and industry standards on working hours and public holidays. The normal work week of Casual Sportswear does not exceed 48 hours. Workers are provided at least one day off following every six consecutive working days. Overtime work is voluntary and does not exceed 12 hours per week. However in order to meet short-term business demand, Casual Sportswear may require the employees to work for some extra hours and accordingly reimburses the overtime to personnel at a premium rate as defined by national law.



Training & Development

We believe working for Casual Sportswear offers an exciting and stimulating environment where employees can develop their careers. Training is as important to Casual Sportswear as are its business achievements. Visiting professional consultants regularly communicate training in relevant areas.

We offer considerable scope for personal and professional development through training programs for skilled and unskilled workers on environment, energy efficiency, skill enhancement, morale, social accountability, health & safety etc. First aider and fire fighting drills are regularly conducted. We also provide opportunities for continuous learning undertaken in the working environment; there is a significant amount of 'on the job' training within the work environment.



Freedom of Association

At Casual Sportswear, workers have the right to form, join and organize trade unions of their choice and to bargain collectively on their behalf. Casual Sportswear respects their right and does not interfere in any way with the establishment, functioning, or administration of such workers' organizations or collective bargaining in accordance with the applicable laws and regulations. In situations where the right to freedom of association and collective bargaining are restricted under law, casual allows its workers to freely elect their own representatives. In close consultation with its senior, middle and trusted bottom line employees, Casual Sportswear has formed an advisory council in all good faith to:

- Give workers a platform through problem sharing and solving.
- Provide facility to resolve grievances among employees at all levels.
- Guide a way towards mutual understanding between top management and employees.



Casual Sportswear ensures that representatives of workers and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation, or retaliation for reason of their being members of a union or participating in trade union activities, and that such representatives have access to their members in the workplace. Management provides reasonable resources where requested for the purposes of elections and meetings. These include materials, computers, time and rooms. Reasonable time off is also given to employee representative for meetings and undertaking relevant duties without penalty.

Diversity & Inclusiveness

Managing diversity implies to take into account individual differences that are unseen as well as those that can be observed, preventing all forms of discrimination, promoting balance between professional and private life. The development of the new generation is vital to the progress of our society. Young people are a serious commitment for all businesses; the main purpose of our youth initiatives is to invest in the young people's education and qualification. In order to attract them and keep them as a valuable human resource, we offer them various opportunities for personal development. Our goal is to share knowledge and experience and we pursue this goal by organizing Traineeship and Scholarship programs regularly.



Discrimination

Casual Sportswear does not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination, or retirement based on race, national or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age, or any other condition that could give rise to discrimination.



At Casual Sportswear, we do not allow any behavior that is threatening, abusive, exploitative, or sexually coercive, including gestures, language, and physical contact, in the workplace and, where applicable, in residences and other facilities provided by the company for use by personnel.

Employees Welfare

Employees Welfare at Casual Sportswear includes all measures taken for the comfort and improvement of employees and their families, provided over and above the wages. Employees Welfare measures are taken to help in keeping the morale and motivation of our employees high and to ensure that they stay with us for longer period of time. These welfare measures are provided as monetary form as well as kind and include monitoring of working conditions, creation of industrial harmony through infrastructure for health, and insurance against disease, accident and unemployment for the workers and their families.

Salaries & Benefits

Casual Sportswear ensures that wages and benefits are rendered in full compliance with all the applicable laws. We respect the right of personnel to a living wage and ensure that wages paid are sufficient to meet the basic needs of personnel and to provide some discretionary income.



All the employees at Casual Sportswear are covered through Group Insurance Schemes. Casual Sportswear is member of a Group Insurance Scheme that provides death and disability benefits to its workers. They are also entitled to Gratuity. Company provides interest free loans to its employees.

Annual leave encashment option is also provided; employees can also take advance against salary. Workers are given production incentives besides annual bonuses. An employee is entitled to pension upon completion of ten years service.

Women at Work

Casual Sportswear is an equal opportunity employer. Initiatives are taken to ensure that women have the same career opportunities as men. Women who wish to bridge up family and career are particularly encouraged. Women are recruited, trained and retrained in the business. Their skills and knowledge are used to



create a positive effect. Around 66% of the workforce consists of women, who are mostly employed in stitching and finishing department. The expecting mothers are given maternity leave, maternity benefits and an additional amount of Rs. 5000/-besides normal salary. A day care room for toddlers is maintained, where working mothers can safely leave their children in supervision of a trained maid. Designated prayer area for ladies and a rest room are also properly maintained.

Health

Medical facilities are provided to workers as per Company's policy. First aid boxes are kept to deal with any emergency situation. A qualified doctor is available to attend medical emergencies as well as general health complaints of workers. Free medicines are also provided. Company makes a



substantial monthly payment to the Zonal Authority (KEPZ) in lieu of social security fund. In case of emergency, a designated vehicle remains at the factory for taking patients to the hospital.

Canteen

The Company has maintained five separate canteens for its employees. These are designated for male workers, female workers, supervisors, managers and senior managers respectively. Rs.10/- is charged per meal from the workers while Rs.25/- per meal is deducted



from the salaries of senior staff. Hygienic conditions are maintained in all the canteens. Casual Sportswear has provided all the infra structure for these canteens besides huge subsidy on meals, free crockery and the utility bills.

Drinking Water

Casual Sportswear is providing easily accessible clean drinking water to the employees. The water is treated by a water purification plant and is also tested for its quality on a regular basis.



Transportation

Free pick and drop service is provided to all staff members and workers through company maintained transport system. The company has spent an amount equal to Rs. 684, 4432/- in this head during the last year. Senior managers are given company maintained cars according to their cadre.



Meat Package

At Casual Sportswear, cows are sacrificed every week and the meat is distributed among all workers.



Khatm-e-Quran

Every month, recitation of Holy Quran takes place; on that day biryani is prepared and distributed among all factory workers.



Eid Package

On both the occasions of Eid-ul-Fitr and Eid-ul-Azha, animals are sacrificed and meat is given to workers; sweets are also distributed on these occasions as well as on 12 Rabi-ul-Awwal. All employees are given gift packages at the beginning of the Holy month of Ramadan. The package includes two suit pieces and various food items.



Umrah Package

Every year, two employees are sent to perform Umrah; they are selected through transparent balloting. Company bears all the expenses in this regard.



Donations

Being a socially responsible organization, Casual Sportswear contributes significant amount of cash in philanthropic activities. Food is distributed among 600 to 700 persons through welfare trusts on a daily basis. Donations to the workers are also provided time to time according to their needs.



CASUAL SPORTSWEAR

Manufacturer & Exporter of Denim and Till Jeans, Bermudas Trousers

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***Note:** This Report is based on the information derived from the Official website of CSW, Draft EMS Audit Report, Social Manual and Field Visits by PISD Team Members in May 2012.*