

report of the judges



ACCA-WWF PAKISTAN ENVIRONMENTAL REPORTING AWARDS 2007

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# 1. introduction

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Welcome to the report of judges for the ACCA-WWF Pakistan Environmental Reporting Awards (PERA) 2007. The report presents the main findings and reflections of the judging panel for the ACCA-WWF Pakistan Environmental Reporting Awards 2007. It outlines the strengths of all the reports that won an award and delineates technical recommendations to further enhance the standards of environmental and sustainability reporting in Pakistan.

## aims of these awards

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The awards aim:

- to recognise and reward those organisations which report and disclose environmental, social or sustainability performance
- to encourage best practices in environmental, social and sustainability reporting
- to raise awareness of reporting corporate social responsibility issues and performance

The awards recognise and reward companies that report corporate environmental, social and sustainability performance to a broad range of stakeholders, rather than evaluate performance itself.

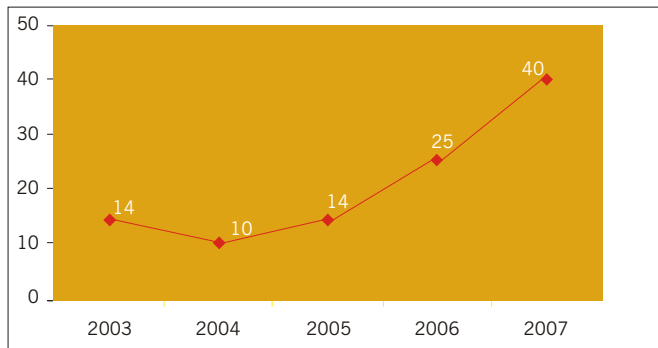
## awards at a glance

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The ACCA-WWF Pakistan Environmental Reporting Awards scheme was jointly launched by ACCA Pakistan and WWF Pakistan in May 2002.

The increase in number of participating companies (see figure 1) is a manifestation of the interest of the business community in developing best practices of environmental and sustainability reporting in Pakistan.

**Figure 1: Number of entries 2003-2007**

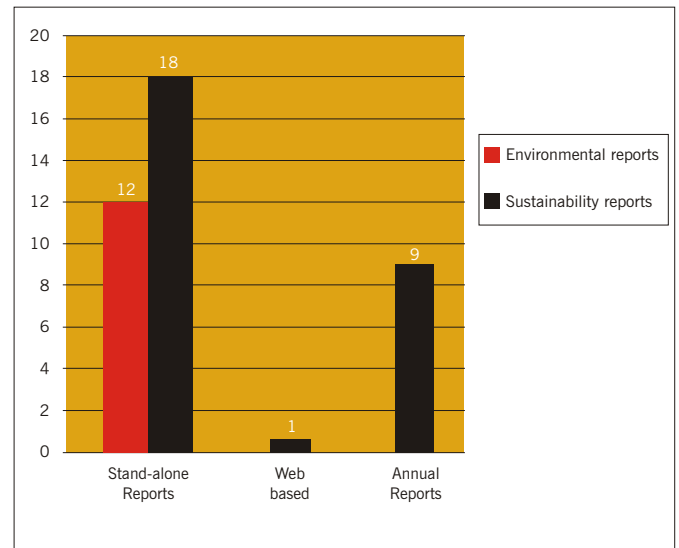


### awards categories

1. Environmental Reporting
2. Sustainability Reporting

The participating reports are in 3 formats; stand-alone reports, reporting in annual reports and web-based reports. Figure 2 show the different formats of the reports participating in the ACCA-WWF Pakistan Environmental Reporting Awards 2007.

**Figure 2: Format of Reports**



## 2. endorsers

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The Awards are endorsed by the Ministry of Environment and IUCN Pakistan.

### message by the Ministry of Environment

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Companies today are under increasing pressure from a variety of sources to be more transparent about the extent of their compliance with environmental and social responsibility laws and regulations, and about their environmental and social impacts and performance. Environmental, social and sustainability reporting provide a framework for reporting on all this as well as enhancing corporate reputation and ensuring transparency in reporting.

Environmental, Social and Sustainability Reporting are still relatively new concepts, not only in Pakistan but in many parts of the world. Though environmental, social and sustainability reporting are not mandatory, a time will come when organisations will feel the pressure from shareholders and stakeholders as to the need for environmental, social and sustainability reporting.

I am pleased to notice that not only the quantity but even the quality of the reports submitted to the ACCA-WWF Pakistan Environmental Reporting Awards has developed over the last six years. This is indicative of our corporate sector increasing interest in triple bottom line reporting.

ACCA-WWF Pakistan Environmental Reporting Awards provides an excellent framework for organisations to report

environmental, social and sustainability information either in the annual reports or stand alone reports. The Ministry of Environment commends this initiative and is pleased to be fully supportive of ACCA-WWF Pakistan Environmental Reporting Awards 2007.

Ministry of Environment

## message from IUCN Pakistan

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Founded in 1948 in Fontainebleau, France, The International Union for Conservation of Nature (IUCN) is the world's largest and most important conservation network. The Union brings together 83 States, 110 government agencies, more than 800 non-governmental organizations (NGOs), and some 10,000 scientists and experts from 181 countries in a unique worldwide partnership. IUCN is a multicultural, multilingual organization with 1100 staff located in 40 countries. Its headquarters are in Gland, Switzerland.

IUCN seeks to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable. It supports and develops cutting-edge conservation science; implements this research in field projects around the world; and then links both research and results to local, national, regional and global policy by convening dialogues between governments, civil society and the private sector.

The efficacy and the role of ACCA-WWF Pakistan Environmental Reporting (PERA) is commendable in engaging and bringing together increasingly private and corporate partners to protect and promote the significance of environment in their field of work.

PERA has the potential to become an effective means for encouraging new and innovative ideas. With the zeal and

fervour generated by the Award, I hope that the organizations can share the efforts for spreading awareness for the well-being of all living beings at a time when they are confronted with the un-surmountable challenges of urbanization, climate change and global warming.

IUCN in Pakistan is proud to be associated with the ACCA-WWF Pakistan Environmental Awards (PERA) and will like to continue to work together to see even a greater and far reaching impact of the Award in the coming years.

IUCN - Pakistan

### 3. the judging process

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A short-listing committee short-listed entries based on the ACCA-WWF Pakistan Environmental Reporting Awards judging criteria. The short-listed entries were (see page 6 & 7) then evaluated by the Panel of Judges who decided the winners in different categories.

#### **ACCA-WWF Pakistan environmental reporting awards panel of judges**

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Dr Parvez Hassan	Partner-Hassan and Hassan Advocates
Mr Ali Tauqeer Sheikh	National Programme-Director LEAD Pakistan
Mr Farhan Sami	Country Team Leader WSP-SA-The World Bank
Mr Sohail Maqbool Malik	Country Representative-IUCN Pakistan
Mr Farrukh Moriani	Secretary, Federal Ombudsman of Pakistan-Wafaqi Mohtasib Secretariat
Ms Aliya Mohyidin	Environmentalist-Punjab Industrial Estate
Ms Jaweria Haisum	Corporate Governance Specialist-State Bank of Pakistan
Mr M. Naman Shah	General Manager (Technical & Project)-Pakistan Refinery Ltd.

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## ACCA-WWF Pakistan environmental reporting awards judging criteria

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The judging panel assessed the entries based on 3 key criteria:

### completeness, credibility and communication

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Examples of these criteria indicators are:

#### completeness 40%

- Corporate context
- Key (direct and indirect) environmental / social impacts
- Management commitment including environmental / social vision, strategy and related policies
- Environmental / social targets and objectives
- Product or service stewardship
- Supplier procurement policies and issues
- Scope of the report
- Report audience
- Linkages between environmental / social reporting and sustainability issues

#### credibility 35%

- Headline achievements
- Governance structure
- Contact person in charge
- Management systems
- Contingency plans and risk management
- Internal audit processes
- Compliance / non-compliance record
- Environmental / social performance
- Conventional finance - related data e.g. Investments
- Environmental / social financial statements and full cost accounting
- Application of guidance or standards
- Stakeholder engagements
- Use of stakeholder feedback
- Third party verification statement

#### communication 25%

- Layout and presentation
- Understandability, readability, accessibility and appropriate length
- Frequency
- Innovative approaches
- Availability of a summary report and / or executive summary
- Comprehensive navigation through report
- Use of internet
- Appropriateness of graphs, illustrations and photos
- Reference to web site and other reports and how reports relate to each other
- Integration with financial statements

## 4. participating companies

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### the ACCA-WWF Pakistan environmental reporting awards (PERA) 2007 shortlist

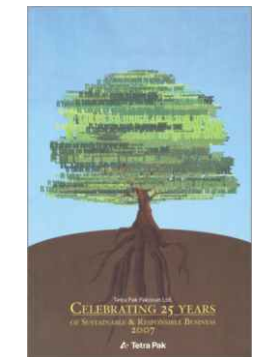
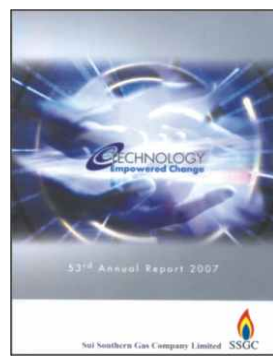
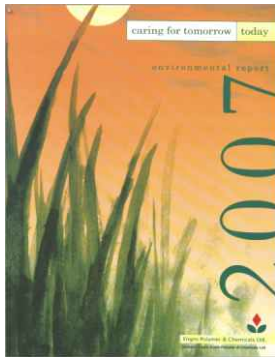
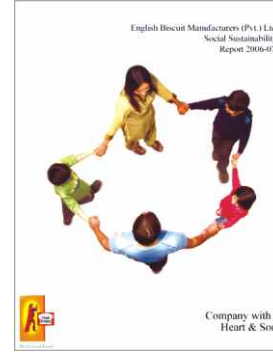
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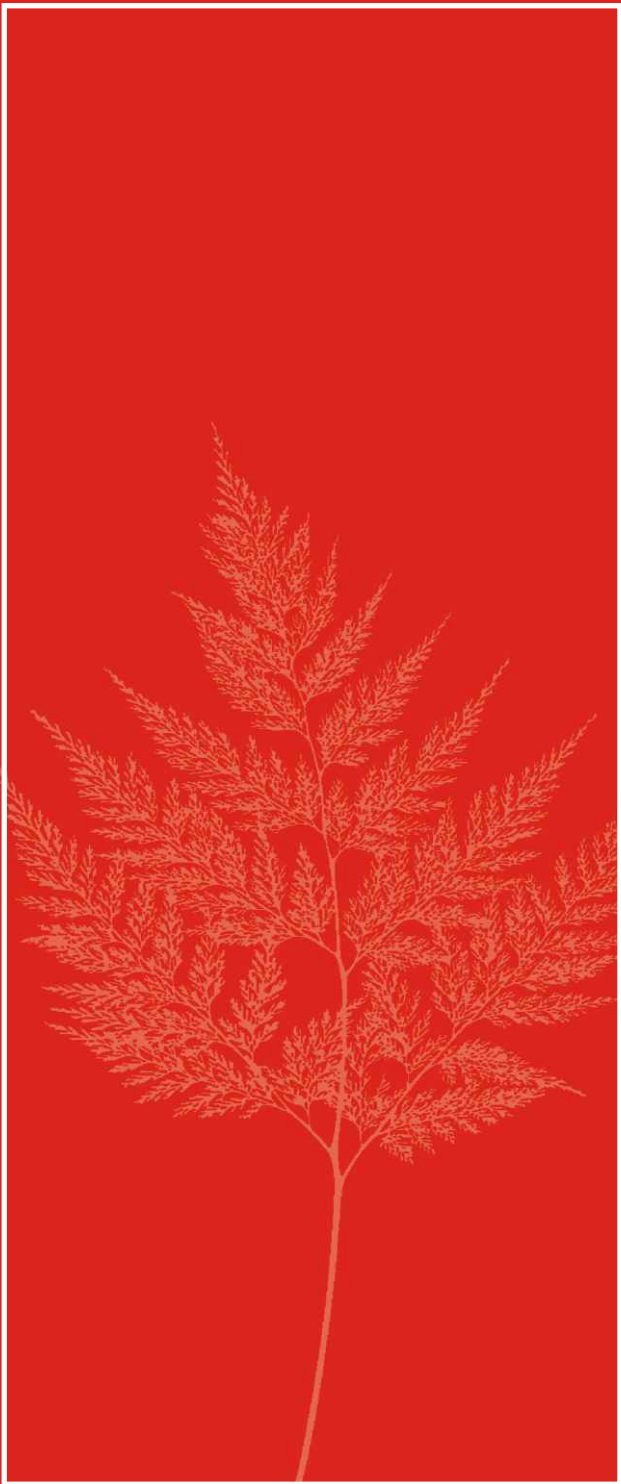
#### sustainability reporting category

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Attock Refinery Limited.	<a href="http://www.arl.com.pk">www.arl.com.pk</a>
Dawood Hercules Chemical Ltd.	<a href="http://www.dawoodhercules.com">www.dawoodhercules.com</a>
Descon Engineering Ltd.	<a href="http://www.descon.com.pk">www.descon.com.pk</a>
English Biscuit Manufacturers (Pvt) Ltd.	<a href="http://www.ebm.com.pk">www.ebm.com.pk</a>
Engro Chemical Pakistan Limited.	<a href="http://www.engro.com">www.engro.com</a>
Indus Motor Company Ltd.	<a href="http://www.toyota-indus.com">www.toyota-indus.com</a>
Packages Ltd.	<a href="http://www.packages.com.pk">www.packages.com.pk</a>
Pakistan Tobacco Company Ltd.	<a href="http://www.ptc.com.pk">www.ptc.com.pk</a>
Qarshi Industries Pvt Ltd.	<a href="http://www.qarshi.com">www.qarshi.com</a>
Shakarganj Mills Ltd.	<a href="http://www.shakarganj.com.pk">www.shakarganj.com.pk</a>
Sui Southern Gas Company Ltd	<a href="http://www.ssgc.com.pk">www.ssgc.com.pk</a>
Tetra Pak Ltd.	<a href="http://www.tetrapak.com">www.tetrapak.com</a>



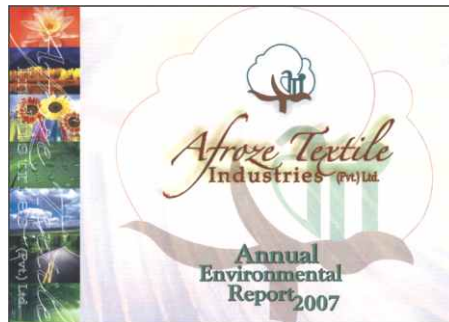
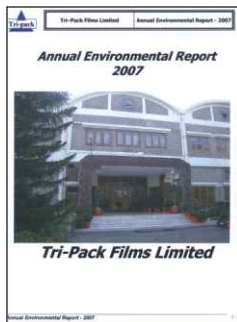
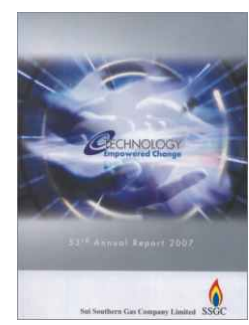
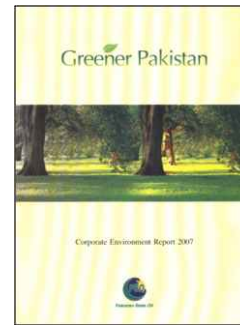
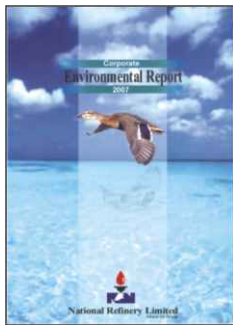
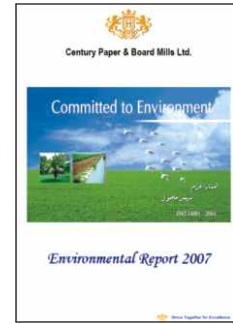


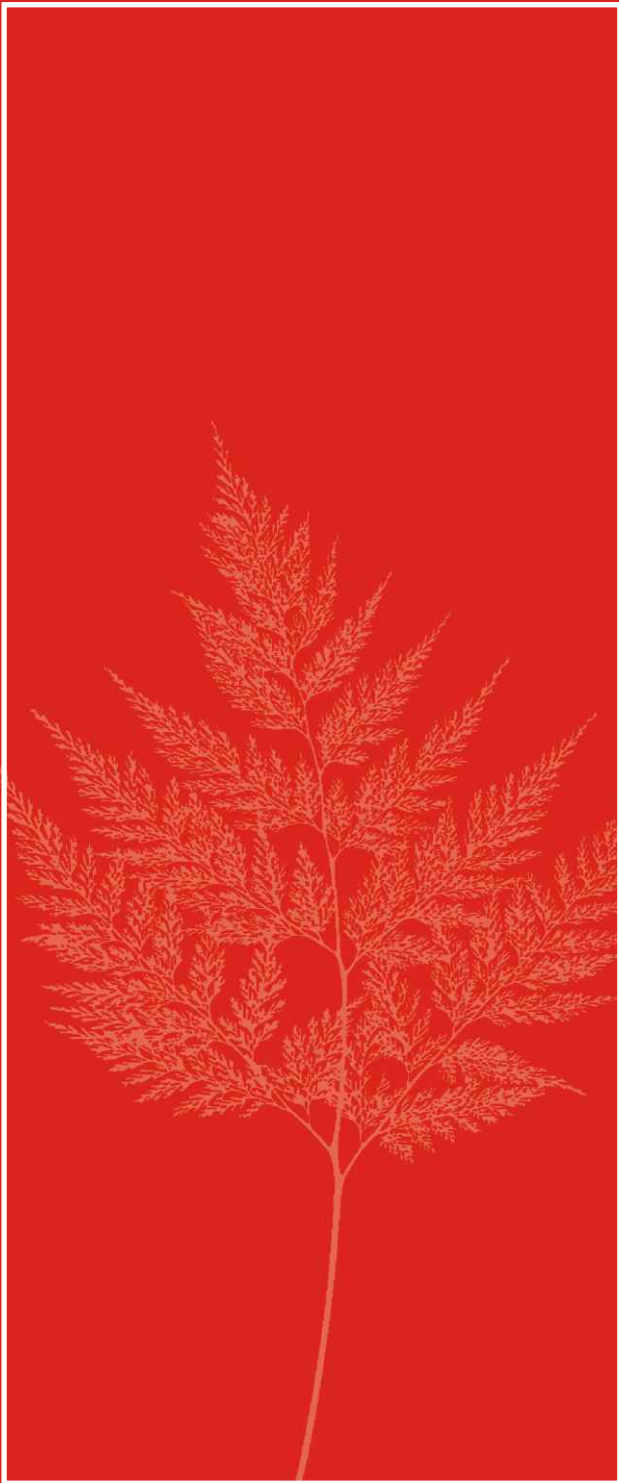


## environmental reporting category

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AES Lal Pir Thermal Power Station	<a href="http://www.aes.com">www.aes.com</a>
Afroze Textile Ltd	<a href="http://www.afrozeprinting.com">www.afrozeprinting.com</a>
BASF Pakistan (Pvt.) Limited	<a href="http://www.basf.com">www.basf.com</a>
BP Pakistan Exploration & Production Inc.	<a href="http://www.bp.com">www.bp.com</a>
Century Paper & Board Mills Limited	<a href="http://www.centurypaper.com.pk">www.centurypaper.com.pk</a>
Engro Polymer & Chemicals Limited	<a href="http://www.engropolymer.com">www.engropolymer.com</a>
National Refinery Limited	<a href="http://www.nrl.com">www.nrl.com</a>
Pakistan Cement Company Ltd	<a href="http://www.pakistancement.com.pk">www.pakistancement.com.pk</a>
Pakistan State Oil	<a href="http://www.psopk.com">www.psopk.com</a>
Samira Fabrics Pvt Ltd	<a href="http://www.samirafab.com">www.samirafab.com</a>
Sui Southern Gas Company Ltd	<a href="http://www.ssgc.com.pk">www.ssgc.com.pk</a>
Tri Pack Films Limited	<a href="http://www.tripack.com.pk">www.tripack.com.pk</a>





### **other entrants**

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Central Depository Company of Pakistan Ltd.

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GlaxoSmithKline Pakistan Limited

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Kalia Group

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Kinnaird College For Women

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Kot Addu Power Company Ltd.

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Kuchlak Welfare Society

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Millat Tractors Ltd.

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New Horizon Care Centre

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Oil & Gas Development Company Ltd.

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Pakistan Bright Youth Council

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Pakistan Refinery Limited

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Shell Pakistan Limited

---

Shield Corporation Ltd.

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Siemens (Pakistan) Engineering Co. Ltd.

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Sunny Trust International

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The First MicroFinance Bank

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## 5. the ACCA-WWF awards 2007 winners

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### the ACCA-WWF Pakistan environmental reporting awards 2007

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The following six awards were made for 2007:

#### best sustainability report 2007

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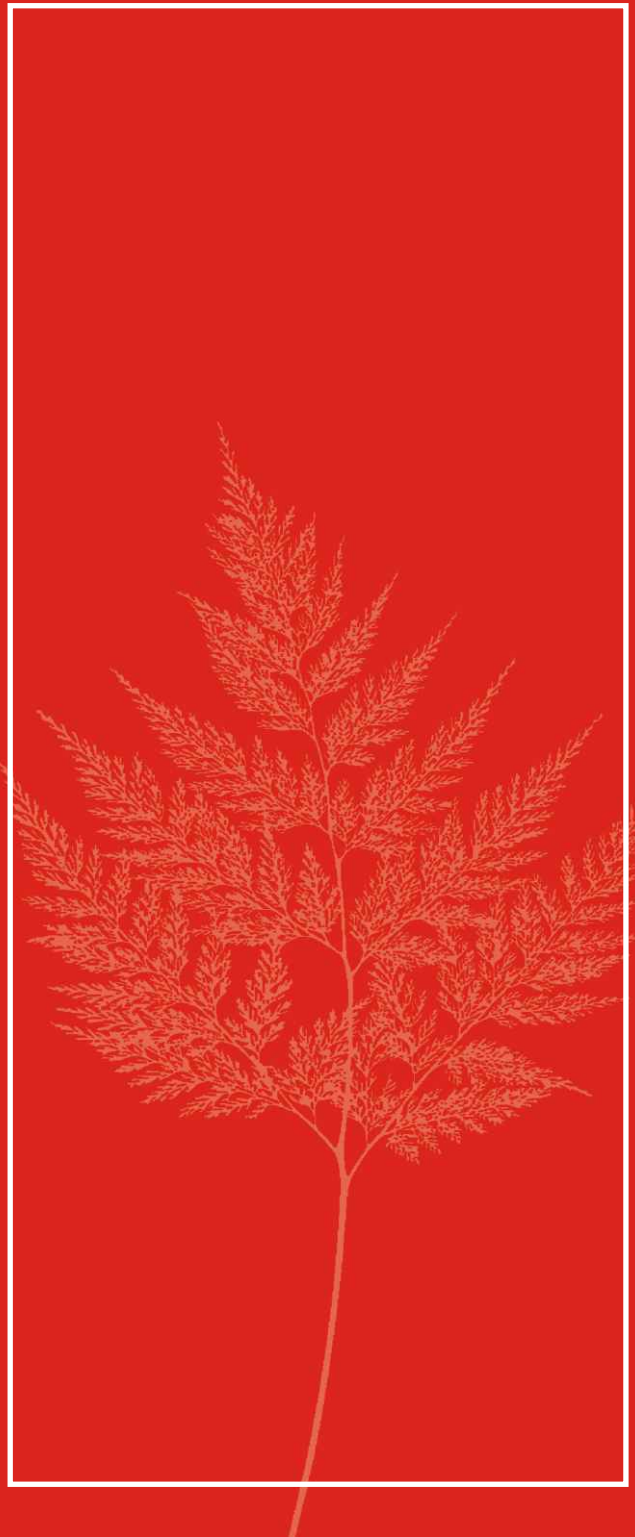
- **local listed category**  
Attock Refinery Ltd.
- **local unlisted category**  
English Biscuit Manufacturers (Pvt.) Ltd.
- **multinational category**  
Pakistan Tobacco Company Ltd.

#### best environmental report 2007

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- **local listed category**  
Century Paper & Board Mills Ltd.
- **local unlisted category**  
Engro Polymer & Chemicals Ltd.
- **multinational category**  
AES Lal Pir Thermal Power Station

To access these ACCA-WWF Pakistan Environmental Reporting Awards winners, together with thousands of additional environmental, social and sustainability reports, visit [www.corporateregister.com](http://www.corporateregister.com)



highlights of the reports of the ACCA-WWF Pakistan environmental reporting awards 2007 winners

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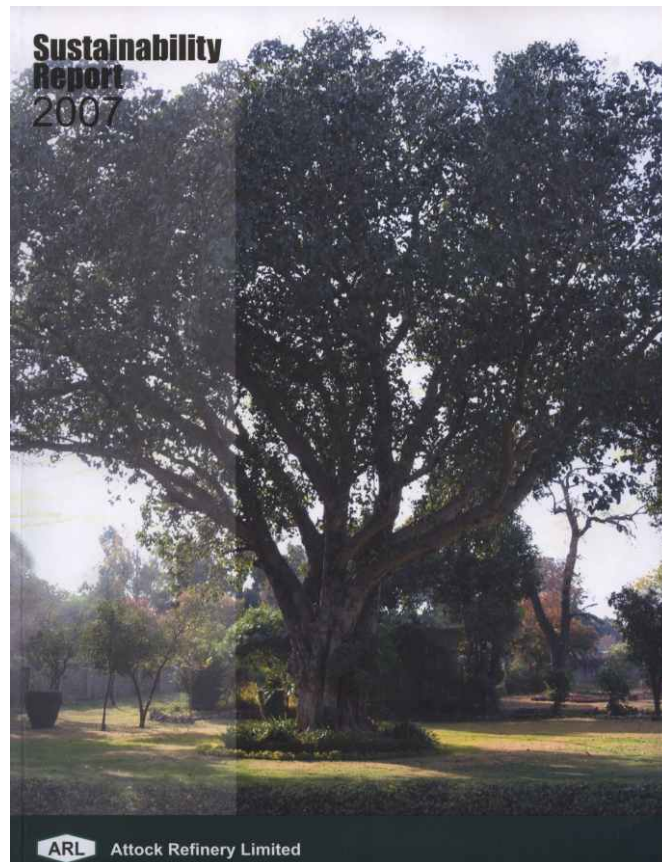
winner best sustainability report (local listed category)

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### **Attock Refinery Limited**

Sustainability Report 2007

“ARL's contribution to world wide sustainability may only be “a drop in the ocean.” If all industry in Pakistan can unite for this cause, then surely that “drop in the ocean” will not be in vain.” (Extract from the Message from the Chief Executive Officer)



## Key Winning Points of the Report

### The report:

- is an excellent example of triple bottom line reporting encompassing the criteria of completeness, credibility and communication
- is an engaging overview of the environmental, economic and social performance of Attock Refinery Ltd. prepared in line with the guidelines issued by the Global Reporting Initiative (GRI)
- has executive summary that concisely highlights the key features of the report
- in the opening pages clearly lays down the objectives of the report, audience of the report, vision for the company, reporting format and principles
- gives a concise, honest readable overview of the key environmental, economic and social issues faced by the business and each stakeholder group and how they are being addressed
- transparently explains the negative environmental impact of the activities and products as well as the mitigating activities being undertaken
- has GRI Performance Tables that qualitatively and quantitatively comprehensively outline the social, economic and environmental performance in 2007 with regards to the indicators
- explains the rationale behind the inclusion of environmental, social and economic indicators in the report
- clearly sets out sustainability related policies, risk management policies, HSEQ policy and human resource policy
- explains the rationale behind target setting, candidly outlines performance against 2007 targets and delineates 2008 targets
- has a graphical illustration of Product and Service Stewardship (see figure 3)
- includes Third Party Assessors' statements.

Attock Refinery Ltd. report raises the benchmark for sustainability reporting by local-listed companies set by Engro Chemical Pakistan Ltd. - the winner of ACCA-WWF Pakistan Environmental Reporting Awards 2006.

The panel of judges would like Attock Refinery Ltd. to further enhance the quality of report. It thus recommends:

- more detailed disclosure on the stakeholder engagement process and the follow up process
- narrative explanation of product and service stewardship
- inclusion of an assurance statement using the AA 1000 Assurance standard





**winner best sustainability report (local unlisted category)**

**English Biscuit Manufacturers (Pvt.) Limited**

Social Sustainability Report 2006-2007

“A commitment to Corporate Social Responsibility remains fundamental to our organisation's mission. This isn't just because we want to be nice people doing the right thing. For us, Corporate Social Responsibility is about being sustainable and creating partnerships with stakeholders that are good for the society at large.” (Extract from the Chief Executive's Statement)

English Biscuit Manufacturers (Pvt.) Ltd.  
Social Sustainability  
Report 2006-07



*The Legend Leads...*

Company with a  
Heart & Soul

## Key Winning Points of the Report

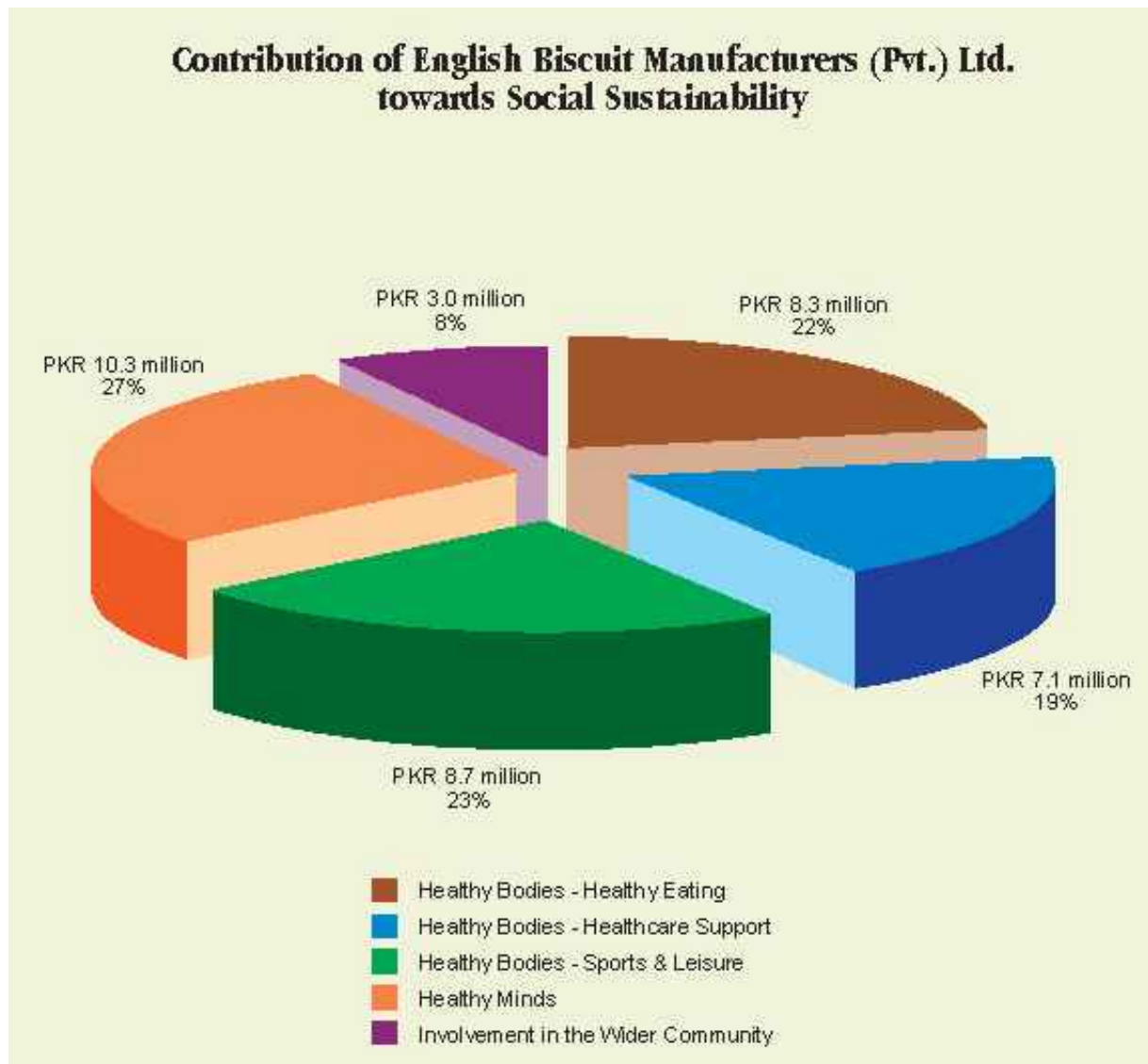
### The report:

- is a concise but precise engaging overview of environmental, social and economic performance of English Biscuit Manufacturers (Pvt.) Limited
- uses GRI Sustainability Reporting Framework as a reference to report environmental and social performance
- provides brief financial information
- has an interesting graphical illustration of contribution of English Biscuit Manufacturers (Pvt.) Ltd. towards Social Sustainability (see figure 4)
- includes relevant disclosure on company's basic principles and core beliefs that underpin environmental and social responsibility
- provides qualitative information relating to investment in human capital development
- contains a succinct forward looking statement that clearly outlines environmental and social initiatives and interventions for 2007-08 aimed to enhance environmental and social performance and increase transparency in triple bottom line reporting
- provides relevant and comparable quantitative and qualitative environmental performance indicators relating to air emission, carbon emissions, energy, waste and water usage

The panel of judges opined that the use of GRI reporting framework by EBM an unlisted privately held company is a commendable and innovative effort. The panel of judges however made the following recommendations aimed at further improving the report of English Biscuit Manufacturers (Pvt.) Limited:

- include more information in the report about the challenges encountered by English Biscuit Manufacturers (Pvt.) Limited as it pursues sustainable development
- give more information about economic performance and include detailed quantitative information about social performance indicators
- provide an overview of stakeholder engagement process
- include an assurance statement

Figure 4

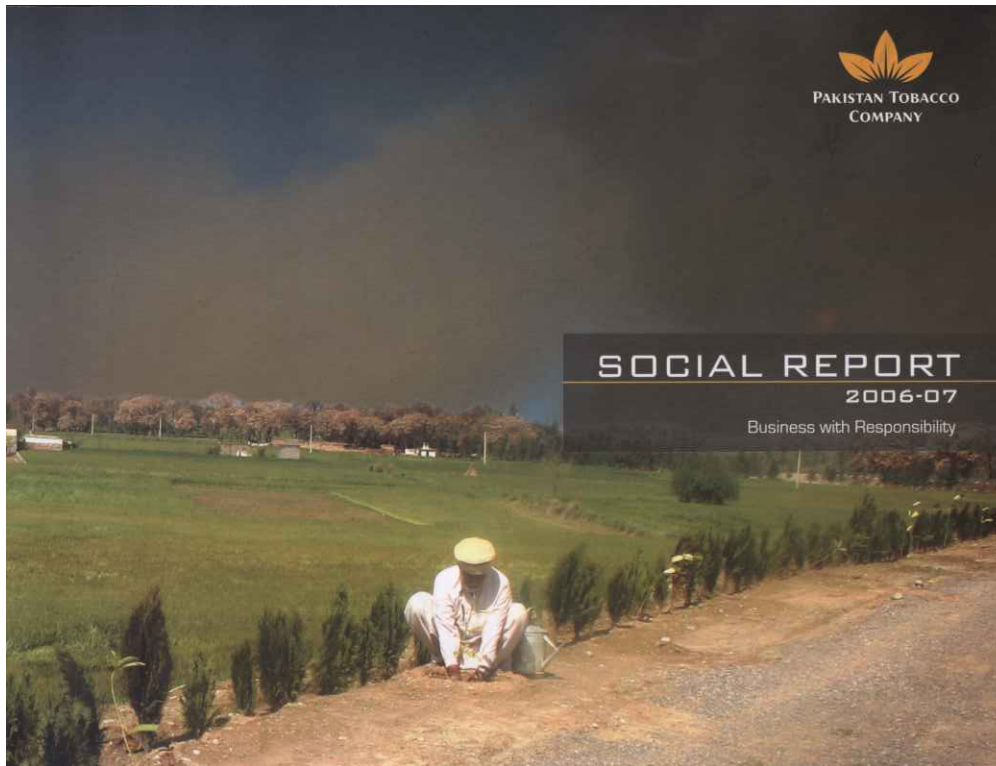


**winner best sustainability report (multinational category)**

**Pakistan Tobacco Company Limited**

Social Report 2007

“Society's expectations of us as corporate citizens are many, and our obligations to meet them whenever and wherever this is possible. In order to do this, we must work with society, and once again, it must be stressed that this is not possible without the process of Listening and Responding.”  
(Extract from CEO's Message)



## Key Winning Points of the Report

### The report:

- includes a statement of business principles and core beliefs which underpin Corporate Social Responsibility (CSR) strategy and its relevance to business
- outlines clearly the rationale for publishing the report and the reporting process
- has an interesting overview of efforts made by Pakistan Tobacco Company Limited to control and reduce the environmental impacts using the 3 R's principle: Reduce, Recover, Recycle
- subscribes to AA 1000 in their auditing, social reporting process and stakeholder engagement process
- provides interim update on commitments made in Social Report 2004
- has a clear, easy to read and useful independent assurance statement detailing highlights and improvements, considerations and limitations (see figure 5) in the Independent Assurance Statement
- provides indication of assurance on information throughout the report through the use of symbols.
- describes stakeholders' consultation process and explains initiatives undertaken to address each issue identified through these consultations.
- discloses comprehensively stakeholder expectations and Pakistan Tobacco Company Limited's response to these expectations
- provides a detailed account of sustainability (social, environmental and economic) performance using GRI guideline as the framework for reporting
- has a feedback mechanism for report users to provide comments and views.

Pakistan Tobacco Company's approach to stakeholder engagement and assurance engagement were considered to be leading examples. Nonetheless, the panel of judges had the following recommendations aimed at further improving the quality of the report:

- ensure that too much relevant information is not lost in narrative qualitative information and thus include relevant, balanced and comparable quantitative information relating to sustainable development indicators
- adopt a more balanced approach towards disclosure of challenges, issues and stakeholder expectations and thus include some of the problems and challenges faced by Pakistan Tobacco in their pursuit to be recognised as corporate social responsible citizens
- consider adopting full cost accounting

Figure 5

## INDEPENDENT ASSURANCE STATEMENT

### *To The Management Pakistan Tobacco Company*

Bureau Veritas Pakistan has been engaged to provide assurance services to Pakistan Tobacco Company for its second reporting cycle. This Assurance Statement applies to the Pakistan Tobacco Company's Social Report 2006-07. The preparation of the Report and its content is the responsibility of Pakistan Tobacco Company.

Bureau Veritas responsibility is to provide assurance on the reliability of the information therein and to express an overall opinion on the report as per the scope of the assurance.

#### Objectives and Scope

1. The objectives of the assurance were to provide assurance over the content of the Report for the reporting period 2006 – 2007 and to provide impartial commentary on the reporting process.

The scope of our work was determined following discussions with PTC and can be summarized as follows:

2. Provision of three levels of assurance over selected information within the Report using the following symbols to describe the scope and nature of our work:

✔ **Advanced:** We provided advanced assurance over the stakeholder dialogue activities that were conducted from September 2006 through to February 2007. This included: a review of processes for selecting discussion topics for dialogue; attendance at dialogue sessions; reviewing sample of stakeholder feedback regarding the quality of dialogue; detailed review of the independent reporting on the dialogue and of information relating to PTC's responses to the points raised in dialogue.

✔ **Positive:** In relation to PTC's reporting systems, governance, policies and selected Core Beliefs, we assessed whether information reported in the Report was supported by underlying objective evidence through interview, detailed sampling and review of documentary evidence, including from third party sources where possible.

✔ **Basic:** Reported information including the GRI indicators and selected case studies were assessed through interview, selective sampling and high level review of documentary evidence.

3. We considered the alignment of Social Reporting activity undertaken for the period September 2006 to February 2007 against the key requirements of AA1000 and have reviewed the complete Report to ensure its consistency with the findings of our work.

The work carried out by Bureau Veritas is defined by the above symbols. Text that has undergone assurance can be identified by the presence of the appropriate assurance symbol posted alongside it.

### Basis of our opinion

In conducting this engagement we have considered:

1. Requirements of the AA1000 Assurance Standard in our assurance work.

Our work was planned and carried out to provide reasonable, rather than absolute, assurance and we believe that the work conducted as described in the scope of work above provides a reasonable basis for our conclusions. We relied on the representations made to us during the course of our assurance work by PTC. Where information in the Report is directly sourced from PTC's financial data we consider this to be reliable as it has been audited by an independent Registered Auditor. Where we have provided assurance over numeric information, this has been achieved through review of processes and databases held at PTC's offices in Islamabad and its production sites in Jhelum and Akora Khattak.

### Assurance conclusions

Where the following symbols are applied they indicate:

- ✔ **Advanced:** The information presented is supported by underlying evidence, the activities have been observed by the assessor and the activities described are aligned to the requirements of AA1000.

- ✔ **Positive:** Information reported is supported by underlying evidence and no material errors or omissions were identified.

- ✔ **Basic:** During the course of our review nothing came to our attention to indicate that there was any material error, omission or misstatement.
- The Report provides a fair representation of this social accounting and reporting activity for the reporting period.
- Information is reported in a clear and understandable manner and is considered to be reliable.
- Safety, health and environmental information is derived from well managed and coordinated systems.
- The Report addresses its main identified issues informatively.

### Alignment with the principles of AA1000 AS

#### Completeness

- The Report reflects the broad range of environmental, social and economic issues that PTC is addressing, including those for which it has legal responsibility.
- All areas and activities of the organisation for inclusion in the reporting scope have been selected via established governance, risk management, and prioritisation processes and performance indicators are deemed to be appropriate.

#### Materiality

- The Report content has been determined through a well structured process of prioritisation of issues deemed of material importance to the organisation and its stakeholders. It reflects all activities and

impacts considered by PTC and its identified key stakeholders as important through an inclusive and transparent process of stakeholder engagement and consultation.

- The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making process.

### Responsiveness

- The Report provides a complete overview of stakeholder expectations and PTC responses to these expectations raised during dialogue during this reporting cycle, and its response to stakeholder expectations identified during the first reporting cycle 2003 to 2004
- The information in the Report enables interested parties to follow in a timely manner the organisation's response and contribution to issues specific to the tobacco industry and its products. For those commitments that have not been implemented in a timely manner, this has been explained in the Report.
- Whilst commitments and related performance indicators against defined objectives resulting from the first reporting cycle 2003/2004 are published, some of the indicators are not measurable, nor are they established for all commitments.
- Performance information relating to commitments and performance indicators set against defined objectives resulting from the first reporting cycle 2003/2004 are also published, and the progress is clearly and unambiguously reported.

### Key highlights

During the course of the Assurance work we have identified the following points:

- PTC has formed a Social Reporting Steering Committee to review the ongoing performance the reporting process and this is now well embedded throughout the organisation.
- The Stake holder mapping process carried out by AC Nielsen was comprehensive in its coverage.
- A focused approach to stakeholder engagement helped PTC to address those issues that are pertinent to the organization and its key stakeholders.
- Stakeholders participating in dialogue were informed of the pre-selected issues related to product, risk information and business integrity and stakeholders were generally encouraged to raise additional issues important to them.
- Minutes of each dialogue were recorded and agreed with all participating stakeholders and feedback indicated that the consultation was satisfactory with sufficient time and opportunity to express concerns and expectations of PTC.
- Most of the commitments made in the first Social Reporting period [month, year] have been delivered upon, in turn demonstrating the commitment of PTC management towards its key stakeholder concerns.

### Areas for improvement

- PTC should continue to review and report upon progress against the previously published commitments as it has done in this report.
- Quantitative targets and performance indicators against future commitments should be developed wherever possible to enable the meaningful measurement of progress.
- In addition to the comprehensive reporting against GRI indicators, there is a need for increased development and use of relevant performance indicators.



- PTC should address areas that have not to date been fulfilled in line with reasonable stakeholder expectations such as Youth Smoking Prevention campaigning, as highlighted by stakeholders in this and the previous reporting cycle.

### **Considerations and limitations**

In relation to our assurance work and conclusions the following considerations and limitations should be noted:

- Activities outside the defined Assurance period with the exception of the overview of PTC activities related to commitments taken as the result of the first Social Reporting cycle.
- Company positional statements (excluded from our scope of assurance is any expression of opinion, belief, aspiration, expectation, aim or future intention provided by PTC ).
- Environmental and social data are subject to inherent limitations due to their nature and the methods used for determining, calculating or estimating such data. The Assurance cannot not be relied upon to detect all errors, omissions or misstatements in the Social Report.
- Our Assurance does not extend to any information hyperlinked from the Social Report posted on the Pakistan Tobacco Company ([www.ptc.com.pk](http://www.ptc.com.pk)) web site.

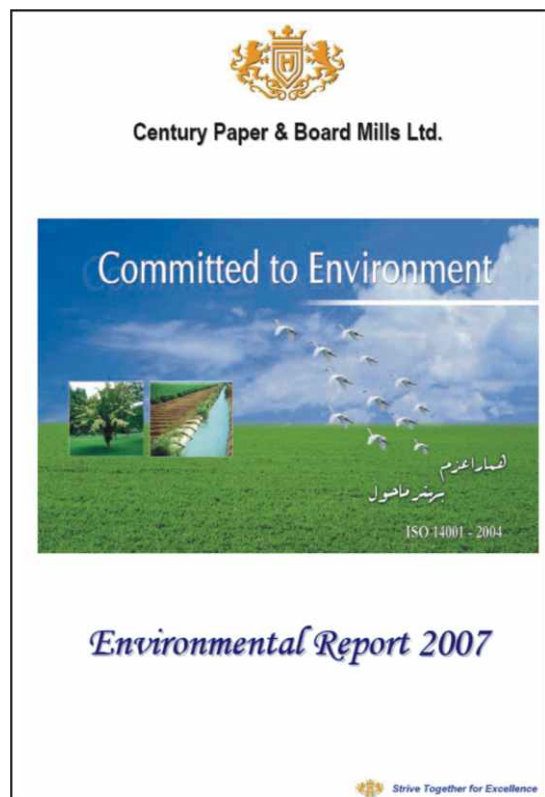
## winner best environmental report (local listed category)

### Century Paper & Board Mills Limited

Environmental Report 2007

“In today's fast growing world mankind is overloading the limited capacity of the eco-system. As a result, sustainability for our future generations has become a burning issue of the day.”

(extract from the Chief Executive's message)



## Key Winning Points of the Report

The report:

- contains an informative account of key environmental achievements, objectives and targets
- provides an overview of environmental management systems and policies
- outlines key performance indicators relating to air pollutants, soil quality analysis, ground water analysis and solid waste management
- has quantitative data relating to environmental impact of products and business activities

The Environmental Report 2007 having an attention grabbing theme “Bhitar Mahool Hamara Azam” is a commendable first attempt by Century Paper and Board Mills Limited to prepare a stand alone environmental report.

The panel of judges has the following recommendations for improving the quality of the report:

- consider provision of information about stakeholder engagement undertaken as part of preparing the environmental report
- complying with GRI guidelines

**winner best environmental report (multinational category)**

**AES Lal Pir Thermal Power Station**

Environmental Report 2007

“At AES we see the current demand for more transparency and reporting as an opportunity to improve our communication with our stakeholders. .. We strongly believe that by becoming more transparent, we will learn more about our environmental impact; with this knowledge, we can further improve our performance and better meet our stakeholders' needs.” (extract from CEO's message)



Key Winning Points of the Report

The report:

- clearly outlines profile, mission statement, vision and values, which give the reader an idea of the company
- gives a concise, readable overview (textual and numerical) of the key environmental initiatives, environmental management system and environmental performance indicators
- explicitly sets out environmental impacts of process and activities as well as the control measures undertaken to minimise the impact
- includes comparable quantitative information relating to key environmental performance indicators and describes rationale behind the use of key performance indicators
- includes detailed disclosure on supplier procurement processes undertaken to ensure that the contractors comply with health and safety requirements of the company
- contains a risk assessment flow chart
- has brief information about the stakeholders' engagement process
- highlights the role of internal audit in environmental performance management (see figure 6)
- has a third party assessment statement
- describes Environmental Management System including information relating to the importance of environmental issues and commitments

Despite the high quality of AES Lal Pir Environment Report 2007, judges felt that:

- more work could be done to summarise the main performance issues and use key performance indicators clearly and concisely
- inclusion of more information about stakeholders engagement process
- establishment of clear linkages between environmental reporting and sustainability issues

Figure 6

## Internal Audit

## What We Do?

**Online Effluents & Emission monitoring**

**Monthly Environment & Safety Reports Generation**

**Monthly Safety Walks within plant by Leadership**

**Audits by HSE Committee**

**Monthly Audit by Area Managers / leadership**

**Annual Plant Audit by CEO**

**Safety Weeks & Safety tool box talk**

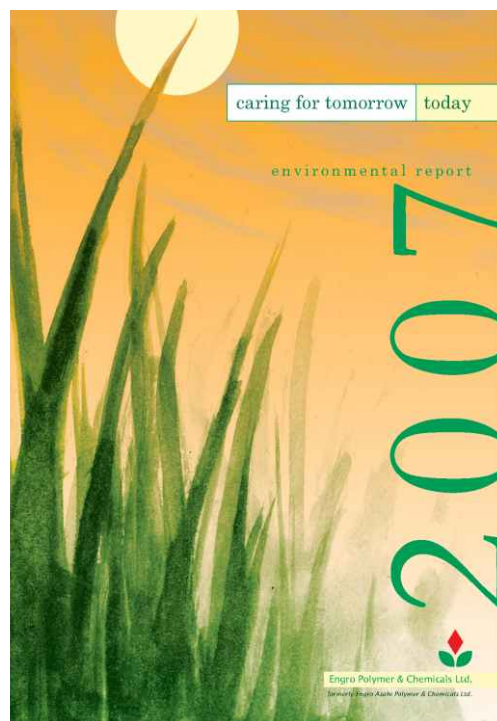
**House keeping plans with in plant**

## winner best environmental report (local unlisted category)

### Engro Polymer & Chemicals Ltd

Environmental Report 2007

“We often take for granted the very source of our well-being. Our natural environment provides us with the basics for survival the air we breath, the food we eat, the water we drink, and the fuels we use. The environment plays a vital role in climate, food and disease regulation.” (Extract from the executive summary)

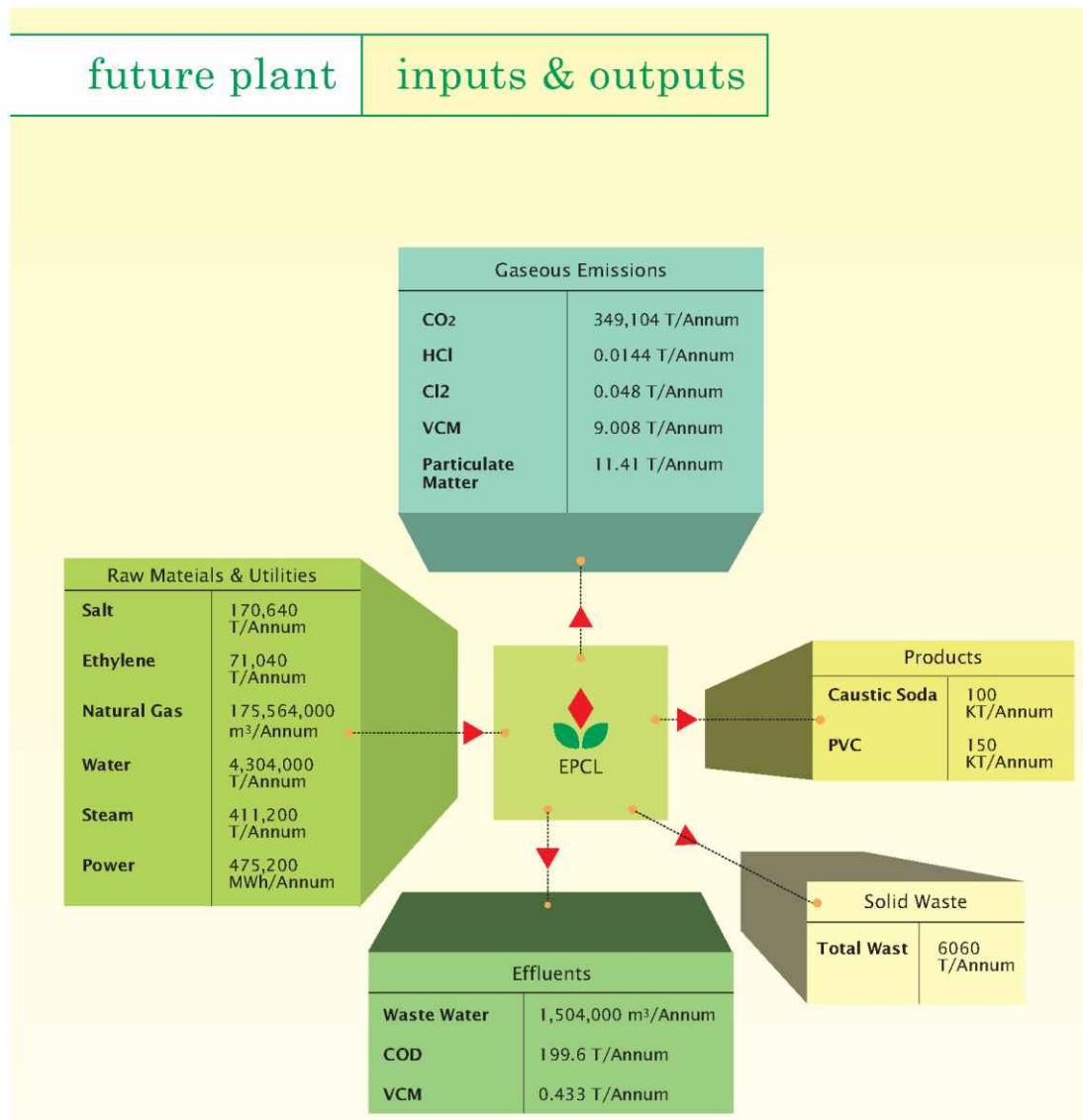


## Key Winning Points of the Report

The report:

- is an entertaining, enthusiastic and enlightening account of the environmental performance of Engro Polymer & Chemicals Limited
- has an executive summary that articulately demonstrates commitment of Engro Polymer & Chemicals Limited to sustaining highest standards of environmental performance and reporting
- discloses specific information about compliance with NEQs
- includes relevant quantitative and qualitative information about key performance indicators relating to green purchasing, biodiversity, global carbon balance & ghg emissions, conservation of natural resources, energy conservation, reduction of environmental footprints, water and air pollutants and waste management
- gives an informative overview of the stakeholders dialogue process
- has an interesting graphical illustration of product life cycle (see figure 7)
- in its sections titled “Accreditations” and “Credibility” has comprehensive information about external verifications that include Investor in People certification, ISO 14001 certification and ISO 9001 certification.
- clearly outlines key features of environmental management system
- attempts at demonstrating linkage between environmental performance and sustainable development challenges faced by Engro Polymer and Chemicals Limited
- has an “Environment Report Verification Statement” that is an assurance statement by URS Pakistan
- is printed on recycled paper with non-toxic ink

Figure 7



## 6. the judges' feedback

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At the Judges meeting to decide the 2007 winners, the judges evaluated the reports in the light of the criteria of completeness, credibility and communication. The work of the Judges was facilitated by the preliminary evaluation and short-listing of the reports by a committee headed by Mr. Ali Tauqeer Sheikh.

- For ACCA-WWF Pakistan Environmental Reporting Awards 2007 a total of forty entries were received and only twenty-four entries were short-listed by the short listing committee that met on 31 January 2008 in Lahore.
- The first category to be assessed by the Panel of Judges was Best Sustainability Reporting Award (Multinational). Two reports were short-listed in this category namely Tetra Pak Pakistan Ltd and Pakistan Tobacco Company Ltd. Pakistan Tobacco Company Ltd was selected as a winner in this category.
- The second category to be reviewed was Best Sustainability Report (Local Listed). Seven reports were short-listed in this category namely Engro Chemical Pakistan Ltd, Packages Limited, Attock Refinery Ltd, Dawood Hercules Chemicals Limited, Indus Motor Company Limited, Shakarganj Mills Limited and Sui Southern Gas Company Limited. Attock Refinery Ltd was the winner in this category.
- The third category to be discussed was Best Sustainability Report (Local Unlisted). Three reports were short-listed in this category namely English Biscuit Manufacturers (Pvt) Ltd, Descon Engineering Ltd and Qarshi Industries (Pvt) Ltd. English Biscuit Manufacturers (Pvt) Ltd was selected as the winner in this category.
- The fourth category to be reviewed was Best Environmental Report (Multinational). Three reports were short-listed in this category namely, AES Lal Pir Thermal Power Station, BASF Pakistan (Pvt) Ltd and BP Pakistan Exploration & Production Inc. AES Lal Pir Thermal Power Station was selected winner in this category.
- The fifth category to be assessed was Best Environmental Report (Local Listed). Six reports were short-listed in this category namely Century Paper and Board Mills Ltd, National Refinery Ltd, Pakistan State Oil, Tri-Pack Films Limited, Pakistan Cement Company Limited and Sui Southern Gas Company Limited. Century Paper and Board Mills Ltd was selected as a winner in this category.
- The last category to be reviewed was Best Environmental Report (Local Unlisted). Three reports were short-listed in this category namely Afroze Textile Ltd, Engro Polymer & Chemicals Ltd and Samira Fabrics Pvt Ltd. Engro Polymer & Chemicals Ltd was selected as winner in this category.

### **inclusion of Engro Polymer & Chemicals Ltd in the panel of judges**

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This is the third consecutive year that Engro Polymer & Chemicals Ltd. has won the Award in Best Environmental Report (Local Unlisted) category. The Panel of Judges thus concluded that this win entitles Engro Polymer & Chemicals Ltd. a place in the ACCA-WWF Pakistan Environmental Reporting Awards Panel of Judges 2008-2009 provided that they continue with the good practice of reporting annually, so long as they remain on the panel of judges.

## **future of ACCA-WWF Pakistan environmental reporting awards**

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The Panel of Judges suggested that as it has been six years since the Awards were introduced, ACCA Pakistan and WWF Pakistan may like to arrange a round table meeting of all present and past judges of Pakistan Environmental Reporting Awards so as to evaluate the Awards and to discuss any issues that might be crucial in designing a future strategy for the Awards.

## **disclosure of professional involvement**

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Like previous years, jury members disclosed their professional involvement, if any, with the competing companies, and, following such disclosure, ensured that any relationships did not affect the final decision.

## **support of ACCA and WWF Pakistan**


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The jury places on record its appreciation and gratitude for the excellent secretarial support provided by ACCA and WWF Pakistan including a preliminary, and confidential, evaluation of the applicants. This should continue in the future.

## **disclaimer**

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"The ACCA-WWF Pakistan Environmental Reporting Awards scheme and the related trophy are implicitly and explicitly for reporting only; and reward transparency. ACCA, WWF and the jury clarify that the Reporting Award is only for environmental/sustainability reporting and not for environmental compliance and this award in no manner certifies that the practices and policies of the awardees are sustainable or environmentally friendly".



Dr. Parvez Hassan  
Chairman of the Panel of Judges  
ACCA-WWF Pakistan Environmental Reporting Awards  
March 2008

## **members of the panel of judges**

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Mr. Ali Tauqeer Sheikh  
Mr. Sohail Maqbool Malik  
Mr. Farhan Sami  
Ms. Jaweria Haisum  
Mr. Farrukh Moriani  
Ms. Aliya Mohyidin  
Mr. M. Naman Shah



## 7. future directions

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During the evaluative discussions at the meeting to select the 2007 winners, a number of technical recommendations were put forward by the panel of judges to help improve reporting in the future.

### general comments

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ACCA-WWF Pakistan Environmental Reporting Awards PERA received a record number of entries (40 against 24 in 2006 and 14 in 2005). The upward trend is manifestation of the strong momentum and intent among the participating organisations to adopt best practices of transparent reporting. While there has been an improvement in the number of entries, the panel of judges observed that overall the quality of reporting has also improved over the years.

More companies are disclosing information on their approach to stakeholders' dialogue and processes in place to respond to stakeholders' feedback. Explaining environmental policy, delineating the key direct environmental/social impacts of business, outlining key environmental performance indicators, disclosing compliance with the National Environmental Quality Standards (NEQs), and overview of corporate social responsibility initiatives are also elements that more reports are covering.

Judges also noted that companies were doing a better job (but still had some way to go) in providing information about product and service stewardship, disclosure of supplier procurement policies and issues, including comparable quantitative environmental/social impact data and explanation of rationale behind the inclusion of environmental/social key performance indicators in the reports.

The judges also noted that some reports of local listed and local unlisted companies were of better quality than the reports of multinational companies. The judges appreciated the efforts of the local listed companies and opined that this will encourage other local listed and unlisted companies to adopt best practices of environmental and social reporting.

### technical recommendations:

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In terms of future directions, the panel of judges had the following recommendations:

#### the 'bigger picture' reporting

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It was observed that reporters are generally not explaining the 'bigger picture' of sustainable development and how that particular organisation fits into it. Consequently disclosures still tend to focus much more on the organisation's particular operations and products rather than the wider social and environmental systems within which it operates.

Reporters need to include clear and credible articulation of the meaning of sustainable development, consideration of what implications arise for the organisations as they pursue sustainable development, tensions which emerge and unresolved complexities. The relevance and usefulness of a report will be enhanced if a description of the organisation within the wider social and environmental system in which it operates is included in the report. Accounting for social and environmental externalities is an area that the panel of judges would like to be included in the reports.

## **the balanced reporting**

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A key area noted by judges was that transparency in reporting would be enhanced by preparation of balanced reports.

Reporting organisations should focus on explaining positive and negative economic/environmental/social impacts of an organisation.

## **inclusion of summary report/executive summary**

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One key point made by the judges was that majority of the companies do not include an executive summary/summary report. The panel of judges recommends that summary report/executive summary is included in the reports to give users a concise overview of the organisation's material environmental/economic/social impacts, operations, performance and processes.

## **reporting csr or non-financial risks**

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Many reporting organisations do outline CSR initiatives and achievements. A small number of them also report on their key CSR or non-financial risks that could pose a threat to the business now and in the future. The panel of judges would like the practice of reporting on key CSR or non-financial risks become more common.

## **forward looking statements in reporting**

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An excellent environmental/sustainability report is one that has a balanced overview of historical achievements and an honest assessment of future issues, challenges and developments. The judges therefore noted that apart from reporting on past

social/environmental/economic performance and key events, organisations should be more proactive and consider including more narrative, forward-looking information in their reports.

Organisations in those industries (for example, oil and gas) that are likely to be affected significantly by long-term issues should be giving some indication of a timeline for action, several years into the future. This could include long-term targets for emissions reductions, investments in clean technology, expansion into new regions, predicted risks and challenges and new products and services.

## **economic impact reporting**

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A very small number of companies are including any information on key economic impacts, alongside social and environmental ones in their sustainability reports. It is recommended that organisations should consider providing an overview of how they positively or negatively affect a country or community's economic life through their operations and products.

## **value of assurance statements should be improved**

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A very small number of organisations are including assurance statements. The panel of judges recommended that organisations need to include assurance statements to enhance the credibility of their reports and also to improve the assurance statements in terms of their value, readability and credibility. In this context, it was recommended that an assurance statement should aim at providing reasonable level of assurance to the reporting organisations stakeholders regarding the materiality, completeness and responsiveness of the report as well as the accuracy of data.

## 8. an invitation to participate

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### **compliance with global standards of environmental and sustainability reporting**

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Even though a number of participating companies are complying with the Global Reporting Initiative guidelines, the panel of judges would like more companies to aim for compliance with global standards like the Global Reporting Initiatives (GRI) guidelines and raise their reporting level to be on par with their global counterparts.

### **communication**

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A general observation made was that environmental / sustainability reports should not be “information overload”. In terms of communication, reports should try not to use too many technical jargons as intent should be to communicate to different type of stakeholders and not only to those with technical background.

If you disclose environmental, social or full sustainability information about your organisation, we invite you to participate in ACCA-WWF Pakistan Environmental Reporting Awards. The ACCA-WWF Pakistan Environmental Reporting Awards 2008 timetable will be:

July/August 2008  
PERA information sessions (Karachi, Lahore, Islamabad)

August 2008  
Launch of the 2008 Awards

31 December 2008  
Entry deadline

January 2009  
Short-listing committee meeting

February 2009  
Judges' meeting

April 2009  
Award ceremony

Further information:

For further information about the ACCA-WWF Pakistan Environmental Reporting Awards, please contact:

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[www.pakistan.accaglobal.com](http://www.pakistan.accaglobal.com)

## 9. about the sponsors

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### about ACCA

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ACCA (the Association of Chartered Certified Accountants) is the largest and fastest-growing global professional accountancy body with 325,606 students and 122,426 members in 170 countries.

We aim to offer the first choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management. ACCA works to achieve and promote the highest professional, ethical and governance standards and advance the public interest.

### ACCA national awards

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The combination of ACCA's work in improving the accountability and transparency of business and the success of the UK awards in communicating these values to organisations has led a number of national ACCA offices to set up award schemes of their own. ACCA is now involved in reporting awards in more than 20 countries throughout Europe, Africa, North America and the Asia-Pacific region. ACCA award schemes are now established in Sri Lanka, Pakistan (in partnership with WWF), Malaysia, Singapore, Hong Kong, Australia and New Zealand, South Africa, and North America (in partnership with Ceres).

Launching award schemes in a number of countries around the world has helped raise the profile of corporate disclosure issues within those countries and among their national organisations. The ACCA awards serve to encourage non-reporters to publish information on their impacts and, ultimately, help underline the business case for sustainable practices and development.

### ACCA Pakistan research

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*ACCA Pakistan* is a non profit organization established under section 42 of the Companies Ordinance and is committed to supporting over 20,000 students, affiliates and members in Pakistan and our objectives mirror ACCA's mission above.

Apart from providing support to ACCA students, affiliates and members, *ACCA Pakistan* is involved in projects like the ACCA-WWF Pakistan Environmental Reporting Awards (PERA). *ACCA Pakistan* is also working in the public interest by participating in consultative processes, conduct innovative research and informative capacity building workshops, orientations and seminars.

Further information about the *ACCA Pakistan* public interest projects is available on:

[www.accaglobal.com/pakistan/publicinterest](http://www.accaglobal.com/pakistan/publicinterest)

### About WWF

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For more than four decades in over 90 countries around the world, WWF has worked for conservation of nature and ecological processes, through the concept of sustainable development. WWF defines this as a series of processes which are economically viable, socially acceptable and environmentally sound: development that does not integrate all three is simply not sustainable.

This involves change in business practices and lifestyles, as well as the adoption of environmental and social standards to stay within the limits of available resources. Political will and appropriate incentives to the private sector are required to convert the ideas into action.

[www.wwf.org](http://www.wwf.org)













