SUSTAINABILITY REPORT

2023

Reporting Period: 01st January 2023 - 31st December 2023

Innobit Industries LLC
PO Box:3343, New Industrial Area
Umm Al Quwain, UAE.

Compiled by,
Shanoj Sharafudeen

1.0.   Introduction

Welcome to the sustainability report of Innobit Industries LLC, where our unwavering dedication to the highest standards of sustainability permeates every aspect of our operations. Committed to excellence across our supply chain and among all stakeholders who share our sustainable vision, Innobit proudly holds certifications from Intertek for ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

At Innobit, sustainability isn't merely a statement; it's a dynamic pursuit rooted in tangible actions and measurable goals. Our commitment is fortified by a robust Business Code of Conduct and a comprehensive array of policies encompassing Quality, Occupational Health and Safety, Environmental Stewardship, Human Rights, Sustainable Procurement, Whistleblowing, and Fair Competition Practices.

Central to our sustainability ethos are SMART objectives and Key Performance Indicators (KPIs) that guide our actions and ensure ongoing alignment with our principles and aspirations. This report provides a transparent overview of our sustainability initiatives, progress, and future endeavours as we continue to lead by example in sustainable excellence.

1.1. Management

GRI 102-1, GRI 102-2, GRI 102-11

At Innobit Industries LLC, sustainability governance and leadership are at the core of our organizational values. Our distinguished Board of Directors exemplifies this commitment, overseeing and actively participating in the formulation and supervision of all policies and codes of conduct related to sustainability.

Integral to our governance framework are our Department Managers, each entrusted with specific roles and responsibilities aligned with their expertise. These leaders serve as stewards of Quality, Health, Safety, and Environmental practices, ensuring the unwavering adherence to these vital dimensions with diligence and rigor.

2.0. Health and Safety Performance

GRI 403-1,GRI 403-6, GRI 403-8, GRI 403-9

At Innobit, we adhere rigorously to the Occupational Health and Safety Management System, meticulously aligning our practices with the esteemed ISO 45001:2018 Management System Standard, certified by Intertek. This comprehensive system stands as a cornerstone of our commitment to ensuring the well-being and security of our workforce, anchoring every aspect of our operations in globally recognized best practices..

2.1 ISO 45001 Certification
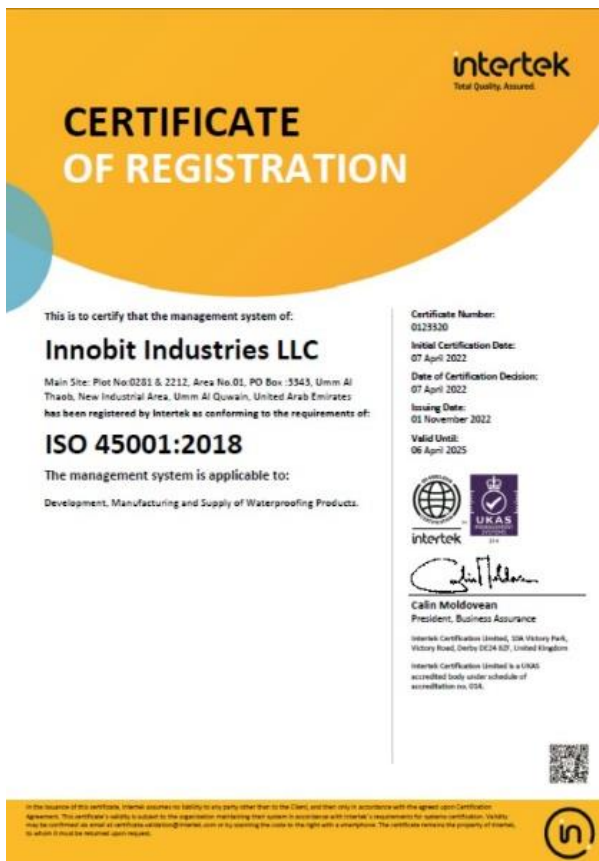
2.2 Health and Safety Indicators
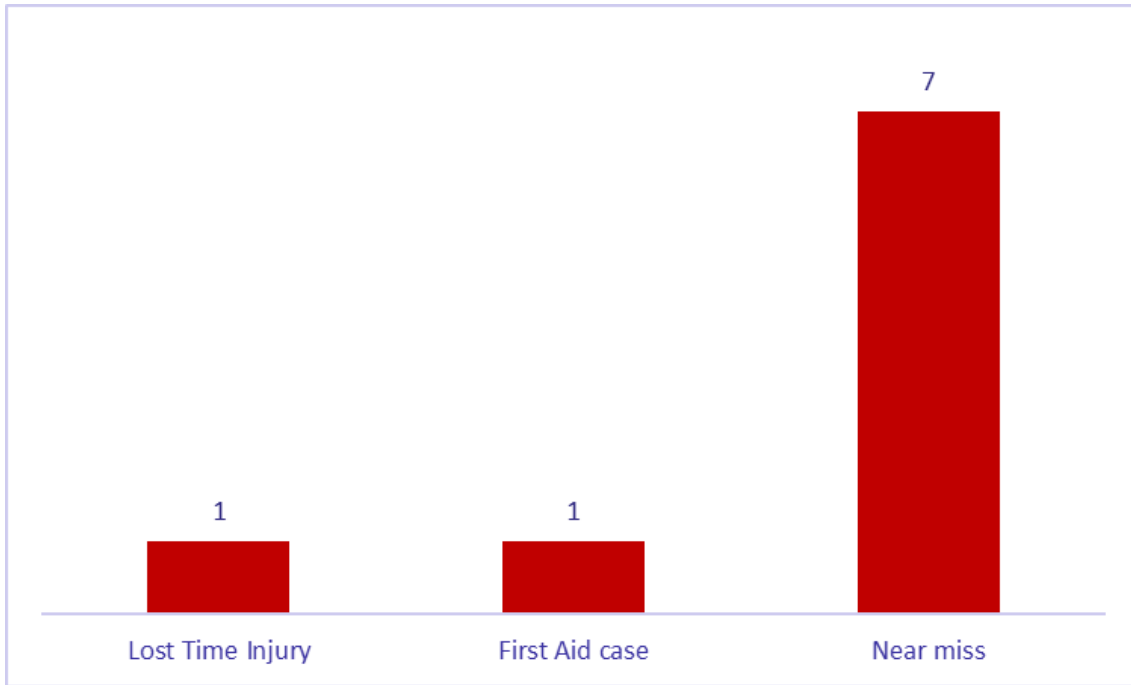
In reporting period,

**Accident Frequency rate = 9.21 per million manhours**
Accident Severity rate = 0.03 lost days per 1000 hours

3.0. Environmental Performance

GRI 305-1, GRI 305-2, GRI 305-3, GRI 306, GRI 302-1, GRI 302-4, GRI 302-5,GRI 303-5

At Innobit, we are steadfastly committed to environmental stewardship, demonstrated by our adherence to the Environmental Management System established according to the esteemed ISO 14001:2015 Management System Standard, certified by Intertek. This comprehensive system is fundamental to our pledge to protect and enhance the ecological integrity of our operations.

3.1 ISO 14001 Certification
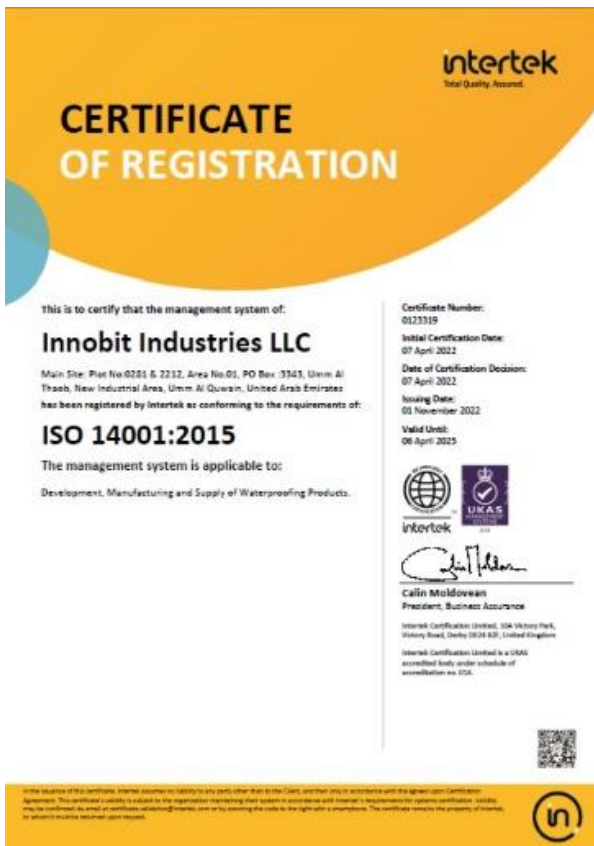
3.2 GHG Emissions

We maintain a diligent focus on monitoring and quantifying our greenhouse gas (GHG) emissions, a crucial effort in our continuous dedication to environmental responsibility. In alignment with our unwavering commitment to transparency and accountability, we provide a clear and concise visual depiction of our GHG emissions over the past 12 months in the chart below.
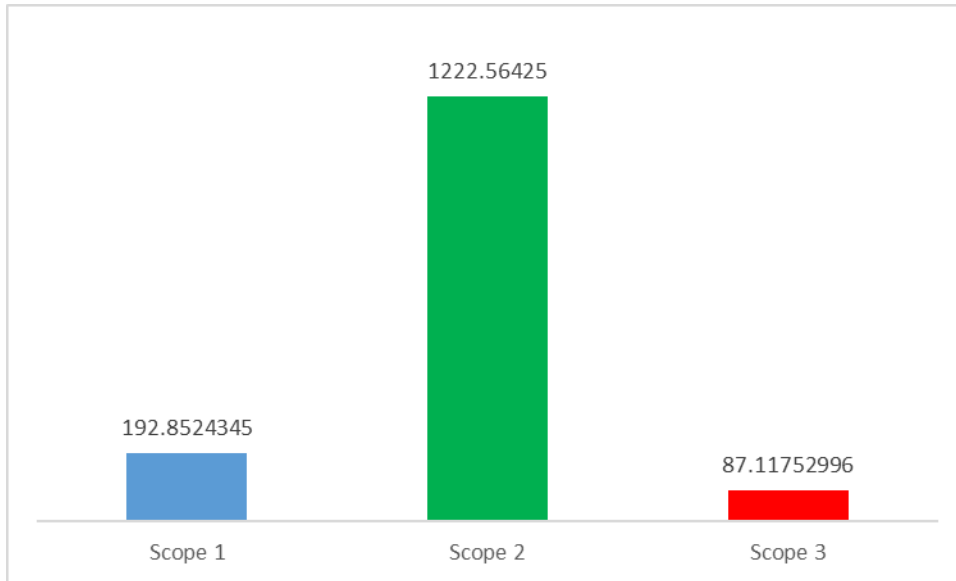
(in tCO2e)

3.3 Electricity Consumption
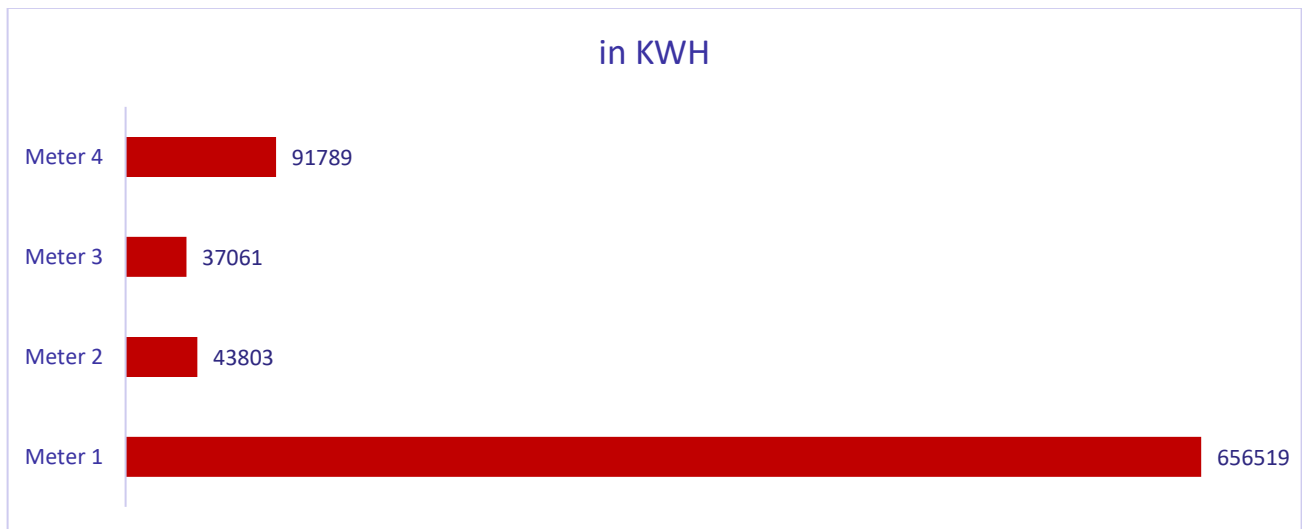
3.3 Water Consumption
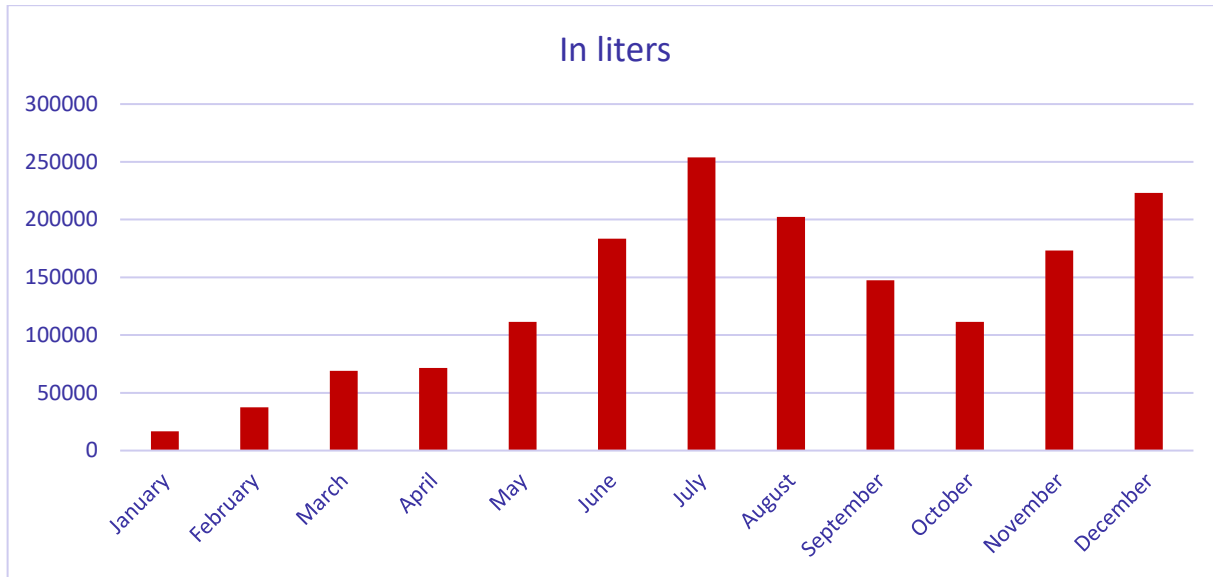
3.5 Recycle / Reuse

At Innobit Industries LLC, our dedication to responsible waste management practices remains unwavering. Instead of disposing of used paper and plastics into general waste, we have taken proactive steps to implement a robust recycling initiative. Through this endeavor, we diligently divert these materials into recycling processes, emphasizing our commitment to minimizing our environmental impact.

3.5.1. Recycling through external agency.
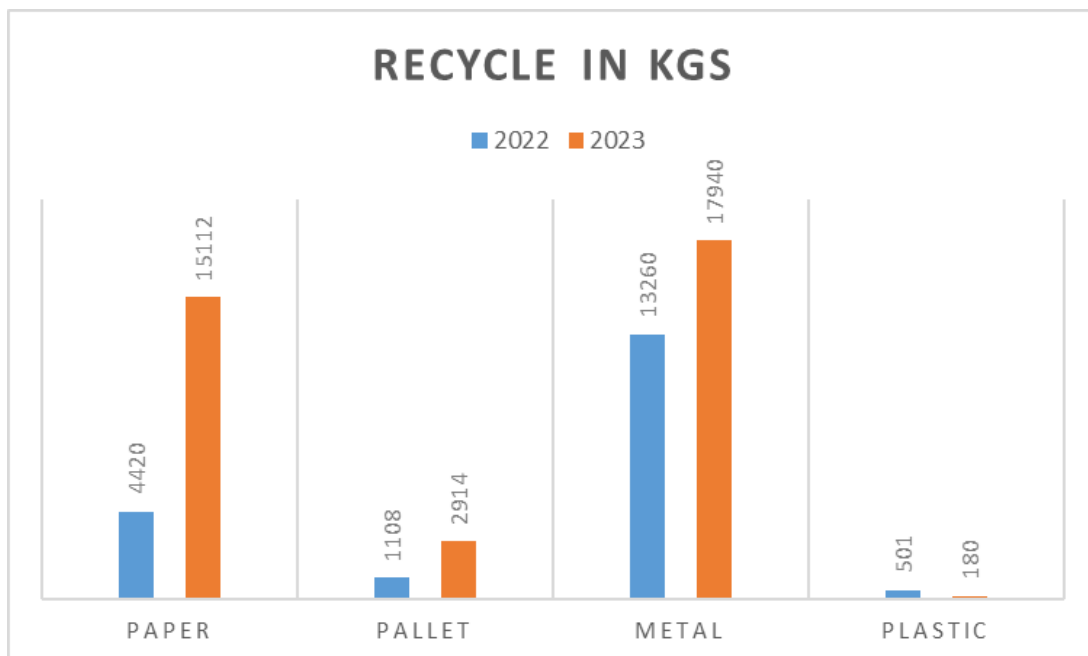
3.6. Waste

Our waste disposal protocol ensures that potentially harmful materials are meticulously handled, packaged, and transported by authorized agencies with the requisite expertise. By entrusting this crucial task to Municipality approved entities, we mitigate the potential risks associated with hazardous waste, safeguarding both public health and the environment.

4.0. Labor and Human rights

GRI 102-7, GRI 404-1, GRI 404-2, GRI 401-1, GRI 405-2

4.1 Labor

Innobit Industries LLC adheres with all the labor regulations set forth by the UAE Ministry of Human Resources. Our steadfast commitment to legal and ethical employment practices is evident through our 100% compliance with formal contracts, sanctioned by the Ministry and jointly endorsed by both employee and employer. This includes ensuring salary, overtime, annual leave, and sick leave benefits are meticulously disbursed in accordance with contractual terms.

The working hours, break intervals, and holidays established align harmoniously with the UAE labor law, a testament to our devotion to a fair and just work environment. These pivotal provisions are encapsulated within our Business Code of Conduct.

The absence of any registered labor complaints with the UAE Ministry of Labor underscores the effectiveness of our commitment to fostering a harmonious and legally compliant work environment.

In acknowledgment of evolving work paradigms, Innobit Industries LLC actively champions flexible options such as remote work and work-from-home arrangements. This flexible approach is coupled with our commitment to staff well-being, manifested in the provision of complimentary meals for all employees, including office staff.

Our dedication to employee welfare extends further through comprehensive health insurance coverage, a provision that reflects our commitment to the holistic well-being

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of our workforce. Moreover, we are steadfast advocates of inclusivity, evident through initiatives like break time for nursing mothers and paid parental leaves, ensuring that the diverse needs of our employees are thoughtfully addressed.

Our impressively low employee turnover rate underscores the positive work environment and the mutual respect shared between the company and its workforce.

No of Employees

Year	No of Employees
2021	12
2022	33
2023	92
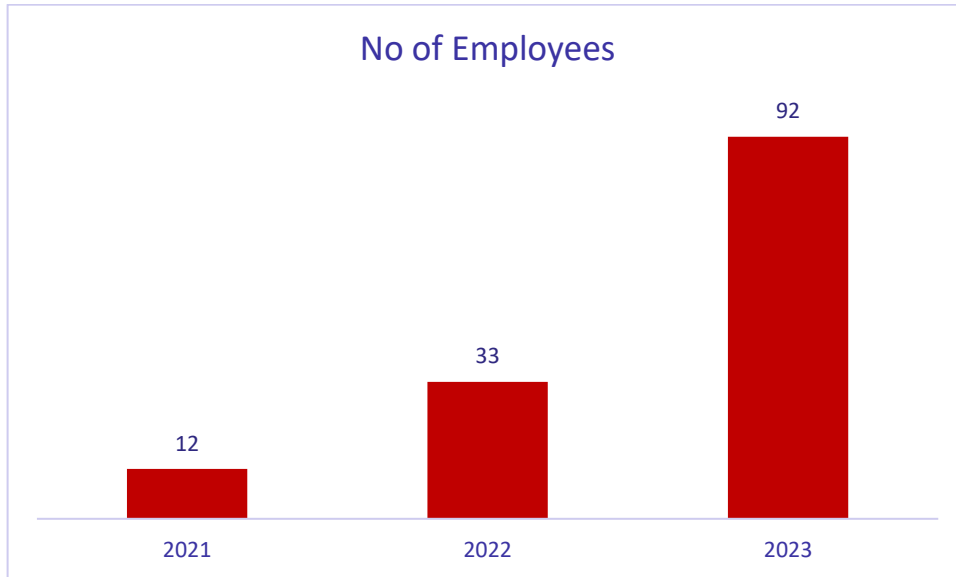
4.1.1 Training

Innobit Industries LLC places a strong emphasis on continuous learning and professional development for our employees. We offer a comprehensive training program that encompasses both offline and online training modalities, tailored to cater to the diverse needs and preferences of our workforce.

Total trainings in reporting period = 18 Nos
Average training hours per employee = 1.08 Hours

4.2 Human Rights

Innobit Industries LLC demonstrates an unequivocal commitment to upholding human rights, a commitment grounded in alignment with international legal frameworks. In line with this principled stance, we strictly adhere to employing individuals who are 18 years of age or older, in observance of their rights and well-being.

Our resolute stance against discrimination is a fundamental pillar of our operations. Discrimination on the grounds of <u>gender, race, religion, or regional origin</u> finds no place within the corridors of Innobit. This unequivocal prohibition echoes our dedication to fostering an inclusive and diverse work environment that values and respects the dignity and rights of every individual.

With a pristine record of ZERO human rights violations reported since our company's inception, we underscore our unwavering commitment to creating a workplace that is free from infringements and favorable to mutual respect and collaboration.

The principle of gender equality is upheld through our practice of offering identical salaries and benefits to both males and females for the same job categories. This embodies our belief in fairness and our commitment to eradicating gender-based disparities.

- **Percentage of women employees – 7.6%**
- **Percentage of women in top executive/Senior management position – 16.67%**

5.0. Ethics

Innobit Industries LLC's commitment to upholding ethical standards is encapsulated in our comprehensive 'Business Code of Conduct'.

We also maintain a 'Fair Competition Practices Code of Conduct', which underscores our commitment to maintaining a level playing field, promoting healthy competition, and adhering to industry norms.

We have implemented a 'Whistleblowing Policy', providing a secure and confidential avenue for reporting ethical concerns and potential violations. This policy stands as a testament to our dedication to transparency, fostering an environment where issues can be raised without fear of retribution, enabling us to address and rectify any deviations from our ethical standards swiftly and effectively.

No of Ethics violation reported through whistle blowing policy = 0

6.0. Sustainable procurement

Innobit Industries LLC operates a supply chain firmly rooted in sustainability principles, exemplified by our robust 'Sustainable Procurement Policy'. This policy mandates all our suppliers to unequivocally embrace our 'Supplier Code of Conduct', a blueprint that sets forth ethical standards and responsible practices. A hallmark of our commitment is our resolute avoidance of countries under international sanctions, as well as the steadfast exclusion of conflict minerals or materials from our supply chain.

Our dedication extends further as we meticulously assess potential suppliers through a comprehensive Supplier Registration Questionnaire. This survey features a discerning set of Corporate Social Responsibility (CSR) inquiries, allowing us to align ourselves with partners who share our unwavering commitment to sustainability and responsible business practices.
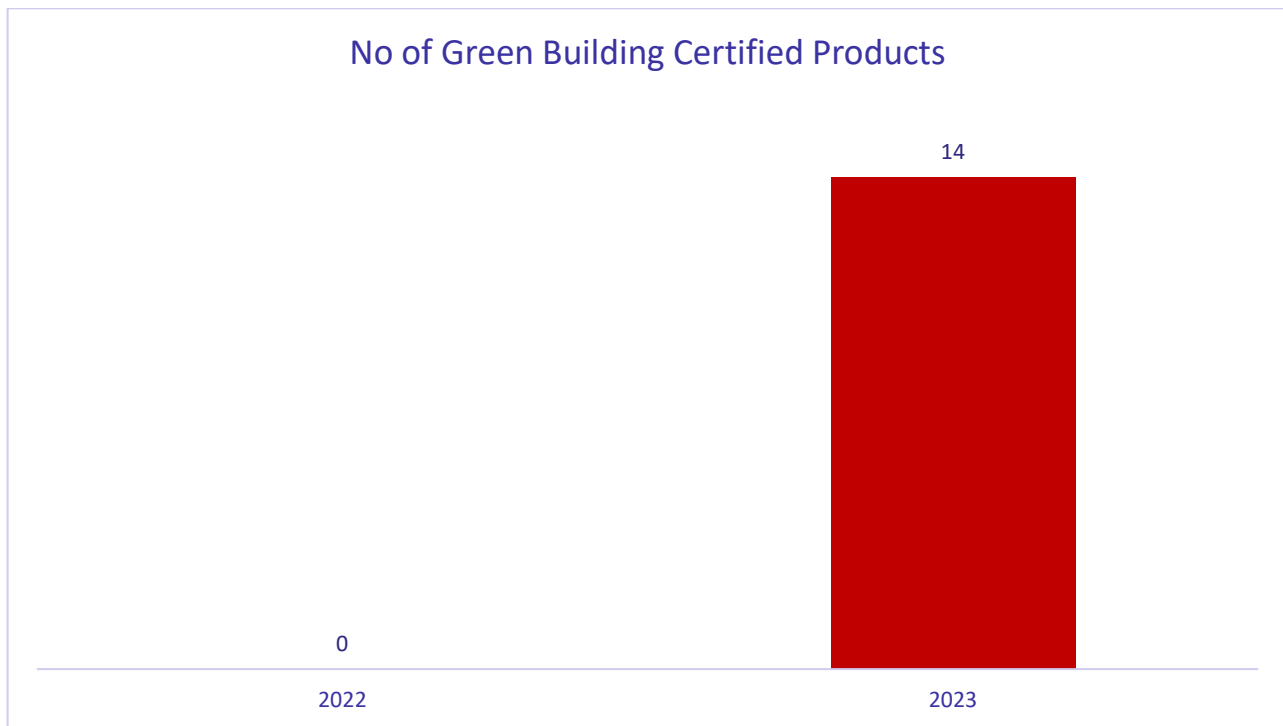
Innobit Industries LLC remains deeply invested in empowering diverse voices, exemplified by our proactive encouragement of female-led businesses. By fostering inclusivity and gender diversity, we aim to create an ecosystem where talent and innovation flourish.

In alignment with our pledge to uphold environmental integrity, we proudly adhere to the REACH regulations and fervently encourage our suppliers to do the same.

7.0. Products

GRI 102-27

The core of Innobit Industries LLC's product portfolio comprises Waterproofing products which are meticulously crafted to embody our commitment to quality and sustainability. Our products have achieved the esteemed Dubai Municipality's Green Building Product Conformity marks, a testament to their classification as low-emitting materials.

No of Green Building Certified Products

	2022	2023
	0	14

8.0. Sustainability Objectives/KPIs

Sl No	Objectives	Targets	Programs	SDGs	Time Frame	Current Status
1	Total Number of EHS incidents/Accidents reported	Zero incidents/ Accidents	Periodically safety Inspections and Toolbox talks, Awareness training, Proper Implementation of ISO 45001:2018.	SDG-3	30-Dec-24	One Accident reported
2	Lost Man hours	1% of the total manhours	Use of proper PPE, Employee Awareness, Risk Assessments, Code of Safe practices, Proper maintenance of machineries	SDG-3	30-Dec-24	Less than 1% of total manhours
3	Customer health and Safety	No Customer complaints regarding health and safety issues	Keep customer health and safety in mind from the product development to product delivery. Prepare proper SDS for all products and ensure its availability to customers.	SDG-3	30-Dec-24	No Customer complaints received from January 2022 - regarding Health and safety issues
4	Power Consumption	Reduce 1% in every 1000 Tons of production	Reduce the Daily Consumption of Electricity. Improve the production methods. Method: Switch off non-essential electric items, Switch to energy efficient items.	SDG-12, SDG-13	30-Dec-24	More than 1% decrease observed in 5 out of 9, 1000 tons cycle.
5	Water Consumption	Reduce 1% in every 1000 Tons of production	Monitor water consumption in the facility. Method: Arrest any leakage, Employee awareness	SDG-12, SDG-13, SDG-6	30-Dec-24	More than 1% decrease observed in 4 out of 9 1000 tons cycle.

6	Paper Consumption	Use atleast 50% paper from recycled material or from sources other than forest trees	Method: Purchase recycled or from sustainable sources.	SDG-12 , SDG-13	30-Dec-24	100% of paper is from sustainable sources.
7	Fuel Consumption	Reduce 3% consumption per ton of production every year	Monitor average fuel consumption of company vehicles and equipment,	SDG-12, SDG-13, SDG-11	30-Dec-24	100% of paper is from sustainable sources.
			Method: Regular maintenance, Planning and coordination of trips and by making necessary changes in warehouse layout			
8	Production Waste Generation	Reduce 1% in every 1000 Tons of production	Reduce waste by proper planning and maximum utilization of materials	SDG-12, SDG-13, SDG-11	30-Dec-24	More than 1 % reduction in 6 out of 9 1000 tons cycle
9	Hazardous waste	Keep the hazardous waste 0.05% of the total production	Reduce the hazardous ingredients in new products and maximum utilization of raw materials.	SDG-12, SDG-13, SDG-11, SDG-15	30-Dec-24	No Hazardous waste Generated
10	Air Quality/ Air Emissions	Maintain 'Good' rating of AQI	Use of low VOC products, Green certification of Products from Dubai Municipality, Reduce the use of fossil fuels.	SDG -15, SDG-3, SDG-13, SDG-11	30-Dec-24	Good rating achieved in ambient air quality AQI.
11	Human rights	Zero human rights violations	Strict compliance of our Human rights policy, local and international laws. Timely reporting of Human rights violations.	SDG-10, SDG-5	30-Dec-24	No Human rights violations reported.

12	Corruption and Bribery,	Zero corruption and bribery incidents	Strict compliance of our code of conduct, local and international laws.	SDG-11	30-Dec-24	No corruption & Bribery cases reported
13	Sustainability clauses in contracts	In 100% contracts and POs	Send Terms and contracts along with all POs and contracts	SDG-17, SDG-11	30-Dec-24	Sustainability clauses mentioning in all POs
14	To encourage all suppliers to adhere our supplier code of conduct.	Acknowledgment of our sustainable policy by all active suppliers	Send our Sustainable procurement policy to all suppliers and get their acknowledgements.	SDG-17, SDG-11	30-Dec-24	Yet to start the process.
15	Reduce supply chain related risks	Conduct CSR risk mapping for all major suppliers from 2024	Conduct CSR risk mapping using online tools for new and existing major suppliers	SDG-17, SDG-11	30-Dec-24	Started the process.
16	GHG Emissions	Monitor GHG inventory annually	Monitor the GHG inventory and calculate the emission on a n annual basis.	SDG -13, SDG-11	30-Dec-24	GHG inventory updated for 2023.
17	GHG Emissions	Cut down GHG emissions per Ton of production by 2% every year considering the baseline year as 2023	Achieve reduction of 2% GHG by eliminating the use of fossil fuels gradually by finding energy efficient alternatives	SDG -13, SDG-11	30-Dec-24	Will be updated next year
18	Recycle	Minimum 95% of Waste packing materials to be given for recycling	Recycle or reuse all possible materials like paper, packing materials, pallets, toner cartridges, plastic waste ,core tubes etc.	SDG-11, SDG-12	30-Dec-24	More than 98% materials given for recycling

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19	local and accidental pollution	At least one mock drill for spill and one air quality monitoring need to be conducted.	Plan and execute one chemical spill mock drill and one air quality monitoring a year	SDG-14, SDG-15	30-Dec-24	One spill mock drill and Third party Air quality monitoring conducted.
20	Bio Diversity	All products developed shall be biodiversity friendly.	During R&D product approval stage, biodiversity effects for the products to be assessed.	SDG-14, SDG-15	30-Dec-24	All products developed having no adverse effects to biodiversity if its properly used and disposed.
21	Sustainable product development	Add 5 products a year in conformance with DCL Green building certification	Develop and get the green building certification for the products from Dubai Municipality.	SDG-9	30-Dec-24	4 products added in Green building certification in 22-23
22	Trainings	At least 1 hour average training hours per employee	Plan trainings for Skill Development, Quality, Health, Safety , ethics and environment	SDG-4	30-Dec-24	1.08 average training hours provided..

9.0. Policies.

GRI 102-23

- Quality Policy.
- Occupational Health, Safety and Environmental policy.
- Business Code of Conduct.
- Whistle blowing policy.
- Fair competition practices code of conduct.
- Sustainable procurement policy and supplier code of conduct.
- Human Rights Policy.
- Anti bribery and Anti-corruption policy.