

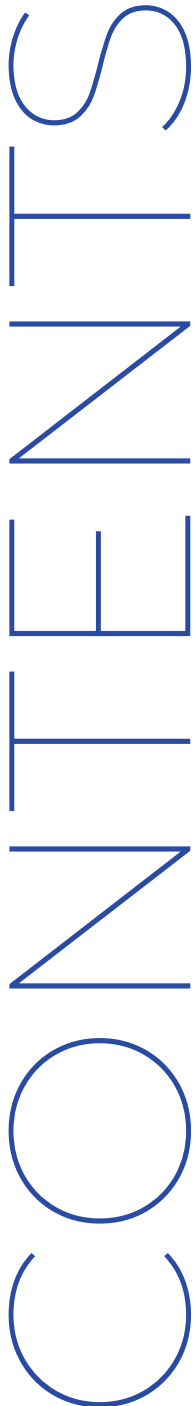


H.Z.M. Marmi e Pietre (Smc - Pvt) Ltd.

Corporate Social
Responsibility
Report

2024

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OVERVIEW

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment. Our company's existence is not lonely. It's part of a bigger system of people, values, other organizations and nature. The social responsibility of a business is to give back to the world just as it gives to us.

This policy applies to our company and its subsidiaries. It may also refer to suppliers and partners.

Business organizations are interconnected with society as they rely on various resources such as labor, materials, and infrastructure provided by the community. It is crucial for every business to uphold social, economic, and ethical responsibilities towards its operating environment. As a Mining and Processing Company, the products manufactured have a significant impact on natural resource utilization, leading HZM to have a social responsibility towards the society and country it operates in. To meet these obligations, efforts are consistently made to maintain financial, social, and environmental sustainability while contributing to the community's development in multiple aspects.

MESSAGE FROM OUR CEO

Sustainability is an integral part of our business strategy and ethos. It serves as a comprehensive approach for handling our responsibilities towards utilizing the company's resources sustainably and those entrusted to us and our customers. This approach empowers us to promote the long-term well-being of our company and stakeholders. Specifically, sustainability encompasses prioritizing employee safety at our plant sites above all else. It involves maintaining the utmost standards of ethical compliance in our corporate dealings. Furthermore, it focuses on nurturing relationships within the communities where we operate, ensuring their prosperity aligns with our own growth.



Chairman and CEO

Humair Zafar
Maniar

ABOUT HZM MARMI E PIETRE

Established in 2004, H.Z.M. Marmi e Pietre (SMC - Pvt) Ltd. is a leader in the mineral development industry. Prioritizing operational excellence and employee welfare, the company fosters trust and loyalty for long-term relationships. To deliver top-quality products, we carefully select suitable products and suppliers tailored to our clients' needs. Our stringent quality control teams ensure that our products meet the highest standards.

Each production site is equipped with Quality Assurance labs manned by qualified personnel. With an active Total Quality Management program, we hold ISO-9001:2015, ISO-14001:2015, ISO 37001, ISO 45001-2018, and SA8000 certifications.

By maintaining strong public relations and sourcing the best suppliers, we optimize costs and enhance client-supplier relationships. We encourage partners and suppliers to collaborate with us exclusively for extended periods to leverage our communication network and specialized sales points. Our commitment is to offer premium materials at competitive prices while delivering exceptional service. We strive for customer satisfaction through dedicated service and continuous improvement.

Employees

In 2023, we had 1,200 permanent and temporary employees between Afghanistan and Pakistan mines and our employees at our Karachi office.

Customers and Markets

Our largest end-user markets for talc are in Europe

01

About this Report

H.Z.M. Marmi e Pietre (Pvt) Ltd management in the preparation of this report followed the Corporate Social Responsibility Voluntary Guidelines of the Securities and Exchange Commission of Pakistan (SECP), that encourage corporations to align their business strategies with responsible practices, The data in this report has been prepared by management and while we attempted to ensure quality control with respect to the content contained within this report, the performance figures are not audited. Our plan for future years is to report annually on sustainability metrics and to continually advance our SECP reporting to include additional information on our activities and initiatives to demonstrate our commitment to sustainable corporate governance.

The purpose of this report is to provide a concise account of H.Z.M. Marmi e Pietre (Pvt) Ltd's corporate social responsibility (CSR) practices for the calendar year ended December 31, 2023.

02

Audience

This report identify and discusses issues that are important to our stakeholders, including our Board of Directors, management, shareholders, potential investors, employees, and the people of Pakistan. Our Corporate Social Responsibility Report was written to include a range of sustainability and corporate responsibility issues and priorities.

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Our key issues and priorities are:

- Employees – fair treatment, benefits, satisfaction, local employment, human rights
- Health and Safety – zero accidents, zero harm
- Community – engagement, community assistance
- Socio-Economic – relationship with the Government of Pakistan, total economic benefit to the region
- Environment – land use remediation, biodiversity, water, waste, hazardous materials, mine closure planning.
- Diversity and Inclusion: We believe that a diverse workforce and an inclusive culture is instrumental in helping us drive long-term value at HZM

CORPORATE SOCIAL RESPONSIBILITY

Our approach towards corporate social responsibility is based on five key initiatives:



Community

Building healthy and vibrant communities lend impetus to business sustainability. Our business practices, therefore, incorporate strategies for supporting the development of the communities that surround us.

Environment

We believe in protecting the environment and conserving resources through proper management of emissions, energy, water and fuel across all business operations.



Governance and Ethical Practices

We believe in maintaining and improving ethical standards and practices, including public disclosures, good corporate governance and efficient risk management strategies.

Employees

We believe in providing a work environment that is fair and meets the highest standards of professionalism and integrity.



Customers

We believe in high standards of customer satisfaction, responsible marketing and socially responsible investments including in our products and services.

VISION & VALUES

ENVIRONMENTAL

SOCIAL

GOVERNANCE

ECONOMIC

Conserving and Protecting

Caring for Our People and Communities

Operating Ethically

Responsible Growth

Minimize Impact

Seeking to reduce the environmental impact of our activities through more efficient manufacturing processes and best practice adoption.

Health and Safety

We continue to enhance our strong safety culture through hazard identification, fatality risk-prevention initiatives and comprehensive training.

Legal Compliance

Ethical and transparent conduct is vital to our success and reputation. Every employee plays a key role in complying with local and national laws and regulations.

Financial Performance

Generating sustained economic benefits for our employees, shareholders, local communities and broader society

Sustainable Innovation

Evolving our new product development processes to meet our environmental goals

Community Engagement

Supporting local communities through education, fundraising and sponsorship

Data Security

Protecting personal information of our employees, customers, partners, suppliers.

Investing for Sustainable Growth

Enhancing our competitive positioning by advancing customer-driven innovation

H.Z.M. Marmi e Pietre (Pvt) Ltd vision is to maximize long term community and shareholder value in the sustainable development of mineral resources wherever it operates.

Our goal is to minimize the environmental effects of our operations, provide a safe and healthy workplace for all our employees and contractors and to conserve both human and environmental resources for future generations.

We recognize that the ability to generate long-term value for our shareholders is firmly rooted in the manner in which we conduct ourselves, how we treat our employees, how we interact with the communities in which we operate, and how we respect the environment.

01

Supporting Our People

Safety

We adhere to high safety standards and procedures and protocol for our employees, contractors, subcontractors, communities and partners. We look for better ways to enhance safety culture and continually strive towards a zero target for incidents.

Respect

We believe in treating everyone equally and with dignity. We support inclusiveness and diversity of opinions in the decision-making process.

Integrity

We believe that a social license is entirely dependent on our ability to provide ongoing respect, honesty and accountability in our interactions with our diverse stakeholders in the communities in which we operate.

02 Supporting our Communities

We strive to make a positive long term sustainable impact in the communities in which we operate. This includes local opportunities for employment, training and advancement, and community development projects.

03 Supporting the Environment

We are committed to the mitigation and remediation of all environmental impacts through the construction, operation and closure aspects of our activities. We undertake numerous studies and action plans throughout the project cycle to ensure the diverse biological ecosystems in which we operate is protected for future generations.



SUPPORTING OUR PEOPLE

Our people are our most important resource. We realize that staying competitive and productive requires good people. This is why we try to make working at our operations attractive both in the short and long term for our workers. This includes numerous initiatives to make work rewarding both intrinsically and extrinsically as well as creating a safe and supportive environment.

We seek to operate our activities to the highest ethical standards including the proper treatment of all stakeholders associated with our operations. We do not tolerate any forms of abuse, discrimination, forced or child labor of our employees, contractors, subcontractors, and visitors at our sites. .

As such we ensure our security is managed in a way that respects and protects human rights, avoids creating and or escalating conflict, and addresses security threats in as peaceful a way as possible. Our security services are provided by a local Pakistani contractor company and all of its employees are required to receive regular training in international security protocols and procedures. The objective of our security is to be a proactive, preventive measure to address potential issues before they occur.

Child and Forced Labour

There is no child labor allowed at our Mines.

By policy, we only employ in our Mines persons that are 18 years of age and older.

There is no forced labor at our Mines.

This Code does not prohibit participation in legitimate workplace apprenticeship programs that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138. Workers under the age of 18 shall not perform work that is likely to jeopardize the health or safety of young workers.

SUPPORTING OUR COMMUNITY

As part of the Social and Environmental Assessment by Hzm Marmi e Pietre, we engaged in direct consultations and investigations with local communities. This process shed light on various socio-economic conditions that reflect the current needs of these communities. Many public and social facilities, like schools and health clinics, are basic in structure and equipment. Additionally, several villages lack access to clean water and sanitation facilities.

Under the national Government's Waseela-e-Taleem initiative, we crafted a program to address the development opportunities identified by the community while supporting the growth and operation of our Mines. This initiative aims to go beyond direct mining activities and lay the groundwork for improving the social and economic welfare of the communities where we operate.

Education plays a crucial role in combating child labor in the mines. By providing children with the opportunity to learn and develop in a secure environment, they can acquire skills to break the cycle of poverty. Our Responsibility program is dedicated to establishing sustainable infrastructure and essential amenities for underprivileged students in rural schools in Pakistan.

Hzm Marmi e Pietre has been actively collaborating with local schools to enhance infrastructure and offer financial aid to deserving students through scholarships.

SUPPORTING THE ENVIRONMENT

We hold the responsibility to comply with environmental regulations in all our operating locations, aiming to minimize the impact of our operations on people, communities, and the environment.

Our commitment extends to addressing and rectifying environmental effects throughout the stages of construction, operation, and closure of our projects.

By implementing innovative and cost-effective solutions, we strive to reduce our environmental footprint while maintaining competitiveness in our respective industries.

Our journey of continuous improvement drives us to enhance our performance continuously and swiftly.

We are progressing through forward-looking initiatives, additional tools for development, and environmental targets that guide tangible advancements.

Key Aspects

Engagement of management with key stakeholders on sustainability involves continuous and evolving discussions with local communities, interactions with suppliers and customers, and partnerships with government officials and regulators overseeing operations to improve sustainability practices.

Adhering to all relevant laws and regulations while collaborating closely with regulatory bodies during the formulation of new regulations.

Organizing routine training and awareness sessions for relevant staff members.

The 2024 Corporate Responsibility & Sustainability Report marks HZM's eighth annual report. We plan to release updates on our sustainability journey on an annual basis to showcase our progress in sustainability over the years.

QUESTIONS AND CONCERNS

We value open and honest communication and encourage our employees and partners to report any concerns.

CONTACT

Mezzanine 4C – 12th
Jami Commercial Street,
26th Lane Phase VII,
DHA, Karachi
Pakistan

info@hzmcorp.com
www.hzmcorp.com

Tel : (92-21) 353 97979

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