



# SUSTAINABILITY REPORT 2023-24



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# **ABOUT US**



MG Apparel is a renowned apparel exporter and manufacturing facility located in the cotton-rich region of the South Punjab, Pakistan. We have established ourselves as the pioneering corporate entity within the span of two years, achieving a production capacity of 25,000 pieces per day and an annual capacity of 6 million pieces per year.

While our roots are in Pakistan, our sustainable business strategies are globally focused, enabling us to identify and seize the opportunities worldwide. Here we embrace and integrate diversified changes into our business development models, ensuring we remain at the forefront of the industry.









## A MESSAGE FROM OUR CEO

"At MG Apparel, circularity and reducing textile waste are top priorities."

"We are dedicated to extending the lifespan of our products through recycling, upcycling, and reusing materials."



ANEES KHAWAJA

By exploring new design techniques and implementing the eco-friendly processes, we ensure that we offer the top quality services while also minimizing carbon footprint. At the same time, we aim to empower our communities and promote a progressive organizational culture at the highest degree.

Over the years, we have set a benchmark for sustainability in the corporate world. Through our outstanding efforts in developing highly sustainable sites, MG Apparel has earned LEED Platinum certification with 87 points. Our state-of-the-art facility is renowned for its commitment to sustainable production, cutting-edge technologies, and innovative manufacturing processes throughout Pakistan. We're also the first organization of its kind in Pakistan to employ a 70% female workforce, highlighting our commitment to gender equality and inclusivity.

Right now, we have set a goal to achieve decarbonization by 2050 through continuous implementation of sustainable practice, which will minimize emissions to the greatest possible degree as per 1.5°C business ambition of Science Based Targets. We also look forward to employing more women in leadership and STEM, Ultimately, setting a standard for diversity and inclusion in the corporate sector .

We truly appreciate our customers, employees, and partners who have supported us on this journey and by playing our individual roles in protecting the planet, we can make a significant difference and shape a future where fashion and sustainability coexist.

### A MESSAGE FROM OUR

#### CHIEF SUSTAINABILITY OFFICER

"We believe in creating opportunities for women at all levels"

"This is evident in our efforts to include more females in unconventional fields such as STEM.."



KEHKESHAN USMAN

As the Chief Sustainability Officer and Head of Business Affairs at MG Apparel, I am immensely proud of the accomplishments we have made in embedding sustainable practices into every aspect of our operations.

MG Apparel has achieved LEED certification with a score of 87 points, reflecting our adherence to the highest standards of environmental responsibility. Over the past year, we have made significant progress in our sustainability journey. From the integration of 25 MW renewable energy into our operations as a Group, Effluent Treatment Plants that assist in purifying industrial wastewater, to plantation drives and rainwater harvesting tanks with a capacity of 12000 gallons, we have shifted towards renewable energy sources, reflecting our dedication to reducing our carbon footprint and promoting a greener future.

Our 70% female workforce is a powerful indicator of our commitment to diversity, equity, and inclusion. Our various training programs under the Lighthouse initiative have empowered countless women, providing them with the skills and confidence to excel in their careers.

Looking ahead, our goal is to achieve decarbonization by 2050. I am confident that with our dedicated team and supportive stakeholders, we will make it a reality. We will continue to lead the way in making a positive impact on our environment and society.

I am grateful for the collective efforts of our employees, partners, and customers who share our vision for a sustainable future. We will continue to lead the way in making a positive impact on our environment and society.



CLARITY IS KEY

Communicate clearly, leaving no room for assumptions.



COMMITMENT IS SACRED

Dedicate yourself to reliability, turning 'done' into a resounding echo.



UNCOMPROMISING QUALITY

Maintain unparalleled quality at every step..



PROACTIVE BY DESIGN

Anticipate challenges & seize opportunities proactively.



INCLUSIVE ECHO

Amplify every voice for a harmonious and diverse atmosphere.



INNOVATE FOR PROGRESS

Foster innovation for continuous improvement.



PRINCIPALLY SUSTAINABLE

Embrace sustainability as a fundamental principle.



**CIRCULARITY** 

Minimize waste, source sustainably, and consume responsibly.



CHANGE AGENTS

Actively engage in initiatives driving positive change.



YOUTHFUL LEADERSHIP PRIDE

Invest in and empower the youth for confident future leadership.

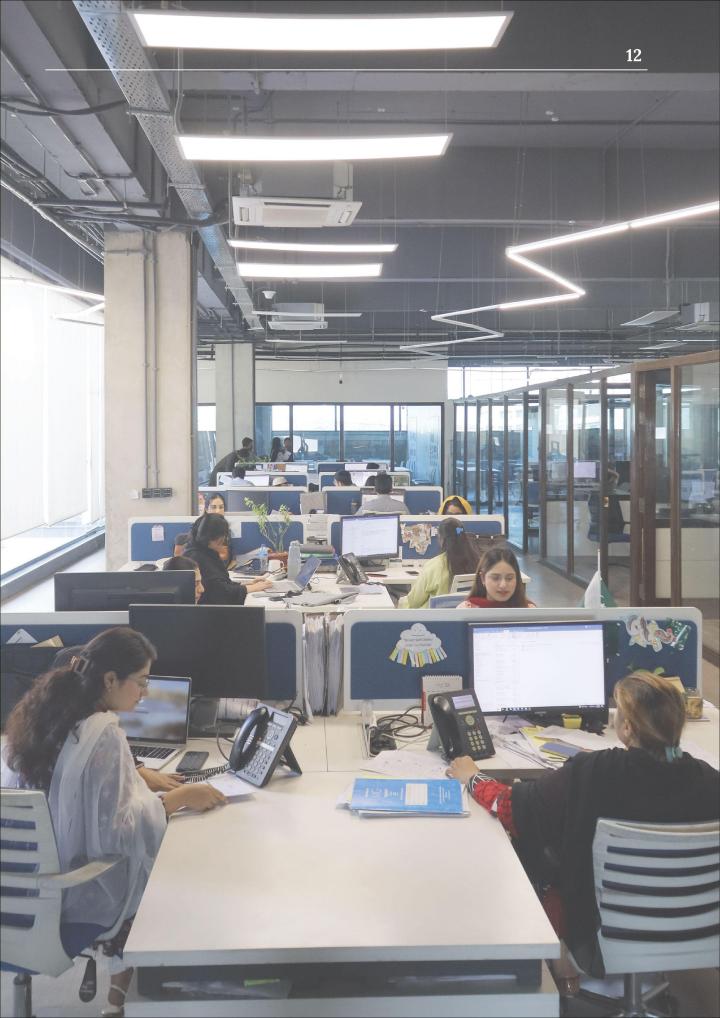
**Our Prophecy** 

# Our Corporate Journey

Founded in 1935, Mahmood Group Of Industries is a conglomerate that has been renowned as among the pioneers of Pakistan's textile industries for the past 89 years. With a global presence in over 70 countries, Mahmood Group is an environmentally conscious entity that delivers premium products within the framework of sustainable industrial practices. Apart from textile, Mahmood Group has catered to industries like leather, agriculture, food, hospitality, energy, trading, retail & real estate as well.

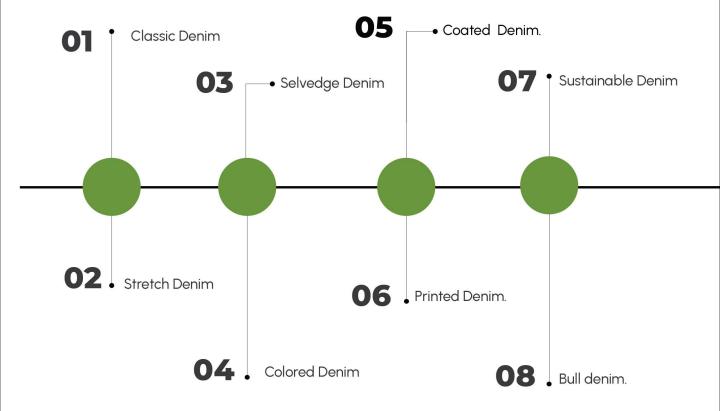
MG Apparel is a project of Mahmood Group that was founded in 2021 with a resolve to create sustainable quality apparel based on industry 4.0 guidelines. Currently a global apparel exporter with a state-of-the-art facility based in South Punjab, Multan, our prime focus lies in innovative production, women empowerment, sustainable operations, corporate social responsibility, and customer satisfaction. We have garnered several accolades over our corporate journey that highlight our commitment to sustainable business practices, the most notable of which is our LEED Platinum certification with a score of 87 points.

We are also the first organization of its kind in South Punjab to employ a 70% female workforce. We are renowned for our prioritization of gender equality and have received awards such as the EFP Gender Diversity & Women Empowerment Award 2024, setting a benchmark for DEI in the corporate world. In addition, we consistently make efforts to empower marginalized communities especially women through a number of initiatives including projects such as Lighthouse, Beena, Nisaab etc. that aim to foster the personal and professional growth of women, enabling them to discover their potential in all aspects of life.



# Business

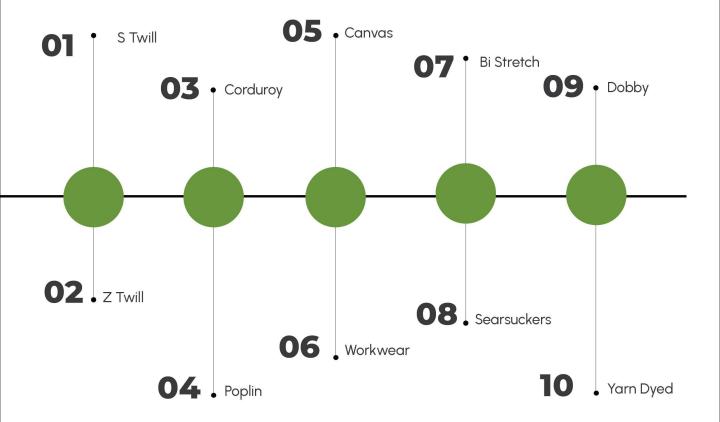
## **Denim**



Our denim products are known for their durability and quality. Crafted from high-quality materials, they ensure longevity and prioritize comfort. Available in a wide range of styles and cuts, they cater to various preferences. These products are low-maintenance, retaining their shape and color even after multiple washes. We employ digital design and prototyping techniques to streamline the product development process. This allows us to create and test various denim designs and styles more efficiently, reducing waste and time-to-market.

# Categories

# **Apparel**



We present a diverse array of apparel, with a particular spotlight on our chino collection. These pants come in styles including straight-leg, wide-leg, tapered, and cropped, ensuring they match diverse fashion preferences and occasions. Meticulously designed, they feature robust seams and impeccable finishes.

Crafted with attention to detail, our apparel incorporates moisture-wicking materials and breathable textiles. Sustainability is of highest importance, with the use of eco-friendly materials such as organic cotton, recycled polyester, and bamboo fibers. For our premium range, we employ luxury blends such as silk, cashmere, and fine wool to deliver a luxurious feel, exceptional softness, and unmatched comfort.

# Other Businesses

Raiment 61

RAIMENT 61

MG Naturals

**M** ← naturals

GroundUp

groundup

GroundUp Sports



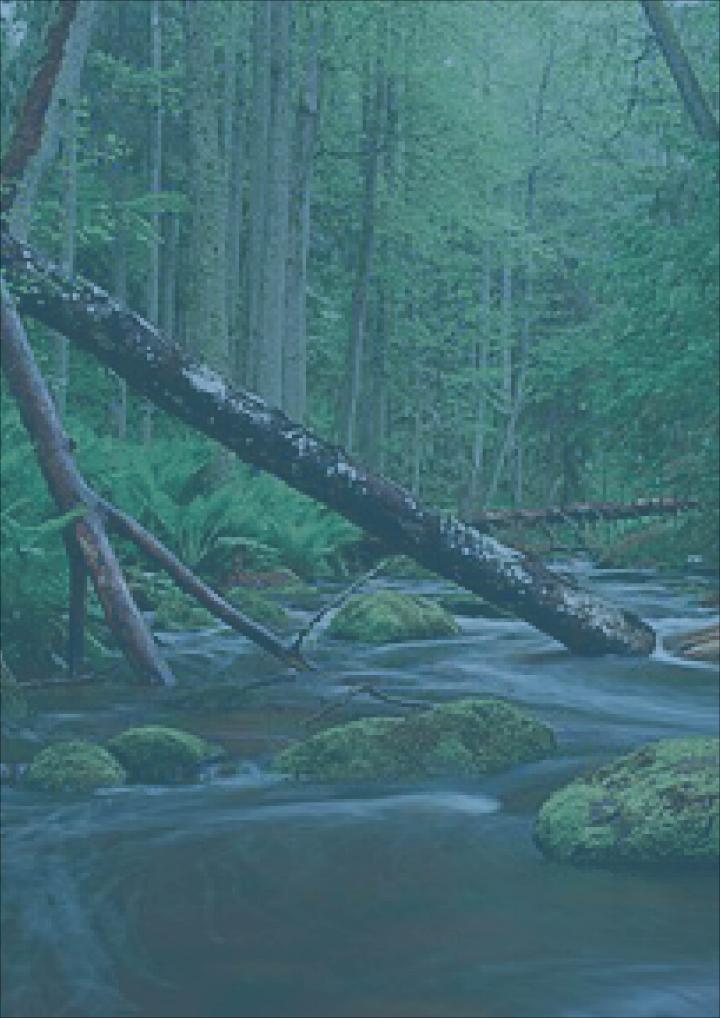
White House Avenue

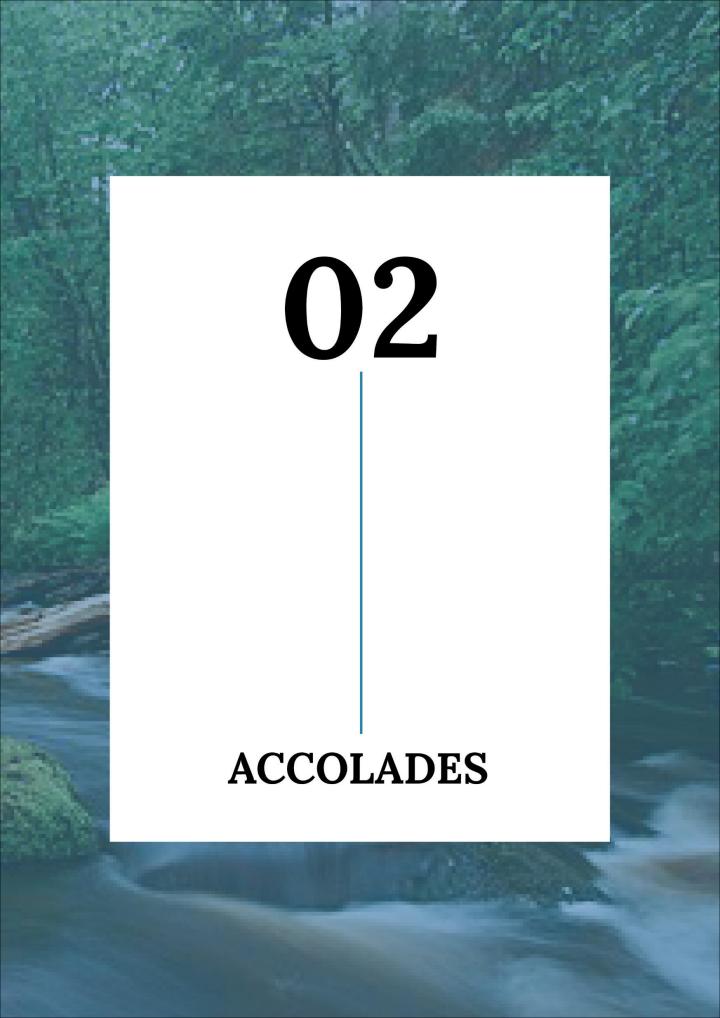


**Premium Pants** 









# **Awards & Achievements**



EFP Gender Diversity & Women Empowerment Award 2024

SDPI Sustainability Award



# Memberships & Certifications









In support of

WOMEN'S EMPOWERMENT PRINCIPLES



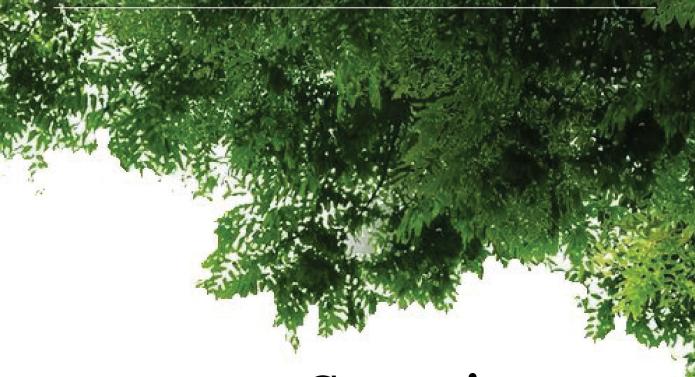












# Commitments & Pledges

## **Environment**









## **Social**







In support of

WOMEN'S EMPOWERMENT PRINCIPLES Validation By The

# Science Based Targets Initiative (SBTi)







# Organizational Structure

We operate seamlessly with a well-defined organizational structure designed to support our strategic objectives and ensure efficient management across all the functions.

Our corporate headquarters are located in the heart of South Punjab, Multan, serves as the central hub for our key departments, including our teams for Sustainability, Human Resources (HR), Finance, Compliance, and other critical functions that are integral to our operations.

In addition to our Multan headquarters, we have a dedicated Business Affairs department located in our regional office in Islamabad. This department focuses on social media presence, business development, and marketing-related operations By strategically locating our key departments, we are well-positioned to drive sustainable growth and deliver exceptional value to our stakeholders.





# Sustainability Governance Structure

Our governace structure begins at the highest level with the Chief Executive Officer Anees Khawaja, who provides strategic oversight and sets the vision for our sustainability initiatives.

They are supported by the CSO (Chief Sustainability Officer) Kehkeshan Usman, who leads the sustainability agenda and ensures the alignment with our corporate objectives.

The CSO works very closely with the Sustainability Committee, a dedicated team that is composed of representatives from a variety of departments, which includes the following: procurement, manufacturing and human resources.

This committee is responsible for the development and to implement sustainability policies, setting the targets while also monitoring the progress.





# Governance

We have implemented rigorous monitoring systems and standard operating procedures (SOPs) to ensure compliance with social and environmental standards. Regular waste audits are conducted to minimize our environmental impact, while we adhere to minimum wage regulations and governmental laws regarding the social compliance.

We have also pursued relevant certifications to validate our efforts. Our financial practices are thoroughly maintained and audited by an independent third party to ensure transparency and accountability across all operations.



# ESG Roadmap



#### **Environment**

- Clean Water Sanitation
- Affordable and Clean Energy
- Industry Innovation & Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption & Production
- Climate Change
- E Life Below Water
- Life on Land

#### Social

- No Poverty
- Zero Hunger
- Good Health and Well-being
- Quality Education
- Gender Equality
- Clean Water Sanitation
- Decent Work & Economic Growth
- Industry Innovation & Infrastructure
- Reduced Inequalities
- Responsible Consumption & Production
- Peace, Justice & Strong Institutions

#### Governance

- Gender Equality
- Decent Work & Economic Growth
- Modustry Innovation & Infrastructure
- Sustainable Cities and Communities
- Responsible Consumption & Production
- (a) Climate Change
- Peace, Justice & Strong Institutions
- Partnerships for the Goals

#### **ESG Task Force**

The ESG Governance Committee is comprised of people from following departments to oversee the Environmental, Social & Governance Issues:

#### **ESG Task Force**

S.No	Name	Department
1	Kehkeshan Usman	CSO, Business Affairs
2	Zoha Shahzad Mughal	HR
3	Ali Zain	Sustainability & CSR (Business Affairs)
4	Mariam Jamil	Sustainability & CSR Specialist
5	Naveed Zafar	Cutting
6	Umair Tajdar	Stitching
7	Alaoddin	Washing
8	Saad Saleem	Finishing
9	Minha Elahi	R&D
10	Aseem Akram	PD Stitching
11	Danyal Khan	PD Washing
12	Talha Saif	Utilities
13	M. Ajmal / Kashif Raza	Power House
14	Mr. Abdul Wajid	MMC
15	Tehreem Baig	Fabric Sourcing
16	Anum Saleem	Sales & Marketing
17	Moeed Ud Din	Quality Assurance
18	Zeeshan Saleem	Quality Control
19	Sami Ud Din	Compliance, HSE, Admin
20	Usama Irshad	Industrial Engineering
21	Fazal Abbas	PPC

#### **ESG Vision 2030**

We recognize the critical importance of aligning our business practices with the principles of Environmental stewardship, social responsibility, & robust governance. Our ESG Vision 2030 outlines our commitment to create a sustainable future through innovative practices, transparent operations, & meaningful contributions to our communities.

#### **Environment**

#### Sustainable Materials & Processes:

100% Sustainable Sourcing: By 2030, all raw the materials will be sourced from sustainable & ethically certified suppliers. We will prioritize organic fibers, recycled materials, and innovations that reduce the environmental impact.

#### **Energy Efficiency:**

Achieve the carbon neutrality in our operations by investing in renewable energy sources, optimizing the energy consumption, and improving the energy efficiency in our manufacturing processes.



#### Zero Waste Production:

Implementing the closed-loop systems to minimize waste, enhance recycling processes and ensure that no production waste ends up in landfills.

#### **Eco-Friendly Packaging:**

Switching to 100% recyclable or biodegradable packaging materials by 2025, reducing the plastic use & promoting the sustainable alternatives.

#### Water Conservation:

Reduce water consumption to 50% through advanced recycling techniques such as waterless dyeing, and the adoption of low-water.

#### Social Responsibility:

#### Fair Labor Practices:

#### **Ethical Labor Standards:**

Ensuring fair wages, safe working conditions, & respect for worker's rights throughout our supply chain. Implementing regular audits & work with partners who uphold high labor standards.

#### Diversity & Inclusion:

Fostering an inclusive workplace that diversity of our global reflects the Set goals for increasing community. representation of underrepresented groups in all levels of our organization.

#### **Community Engagement:**

#### Local Empowerment:

Invest in the communities where we operate by supporting local education, health, & development initiatives in South Punjab. Partnering with local organizations to create opportunities for growth & development.

#### **Consumer Education:**

To promote transparency and educate consumers about the sustainability of our products, encouraging informed choices & fostering a culture of responsibility.



#### Governance:

#### Transparency & Accountability:

ESG Reporting:

Publishing annual ESG reports detailing our progress, challenges, & achievements. Ensure these reports are accessible & aligned with global reporting standards.

Ethical Business Practices:

Adhere to the highest standards of the corporate governance. Implement the rigorous anti-corruption measures, conflict-of-interest policies, and maintain an ethical code of conduct.

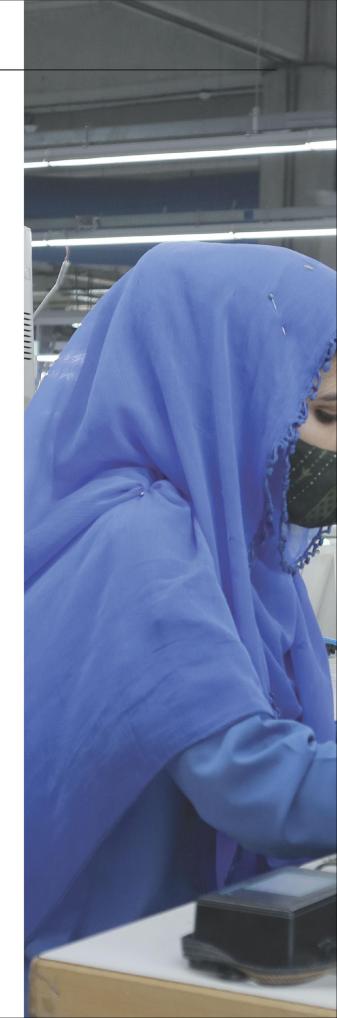
#### Stakeholder Engagement:

Collaborative Approach:

Engaging with stakeholders, including customers, suppliers, investors, & communities, to understand their concerns & expectations. Foster open dialogue & incorporate feedback into our ESG strategy.

Innovation & Leadership

Investing in research and development to drive innovation in sustainable textile technologies. Lead by example in the industry by sharing best practices & collaborating with peers to advance collective ESG goals.





#### Implementation & Review:

#### **Action Plans:**

Develop detailed action plans for each ESG initiative with specific targets, timelines, and responsibilities. To regularly review and update these plans to ensure alignment with our 2030 vision.

#### Performance Metrics:

Establish key performance indicators (KPIs) to measure progress & impact. Monitor and to report on these metrics to ensure transparency & accountability.

At MG Apparel, our ESG Vision 2030 represents our commitment to leading the textile industry toward a more sustainable and equitable future. By integrating environment, social responsibility, and strong governance into our core operations, we aim to create lasting positive impact & drive meaningful change for our stakeholders and the planet Earth.



#### ESG Past Data (MG Apparel)

#### ESG Indicators

GHGS Women Empowerment Labour Laws Regulation

#### Data Gathering

Collect Data on Decided Indicators. Establish the Baseline Measuring Performance

#### Data Analysis

Collected Data Analysis will provide space to look into the loopholes and suggested areas of improvement.

#### Communication

Communication of ESG Baseline assessment to the stakeholders at MG Apparel.



#### **ESG Key Performance Indicators at MG Apparel**

#### **Environment**

The reduction of GHG emissions by 51% till 2032 and make it NetZero by 2050.

The total amount of energy i.e directly and indirectly consumed.

The total amount of water consumed & reclaimed.

The energy usage by the generation in percentage.

The Environmental Policy formulation and the implementation of catering waste, water, energy, and recycling policies.

Use a recognized energy management system.

A specific amount invested, annually, in climate-related to infrastructure, resilience, and product development.

#### Social

Gender Pay Ratio: The Median male compensation to the median female compensation

Employee Turnover %: Year-over-year change for full-time employees.

**Gender Diversity %:** Total headcount held by men and women.

Effectiveness of a "grievance mechanism" and the metrics of the reported and resolved issues.

Human rights policies, i.e., child labor/ forced labor policies.

Policies against the workplace harassment and violence.

Prioritizing Health and Safety of employees.

#### Governance

The diversity and the Inclusion of women in the top management.

Supplier code of conduct, and the formal certified compliance to the code of conduct.

Implementation of ethics and anti-corruption policies

The publishing of annual sustainability report.

The sustainability data along with any of the available sustainability reporting frame

Aligning and disclosure of the progress as per UN SDGs.

#### **Outcomes**

1 Integration:

The ESG implementation creates a unified system that seamlessly incorporates environmental, social, and the governance factors into our operations. This means that all aspects of sustainability how our organization impacts the environment, its social responsibilities, and its governance practices are aligned and managed in a coordinated manner.

Comprehensive Coverage:

By addressing all three pillars environmental (e.g., reducing carbon footprint, managing resources), social (e.g., promoting diversity, improving labor practices), and governance (e.g., ensuring the ethical leadership and transparency) ensuring that we are not neglecting any critical area of sustainability coordinated manner.



## Goal 2030

To achieve the goal of NetZero emissions by 2050, MG Apparel has set near-term science-based targets for 2030. These targets comply with the criteria established by the Science Based Targets initiative (SBTi) and address all three scopes of greenhouse gas (GHG) emissions.









## **SDG Progress**

United **Nations** Sustainable Development Goals (SDGs) represent a global framework aimed at addressing the world's most pressing challenges in environmental sustainability. company committed to responsible business practices, we align our strategies with these 17 SDGs, integrating them into our operations to foster a positive impact on society and the planet.

By focusing on key areas such as clean water, renewable energy, and economic inclusivity, we strive to contribute to a sustainable future for all

GENDER EQUALITY CLEAN WATER & SANITATION AFFORDABLE & CLEAN ENERGY

DECENT WORK & ECONOMIC GROWTH

& INFRA























1.TREE PLANTATION DRIVES
2.EZ-BIKE FOR EMPLOYEES'
ONSITE COMMUTING
3.CLEANLINESS DRIVES
4.SMART VILLAGES PROGRAM



TRESOURCE EFFICIENT WASHING MACHINES

2.EFFLUENT TREATMENT PLANT

3.RECYCLING OF ETP DISCHARGE LEADING TO ZLD

4.RECYCLING AND REUSING OF RAINWATER

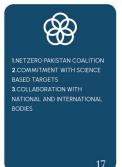
5.WASTE-HEAT RECOVERY BOILERS











## Journey To Achieve SDGs

INNOVATION REDUCED SUSTAINABLE CITIES RESPONSIBLE CLIMATE LIFE PEACE & JUSTICE PARTNERSHIPS CONSUMPTION & PRODUCTION BELOW WATER INFOLIALITIES STRONG INSTITUTIONS TRUCTURE & COMMUNITIES ACTION ON LAND FOR THE GOALS





#### Supplier

#### **Engagement Agenda**

We launched the Supplier Sustainability Agenda to engage our suppliers beyond product requirements, focusing on the importance of sustainability and data transparency. Through this initiative, we ensured that all suppliers understood the minimum requirements in these areas. As a result, we have successfully raised awareness among our suppliers and assessed their product impact on our supply chain.

Our supply chain particularly concerning Scope 3 emissions (upstream supply chain).



Mission Launched Supplier Communication Remote Audit Of All Suppliers Final Milestone Target Reached

Supplier Inventory and data collection from the relevant departments.

Development of Supplier Evaluation form as per EU Legislations Communication with all the suppliers was established.

The evaluation form was circulated

Responses from the suppliers were collected and then segregated as per the self-regulation.

A remote Audit was initiated with all suppliers.

Verification of the Supplier Evaluation Form

Initial rating communication with the suppliers.

The Higg FEM Data Collection

A action Plan communication with supplier

The final rating sharing with the suppliers.

A webinar on the Climate Change & Carbon Footprint with all suppliers.

Scope 03 for MG Apparel Pre-Qualification

The development on the same evaluation for all new suppliers.

#### Webinar

M M M

A Supplier Engagement agenda was initiated with a concluding Webinar by engaging 150+upstream suppliers to evaluate our suppliers' sustainability practices and have a discussion with them on EU Legislations preparation. The agenda was to assess the extent to which our suppliers are integrating sustainability in their processes. By using a comprehensive rating system, we gauged their sustainability levels, rewarding the higher ratings to those adhering to the robust sustainability initiatives.

For suppliers receiving lower ratings, we facilitated a brainstorming session to discuss the supply chain emission reduction strategies. This collaborative approach not only helped suppliers understand and address their sustainability gaps but also to strengthened our partnerships.



## **Green Targets Initiative**

To achieve the broader goal of carbon reduction, departments are engaged to provide solutions in their specific areas by developing a clear goal of responsible production. Each department is involved in target setting and monitoring through different available technologies. To promote a culture of sustainability, we organized a Green Initiative Competition, providing a platform for our employees from the various departments to demonstrate their commitment to environmental sustainability. The competition aimed to uncover innovative projects and the concepts focused on reducing our environmental footprint.

After thorough evaluation, the winners were announced, emerging as true sustainability champions. Their projects not only reflected a deep understanding of environmental challenges but also offered practical and scalable solutions that align with our company's values and objectives.

#### Energy Management



Our South Punjab Apparel Unit achieved the LEED BD+C: The Construction (v4)**Platinum** certification, scoring 87 points. LEED, a globally recognized green building certification program, supports the creation of healthy, efficient, and the sustainable buildings. This certification, awarded on April 29, 2022, highlights our commitment to energy management.

#### Water Management (0)



As the first organization in Pakistan to achieve Zero Liquid Discharge (ZLD) status, we excel in water conservation through the closed-loop recycling system. Water used in washing and dyeing is collected, purified our Effluent Treatment Plant (ETP), and then recycled back into these processes. This system minimizes environmental impact and enhances resource efficiency by ensuring that treated water is continuously reused, aligning with ZLD standards.

#### Waste Management \$\infty\$



We have partnered with SMEP (Reverse Resources) to advance the innovative waste management solutions. This collaboration focuses on enhancing waste processing, promoting circular economy principles and recycling through advanced technology and sustainable practices.

#### **Chemical Management**



We are advancing sustainable chemical management through a collaborative initiative with the Environment Impact Module (EIM) score, ZDHC, and Bhive.

EIM Score: The EIM score provides essential metrics to assess and minimize environmental impacts, enablina data-driven decisions.

**ZDHC**: ZDHC focuses on eliminating hazardous chemicals from textile and leather supply chains, aligning with our safety and sustainability goals.

**Bhive**: Bhive offers innovative technology and a comprehensive platform to streamline waste management and recycling.

#### "Climate Action **Initiatives**

To advance our carbon reduction goals, we engage in climate action initiatives that promote responsible production and sustainability. Our approach includes setting clear climate targets and utilizing advanced technologies to monitor the progress. We also encourage employees to showcase innovative projects aimed at reducing our environmental footprint. These initiatives demonstrated a strong grasp of the environmental challenges provided practical, and scalable solutions that align with our commitment to sustainability. 99

## GHG Inventory

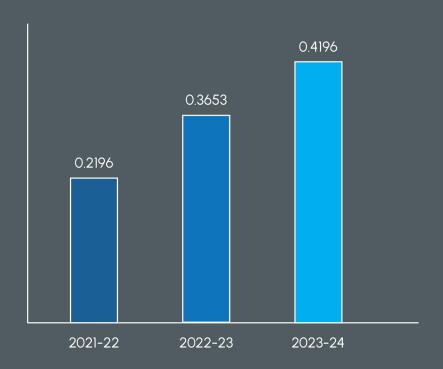
Being a responsible manufacturer, MG Apparel began its progress on GHGs since its inception and signed the commitments with PET and SBTi to tackle the climate impact. We are actively pursuing a path towards sustainability in alignment with the United Nations & Sustainable Development Goals (SDGs) & the commitments outlined in the Paris Agreement. Our goal is to achieve Net Zero Emissions by 2050 as part of our dedication to environmental responsibility & global climate action.

Being an environmentally conscious entity, we measure & develop the Greenhouse Gas Inventory (GHG) & evaluate the GHG emissions from key categories including natural gas, electricity, petrol, wastewater, & diesel for transport/electricity.

We have formulated our GHG inventory for 2021-22, considering all seven gasses and using metric tons of CO2 for uniformity. The major portion of emissions is carbon dioxide, with other gasses being negligible.

The GHG inventory for our facility provides a baseline for emission reduction strategies and targets, including Scope 1, 2, and 3 emissions.

We are committed to promoting low emission goals and effectively reducing GHG emissions through the following strategies:



#### **Scopes**

22%

Scope 1 2021-2022

Scope 1

Scope 2

Scope 3

37%

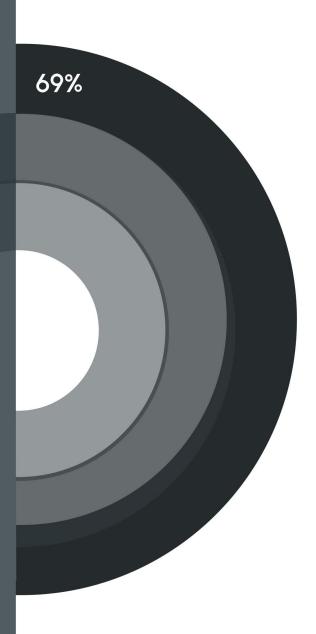
**Scope 2** 2022-2023

42%

Scope 3 2023-2024



26%



Percentile 2023-24

# Carbon Risk Mitigation Strategies

#### 1.Transformation to Renewable Energy (Solar)

We shifted our focus towards solar energy with a current installation of 2 MW and daily usage of approximately 7000 KWh. This leads to a reduction of the annual conventional electricity by the 1,455,305 KW which accounts for a saving of 412 mtCO2e. Moreover, our plan is to put on additional Solar Energy installation with a new building that will further reduce carbon footprint and increase our dependence on the Renewable Energy by 2030.

#### 2. Tree Plantation

Since trees play a vital role in reducing carbon footprints, our prime focus is to conserve the environment through regular plantation drives. These are carried out in the vicinity of Multan Industrial Estate, surrounding the city and its highways. Also, we have incorporated a Miyawaki Garden with a total of around 1500 plants, as well as 150 plants being donated to nearby residential schemes.

#### 3. Efficient & Latest Technology

We use the latest energy-efficient machinery to reduce electricity consumption. Our building is designed to minimize HVAC load and maximize natural light, with EV chargers installed for hybrid vehicles.

Our facility is built to LEED standards, and we use an Integrated Building Management System (IBMS) to monitor and evaluate energy efficiency. In the production design department, automation for digital pattern design ensures resource efficiency and avoids manual process iterations.

Key measures that have reduced energy usage include:

IB LED Lights: The reduced energy consumption by 16%, cutting 4.92 mtCO2e annually.

Energy-Efficient Ceiling Lights: Reduced emissions by 9.54 mtCO2e annually.

Production Area Lighting: Replacing 2 lights with the energy-efficient ones reduced 292.9 mtCO2e per year.

Streetlights: Operated on a night-only timer with photovoltaic cells.

#### 5. Waste heat recovery boiler

We have installed a Waste Heat Recovery Boiler (WHRB) on the genset exhaust to produce steam, contributing to energy savings with a capacity of 1.2-1.3 TPH. This system saves around 178.3 mtCO2e per year.

An insulation system across our facility reduced energy consumption by almost 5% in 2021. Heat exchangers in the process area have effectively reduced our dependency on continuous steam, saving an average of 11.32 mtCO2e per year.

#### 6. Effluent treatment plant

We comply with the Zero Discharge of Hazardous Chemicals (ZDHC) aspirational level by treating our wastewater. We have installed an Effluent Treatment Plant (ETP) with a capacity of 60 cubic meters per hour to treat industrial effluents. Additionally, 80% of the ETP discharge is recycled and reused in the washing section, achieving the Zero Liquid Discharge (ZLD) standard.

#### 7. Water Conservation

To reduce water and other factory inputs in dyeing and washing processes, our apparel unit has installed Tonello Machinery. This system continuously recovers and recirculates water, leading to significant water and energy savings, as well as faster water filling and draining. The dyeing bath is injected through a special nozzle, ensuring better performance and penetration of chemical products and dyes.



#### 8. Rainwater management

We have a tank for rainwater collection, the capacity of the tank is approximately 12,000 GLN. This water is reused for utilities & horticulture purposes.

#### 9. EZ Bike

To promote the eco-friendly commuting within our facility, we have introduced EZ-bikes. These electrically charged bikes emit fewer GHGs compared to conventional fossil fuel-powered bikes, reducing in-house emissions.





#### Women

#### **Empowerment**

Women empowerment is considered as an important aspect in development. For integrating the impact on a broader level all the women oriented initiatives are projected under the following initiatives:

Projects	Description
ReviveHER	A woman returnship program aimed at facilitating the return of women to our workplace after career breaks.
Lighthouse	A series of workshops and training aimed at empowering women in terms of personal and professional development.
Beena	A series of embroidery workshops and skill enhancement for our non-management employees.
Nisaab	A periodic workshop for non-management employees aimed at enhancing their fundamental literacy skills.
Engage & Elevate	A series of casual yet interactive conversations under our Lighthouse initiative, aimed at raising awareness regarding the challenges of women in the corporate landscape and strategies we can collectively implement to promote gender equality.
Skills Sphere	Under Skills Sphere, we provide a comprehensive 6-months training related to stitching skills to females, after which they are offered the opportunity to work in our stitching department.
STEMPower	A program aimed at empowering women in STEM fields through more representation and provision of opportunities.
FINALE-Funding Innovation & Learning Excellence	An initiative that aims to bridge industrial gaps through academia by funding STEM-related final year university projects in the region of South Punjab. A special preference towards female students.

## Capacity Building Workshops

For the economic well-being of women, we conduct kitchen gardening, beekeeping, and composting sessions.

These trainings emphasize organic food, healthier lifestyles, kitchen budget management, and entrepreneurship. Given that many workers come from the marginalized areas, we offer skills enhancement opportunities through programs like Skills Sphere, Beena, and Nisaab. These sessions primarily target the female non-management workforce to help them sustain their livelihoods better.

Digitalization is a core value, so we train our workforce on digital media usage and cyber security awareness. Additionally, we collaborate with PPWF to enhance women's software skills, enabling them to make a positive societal impact.



## Gender Sensitization & Anti-Harassment Policies

We have clear and strict policies against harassment, bullying, and misconduct to ensure a safe working environment. Our approach includes:

#### 01

#### Regular Gender Sensitization Training:

We conduct workshops and seminars to educate employees about gender sensitivity, promoting awareness and understanding of gender issues and encouraging respectful interactions.

#### 02

#### Anti-Harassment Training:

Employees undergo mandatory training sessions on recognizing, preventing, and addressing harassment. These sessions include practical scenarios and guidelines for creating a harassment-free workplace.

#### 03

#### Reporting Mechanisms:

We have established clear channels for reporting harassment, bullying, and misconduct, ensuring confidentiality and protection for those who come forward. Employees can report incidents through email or in-person to trained HR personnel.

#### 04

#### **Support Systems:**

We provide counseling and support services for employees affected by harassment or discrimination. Our HR team is trained to handle complaints sensitively and effectively.

#### 05

#### Policy Enforcement:

We have a zero-tolerance policy towards harassment and misconduct. All reported cases are thoroughly investigated, and appropriate actions are taken, including disciplinary measures against offenders.

## Day Care Center

We have built a daycare center to facilitate working women and to ensure that their flexibility and comfort are not compromised in our work environment.





## MTO Program

Under our Management Trainee Officer program, we conduct recruitment drives at BZU Multan, Comsats Vehari Campus, NFC Multan, ISP Multan, and Air University Multan. This initiative aims to provide students from South Punjab with better market opportunities and help them excel in their careers. The MTO program is designed to identify and nurture young talent by offering comprehensive training, which includes rotations across different departments to give trainees a holistic understanding of our operations.

We focus on developing both technical and soft skills, ensuring that trainees are well-equipped to handle real-world challenges. Successful completion of the program opens up various career opportunities within our facility, positioning trainees for leadership roles in the future.

"We offer scholarships to girls for vocational training at TEVTA Shujabad.

This initiative reflects our commitment to advancing Sustainable Development Goals (SDGs), particularly Goal 4 (Quality Education), Goal 5 (Gender Equality), and Goal 8 (Decent Work & Economic Growth).

Additionally, through our FINALE (Funding Innovation & Learning Excellence) initiative, we support STEM-related final year university projects in South Punjab. This program aims to bridge the gap between industry and academia, with a special emphasis on funding projects by female students, thereby fostering innovation and promoting gender equality in STEM fields.



# LEARNING & DEVE PMENT HUB

#### G-5 Leader

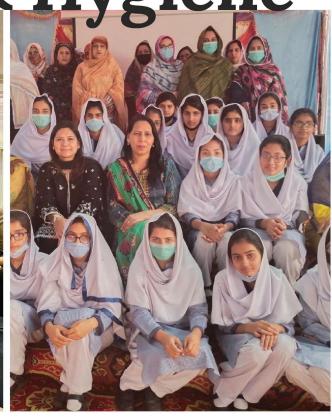
We are a strong advocate for Goal 5 (Gender Equality) in the SDGs Leadership Program, led by CERB-PBC. Under this program, we have led various extensive workshops on topics such as gender equality, women empowerment, and inclusive policy making.

Our G-5 workshops focus on inspiring change through enlightening modules or developing strategies, setting targets for gender equality, and implementing policies for gender-inclusive workplaces.

Our most recent workshop in this regard titled "Strategizing Gender Equality For Textiles" was conducted in collaboration with Centre Of Excellence In Responsible Business (CERB). The workshop emphasized the training of partner supplier organizations on unconscious bias harassment, and violence, and raised awareness on how to ensure inclusivity and equitability for all employees irrespective of gender identity. The themes explored in the panel discussion covered sustainability in gender inclusion, the need for national-level regulations to implement uniform gender-inclusive policies, and strategies to support

Health & Hygiene





To ensure essential health and hygiene for our female employees, MG Apparel provides free access to company-sponsored hygiene kits, addressing their fundamental needs. We also conduct regular health and hygiene sessions in partnership with Santex, aiming to educate and empower women on maintaining optimal hygiene practices. These sessions cover a wide range of topics, from general hygiene to specific women's health issues, ensuring our employees are well-informed and supported.

Every October, we celebrate Pinktober in collaboration with the Shaukat Khanum Cancer Hospital to raise awareness about breast cancer. This initiative includes educational workshops, screenings, and information sessions to emphasize the importance of early detection and the preventive care.

In addition to these efforts, our policies are designed to support women's health and well-being comprehensively. We offer menstrual leave to ensure women can manage their menstrual health comfortably and provide maternity leave to support new mothers in balancing their professional and personal lives.

## People With Disabilities

In spirit of the International Day of People With Disabilities, MG Apparel hosted comprehensive workshop on the harassment awareness conducted in sign language

Specifically designed for people with disabilities amongst our non-management employees.

We were honored to welcome a knowledgeable sign language instructor, Professor Dr. M. Mohsin from Multi Discipline Academy & Special Education Center, who shared invaluable insights and information.

This session reflected how we have created a corporate environment where everyone, regardless of ability, feels not just welcome but empowered. By providing opportunities for learning and engagement that cater to the needs of all our employees, we reinforce the belief that every individual has the right to work without fear of discrimination.





### 16 Days Of Activism Campaign

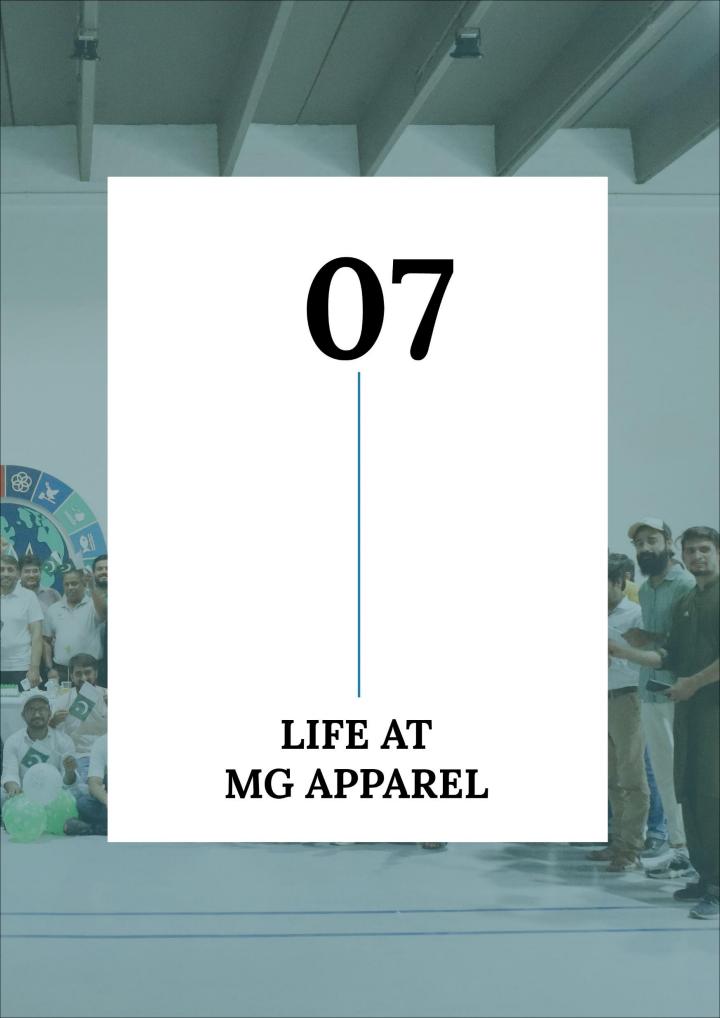
As part of the global initiative for the

"16 Days of Activism against Gender-Based Violence"

We hosted an impactful session uniting female employees from both MG Apparel and Mahmood Group. This session provided a safe platform for women to share experiences, discuss challenges, and celebrate progress towards a zero-tolerance policy for harassment.







## Lighthouse (training & development)

We launched the Supplier Sustainability Agenda to engage our suppliers beyond product requirements, focusing on the importance of sustainability and data transparency. Through this initiative, we ensured that all suppliers understood the minimum requirements in these areas. As a result, we have successfully raised awareness among our suppliers and assessed their product impact on our supply chain.



Currently, we cover the following sub-projects under Lighthouse:

#### Beena

The Beena program was initiated not solely to empower our non-management females with a source of income but to expose them to market trends, from embroidery patterns to color palettes. The goal of these sessions is to empower these women and to guide them toward the entrepreneurship. We have conducted these sessions for a total of 793 women.

#### Nisaab

A functional literacy session designed to enhance the learning achievements of female workers by providing a high-quality integrated curriculum through digital resources. We have conducted 56 sessions for 650 beneficiaries from July 2022 to present.

#### **Engage & Elevate**

We periodically conduct Engage and Elevate sessions at the facility, which involve the spontaneous conversations regarding the unique challenges faced by women in corporate and suggested measures to promote gender equality. Success stories are also discussed in order to motivate women with the personal examples regarding personal and professional development.

#### Skill Sphere

Under the Skills Sphere program, we offer a comprehensive six-month training course focused on stitching skills specifically for women. Upon successful completion of the training, the participants are provided with the opportunity to join our stitching department, allowing them to apply their newly acquired skills in a professional and secure employment.

#### Climate2Equal

In collaboration with IFC & CERB, we conducted a Climate2Change workshop for our female employees, covering types of waste and practical waste reduction techniques. The workshops emphasized recycling and repurposing strategies, highlighting each employee's role in achieving a sustainable environment.



#### Sustainability Sessions at the Workplace

We hold regular sustainability sessions to educate employees on environmental practices in the form of regular training programs on resource conservation, waste reduction workshops, interactive sessions for hands-on engagement; and awareness campaigns to emphasize the importance of sustainability.

#### **Green Targets for Each Department**

We green targets for set department to drive the sustainability efforts and measure progress towards environmental goals. Departments establish specific, measurable targets related to waste reduction, energy efficiency, and resource conservation. They are encouraged to utilize fabric waste and other materials to meet these targets, such as producing upcycled products or reducing waste. Progress is regularly monitored and reported.

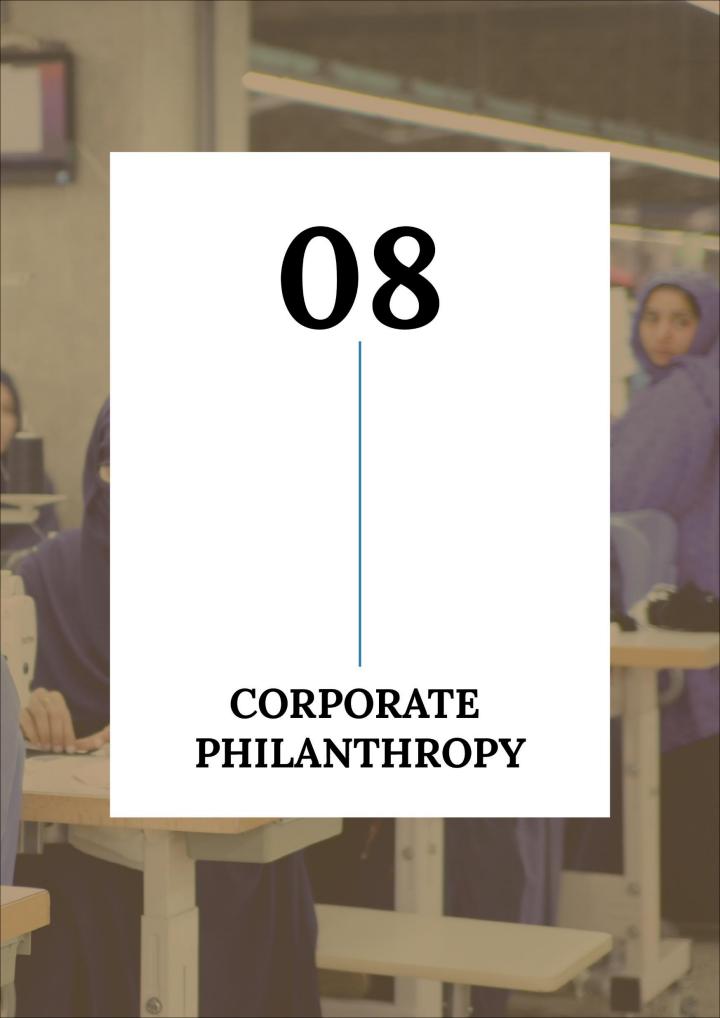
#### Circulation of Sustainability and CSR Dashboards

Sustainability and CSR dashboards are circulated among team members to provide visibility into sustainability performance and CSR activities. These dashboards include key metrics and performance indicators and are regularly updated to reflect the latest data and progress. Accessible to all team members, the dashboards ensure transparency and engagement.









We have integrated social, educational, economic, health, and physiological initiatives under social development with corporate philanthropy. In 2022-23, we impacted 12,995 people through various CSR activities. CSR at MG Apparel comprises the following:

#### 1. Education

#### Schools

Aligning with SDG 4: Quality Education, we have initiated the SEED (Schools Education and Empowerment Development) program.

In collaboration with the CARE Foundation, we operate two schools in Muzaffargarh and Kabirwala. We provide the infrastructure and maintain school necessities, while CARE ensures high-quality education. These schools, located in underprivileged areas, charge minimal fees and have educated over 1.500 students.

Our commitment extends to scholarships and 50%-100% tuition fee discounts for children of our mill workers. These schools feature fully furnished computer labs, RO plants for clean drinking water, and operate on solar panels.

#### 2. Events

In line with our commitment to quality education, we organize several events to keep students engaged:

- Art Competitions
- Celebrated World Education Day
- Earth Day Activity
- Poster Competition
- Green-Clubs in Schools

As we gear up for an immersive poster competition under our upcoming

## "Youth Engagement Through Art and Dialogue"

event, we recognize the pivotal role teachers play in shaping young minds with the values of the Sustainable Development Goals (SDGs). To enable this, MG Apparel conducted an insightful training session, equipping teachers with the resources they need to guide their students in understanding the SDGs.



### 3. Health, Safety, and Environment

In line with SDG 3, our 1,500 employees have benefited from health, safety, and environment (HSE) training and sessions. Key initiatives include:

Medical Team: Available on-site throughout the day.

**On-Site Dispensaries**: Cater to emergency situations with free basic health services and hygiene kits.

Firefighting Drills: Conducted in collaboration with 1122.

HSE Awareness Sessions: Enhance employees' knowledge of workplace safety. E-Health Facilities: Incorporated through Sehat Kahani for convenient access.

Partnership with Buch Hospital to conduct sessions on health awareness

### 4. Sports

Our dedicated space includes badminton, table tennis, and basketball courts. We support local communities and women's sports through the following collaborations:

Karishma Ali Foundation and GBGFL: Engaging women in sports.

South Punjab Football Club and GroundUp Sports Academy: Offers comprehensive training programs.

lacktriangle Southern Punjab Cricket Association: Partnered to support cricket in the region.

## 5. Community well-being

Tree Plantation Drives: Recurring initiatives in Multan, Kabirwala, and Muzaffargarh.

City Infrastructure: Maintenance of city roads and parks to enhance recreational facilities.

Waste Management: Installation of waste bins to promote cleanliness and recycling.

**Balochistan Cotton Project**: Supporting local farmers and promoting economic and environmental growth.

**Yoga sessions**: To promote health and well-being for a holistic lifestyle.r

**Blood donation drives**: Collaborating with Indus Hospital to help children suffering from Thalassemia.

**RO Plants**: 4 RO Plants are fixed in Muzaffargarh & around 3 in Kabirwala to provide purified water to our community.

Youth Engagement: Nurturing the minds of young children through engaging events such as:

**Poster Competition**: Held in Multan, involving hundreds of students who used waste materials for their designs.

**Cycling Event**: Conducted in Lahore (Critical Mass Lahore) to promote eco-friendly commuting and healthy lifestyles.

**Education To Underprivileged Children**: Sessions in collaboration with Taare Zameen Par Trust aimed at providing basic education to street children attending iftar parties.



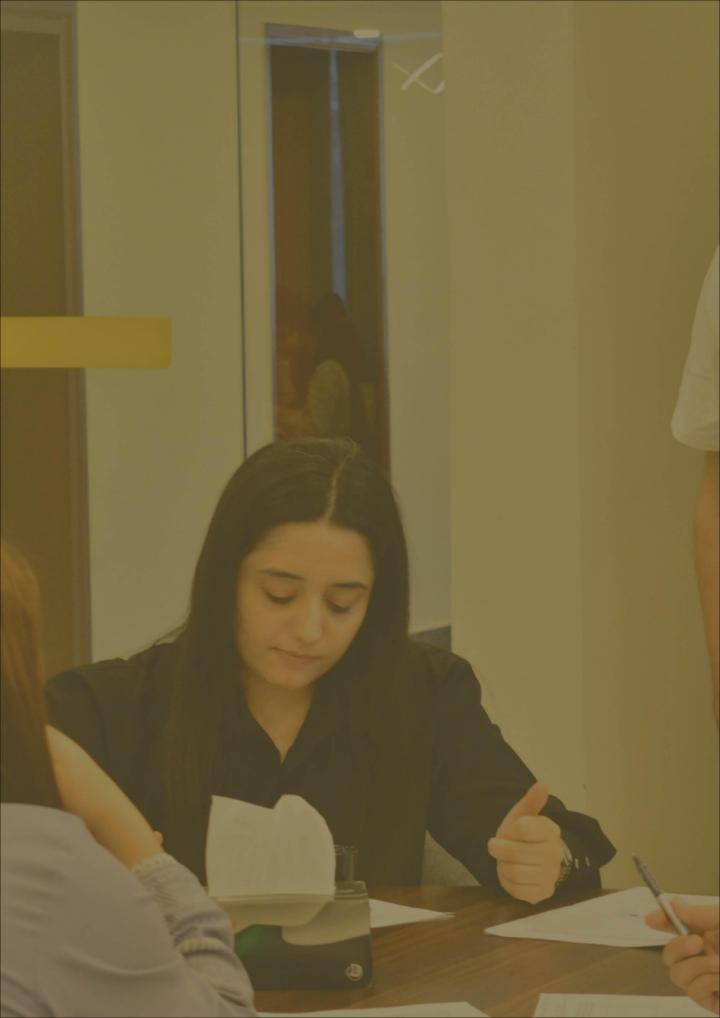






# Her Essential Program

The RISE HER Essential program is a professional development initiative aimed at empowering women and advancing their careers. With 10 peer educators mentoring 10 champions each, the program offers targeted workshops, expert mentoring, and strategic networking opportunities. It focuses on enhancing essential skills, overcoming systemic barriers, and creating a supportive environment for women to thrive in various industries, helping them achieve their professional goals and reach their full potential.





# Strategic Partnerships

#### **UNGC**

Through our participation in the UN Global Compact, MG Apparel has benefited greatly from the Business and Human Rights (BHR) Accelerator and the Climate Action Accelerator (CAA). The BHR Accelerator has enhanced our human rights practices through valuable training and guidance, while the CAA has provided tools and strategies to improve our climate action efforts.

#### **BHR**

The BHR Accelerator, part of the UN Global Compact, focuses integrating human rights principles into business operations. It offers tailored training, workshops, and guidance to help companies align with the UN Guiding Principles on Business and Human Rights. MG Apparel has used this program to strengthen its human corporate rights practices and accountability, ensuring that these considerations are embedded in its strategies and supply chains. Through comprehensive support stakeholder collaboration, the program has made human rights a core aspect of our business approach.

#### CAA

The Climate Action Accelerator (CAA), a Global Compact initiative, designed to advance corporate climate action by providing tailored support, including specialized training, workshops, and strategic guidance. It equips companies with practical tools to measure and reduce their carbon footprint, set ambitious climate targets, and integrate sustainability into their operations. MG Apparel has significantly benefited from this program, gaining valuable insights and resources to further its climate goals and enhance the environmental performance. The CAA collaboration fosters among businesses, experts, and stakeholders, ensuring that climate action remains a priority in corporate strategies.

#### **TGE**

Through our participation in the UN **Target** Global Compact's Equality program, we have made significant progress in advancing gender equality. The program has provided resources and essential guidance, helping the company create a more inclusive workplace support and women's career growth. By leveraging the training and tools offered, we have embedded gender equality into our core practices, reinforcing our commitment to a fair and equitable work environment.





(MOU) with MNSAUM



(MOU) with Multan Sultans

(MOU) with Lok Sanjh



Better Cotton Initiative BCI

# Prosperity

#### Business Growth & Progress Job Creation

We began with 500 employees and have grown to 4,000, with plans to add 1200-1500 more each year. Currently, 70% of the workforce is women, with a target to reach 85% in the near future.

#### Revenue Growth

The annual turnover stands at \$60 million, with an expected increase of \$20-25 million annually.

#### Production Capacity

Currently producing 600,000 pieces per month, with plans to increase our output capacity by 200,000 250,000 per month pieces every year.

#### Sustainability Initiatives

We are committed to sustainability, aiming to incorporate 50% recycled and sustainable materials in production by 2026. Additionally, the product range is diversified into Denim. Apparel and aims to include workwear, active wear and jackets in the near future.





# 10

SUSTAINABLE AGRICULTURE

# Cotton Ventures



#### Farm Forward

In partnership with Lok Sanjh Foundation, we launched the Farm-Forward initiative to promote the organic cotton and regenerative agri farming. This program focuses on reducing fertilizer use, improving soil health, enhancing ecosystems, and integrating pest management for more sustainable farming. It also aims to impact 3,000 farmers across 35 villages by providing fair wages, capacity-building, and prioritizing their well-being.

#### **Colored Cotton**

In a joint venture with MNSUAM, we are conducting extensive research on colored cotton production. This initiative aims to source high-quality seeds and germplasm, expand the range of cotton colors, and improve yield and fiber quality. Emphasizing eco-friendly pest control, the project positions colored cotton as a sustainable alternative to conventional cotton. Looking ahead, the research focuses on enhancing germination rates, fiber quality, weed management, and developing a broader spectrum of colored cotton shades.

## **Direct-To-Farm**

In collaboration with the BestSeller, we are participating in the Direct To Farm project that supports 1,000 local farmers in organic cotton farming, improving traceability and ensuring a reliable cotton supply. By expanding our direct-to-farm efforts, we address the global shortage of organic cotton while ensuring that farmers receive direct benefits through premium payments.





## **Delegations**



#### Australian High Commission Visit

We were honored to host Australian High Commissioner Neil Hawkins, showcasing our progress in the sustainability, women's empowerment, and the corporate social responsibility. The visit reinforced our commitment to the global collaboration for the positive change.

#### **US Ambassador Visit**

MG Apparel had the honor of hosting Ambassador Donald and the Consul General Kristin Hawkins, welcomed by CEO Anees Khawaja and senior management. The tour highlighted our 75% women workforce, sustainable practices, the Garden, and Miyawaki initiatives like NetZero 2050, LEED Platinum certification, and renewable energy efforts under the "Green Alliance" framework.









#### **German Delegation**

We hosted a visit from GIZ Pakistan, the German Embassy, and BMZ Germany. The delegation toured our facility, recognizing our achievements in improving HR, labor standards, and productivity under the "Dialogue For Sustainability" initiative. Discussions focused on future projects aimed at promoting sustainable development.

#### Denmark Ambassador Visit

We hosted Denmark's Ambassador, Mr. Shoaib Sarwar, to discuss sustainable initiatives such as solar and wind energy. He commended our efforts in job creation and women's empowerment in South Punjab. We look forward to future collaborations in the Denmark market.











# **Events**Highlights









































# **GRI Index**

<ul><li>Fully Disclosed</li></ul>	<ul><li>Partially Disclosed</li></ul>	Not Disclosed
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