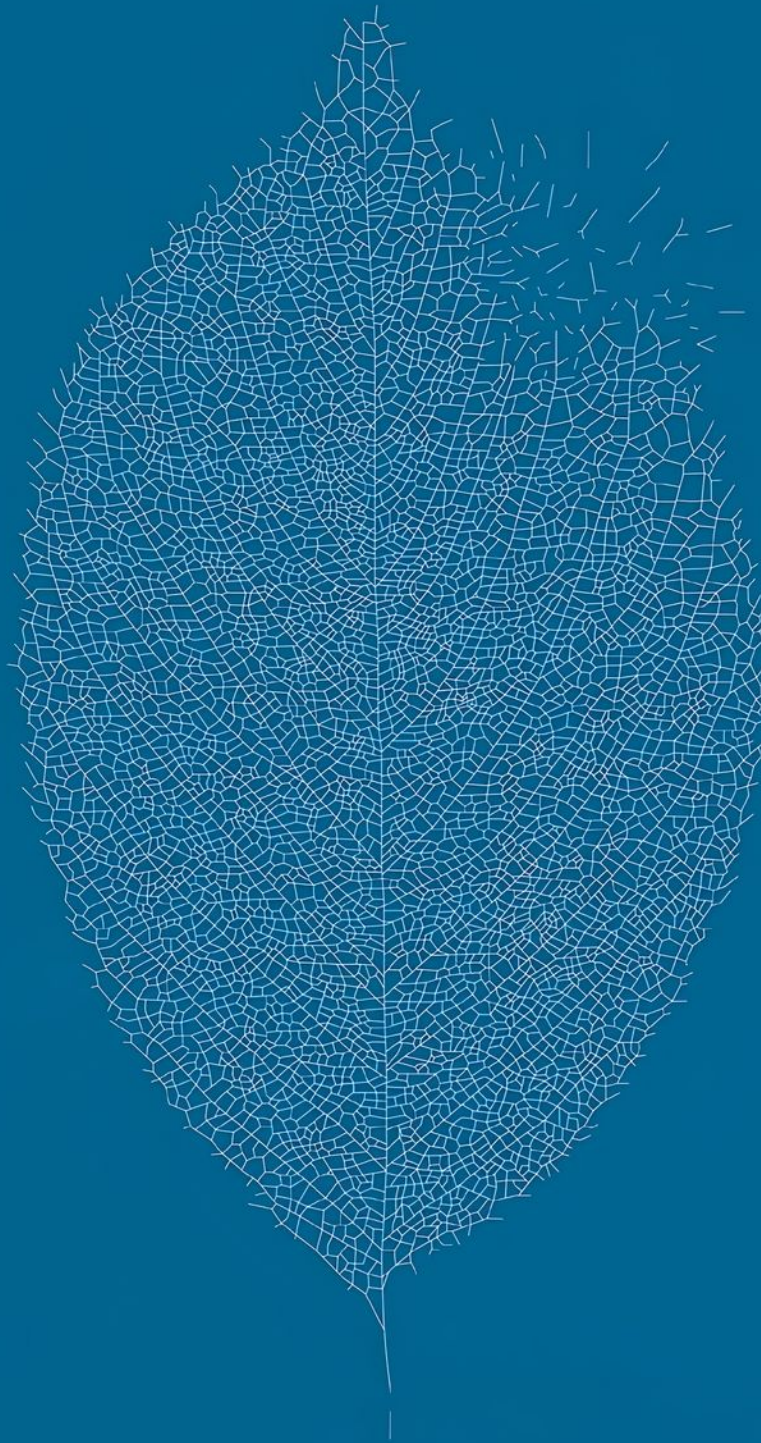


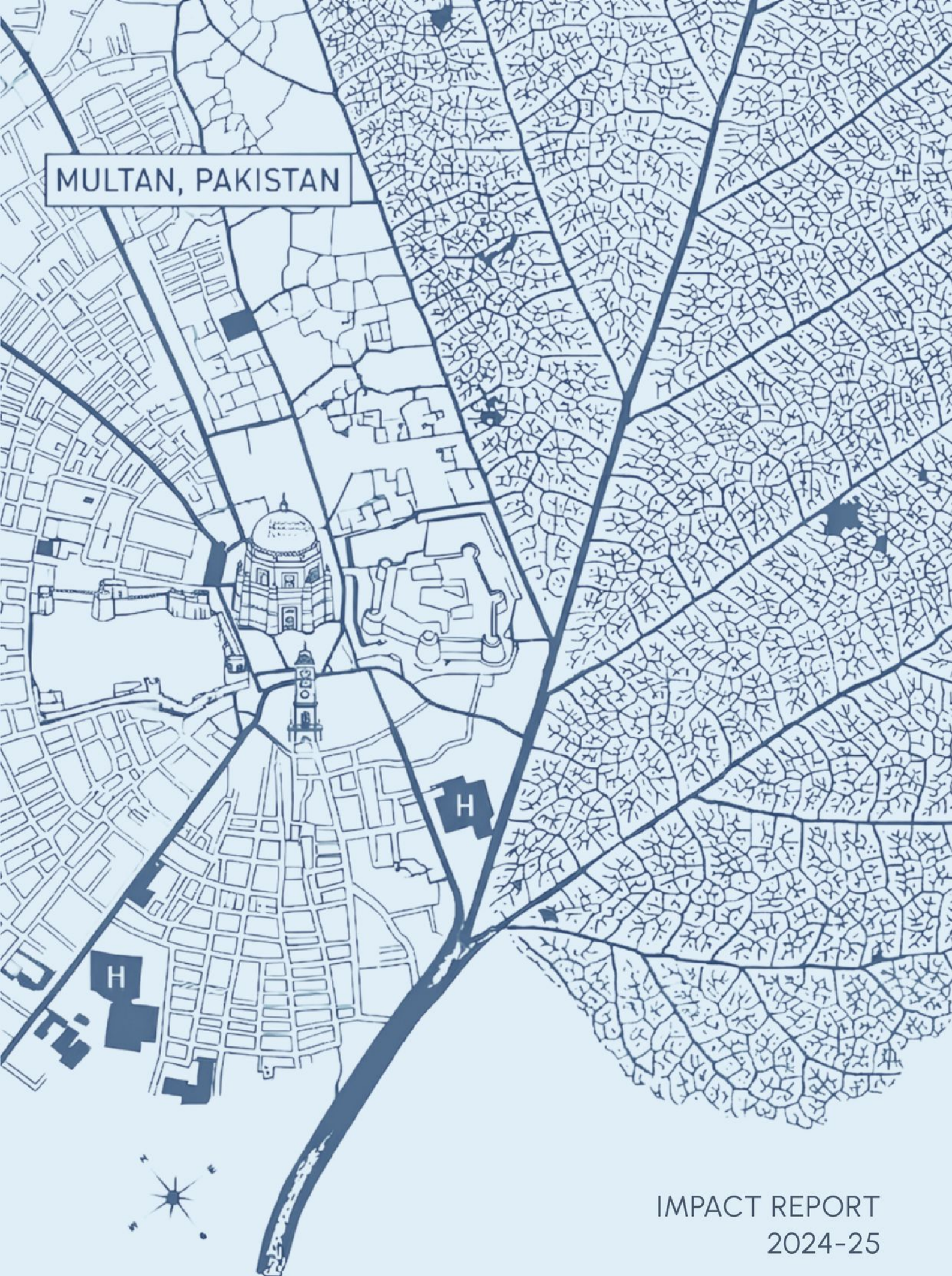


BUILDING A TRACEABLE AND RESPONSIBLE VALUE CHAIN

IMPACT REPORT 2024-25



MULTAN, PAKISTAN



IMPACT REPORT
2024-25

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FY 2024-25 Performance Snapshot

MG Apparel's performance during the year reflects a continued integration of sustainability across operations, supply chain, and workforce systems.

Workforce & Inclusion

Workforce composition continues to reflect a structured inclusion approach, with women representing a significant proportion of employees across operational and supervisory roles.

Training and development programs support long-term participation through skill-building and internal mobility pathways.



Energy & Climate

Renewable energy integration and efficiency measures contributed to a measurable reduction in emissions during the year.

Solar energy contributing to lower reliance on conventional power. Energy optimization systems implemented across operations.



Water and Resource Management

Closed-Loop Water Systems

- Water management systems are designed to reduce freshwater use and improve recycling across operations.
- Zero Liquid Discharge (ZLD) systems in place
- Rainwater harvesting supporting operational use



Sustainable Sourcing

Farm-Level Engagement

Sourcing systems extend to the farm level, supporting sustainable cotton cultivation and traceability. Expansion of organic, regenerative, and Better Cotton programs



12,372

Farmers Engaged



52,748

Acres Under Sustainable Cultivation

Infrastructure & Certifications

Certified Operational Systems

- Infrastructure and systems continue to align with internationally recognized standards.
- Environment and social compliance frameworks in place
- Continuous system upgrades supporting efficiency and monitoring.

These indicators reflect a shift toward integrated systems, where operational performance and sustainability outcomes are managed together



87^{Pts}

Leed Platinum Certification





OUR
INTRODUCTION

01



ANEES KHAWAJA

A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER

Sustainable growth, in our view, is built through systems that connect business performance with social and environmental responsibility.

At MG Apparel, this approach has shaped how the organization has been built from the beginning. As part of Mahmood Group, the focus has been on creating an industrial platform that expands access to opportunity, particularly for women in South Punjab. Today, that is visible across the factory floor, where women are contributing across technical, operational, and managerial roles.

Our direction continues to be guided by three priorities: people, planet, and purpose. These are not positioned as separate initiatives, but embedded into how decisions are made, how systems are designed, and how performance is measured. From workforce development to energy systems and sourcing practices, each layer of the business is aligned with long-term value creation.

The manufacturing environment itself continues to evolve. Greater emphasis is being placed on traceability, digital integration, and resource efficiency, allowing production systems to become more transparent, measurable, and controlled over time.

While progress has been made, our focus remains on building scale with responsibility. The objective is not only to grow, but to demonstrate that industrial operations can deliver measurable environmental and social outcomes alongside commercial performance.



KEHKESHAN USMAN

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."

Sustainability at MG Apparel has evolved from a defined function into an integrated operational framework. It now informs capital allocation, performance metrics, and compliance systems across the organization.

During the year, we continued to strengthen our environmental performance through targeted investments in infrastructure and resource efficiency. Our facility maintains LEED Platinum certification, supported by renewable energy integration, water management systems, and process optimization initiatives that reduce operational intensity.

At the same time, our social framework remains a core area of focus. Workforce participation continues to reflect our inclusion strategy, with women representing a significant proportion of our employees. Structured programs in training, leadership development, and vocational skills are designed to support long-term professional growth and economic mobility.

Our long-term direction is guided by commitment to decarbonization, with a Net Zero target set for 2050. This is supported by a structured roadmap that includes energy transition, supplier engagement, and continuous process improvement.

Sustainability, for us, is not defined by individual initiatives, but by how consistently it is embedded into the way we operate. The progress outlined in this report reflects that approach.

Who We Are and How We Operate



MG Apparel is an export-oriented apparel manufacturing company operating from South Punjab, Pakistan. **Established in 2021** as part of the Mahmood Group, the company was developed to align manufacturing with evolving global requirements across sustainability, compliance, and digital integration.

Mahmood Group, with a legacy spanning multiple decades, operates across textiles and diversified sectors including energy, agriculture, and retail. This institutional foundation provides MG Apparel with established systems in sourcing, compliance, and international market access, while enabling the agility of a newer manufacturing platform.

From inception, MG Apparel has been structured as a technology-enabled and sustainability-aligned facility, integrating digital workflows, process automation, and traceability mechanisms into its operations. Production systems are designed to optimize efficiency, reduce resource intensity, and maintain consistency across large-scale manufacturing.

Operations are centered in Multan, where the primary manufacturing facility is supported by integrated functions including compliance, sustainability, engineering, and production management. A dedicated Business Affairs function operates from Islamabad, supporting stakeholder engagement, partnerships, and communication.

A defining characteristic of MG Apparel's operating model is its workforce composition. Approximately **65% of employees** are women, reflecting a structured approach to workforce inclusion and regional employment generation. This is supported through formal training systems, skill development programs, and internal mobility pathways that enable participation across operational and managerial roles.

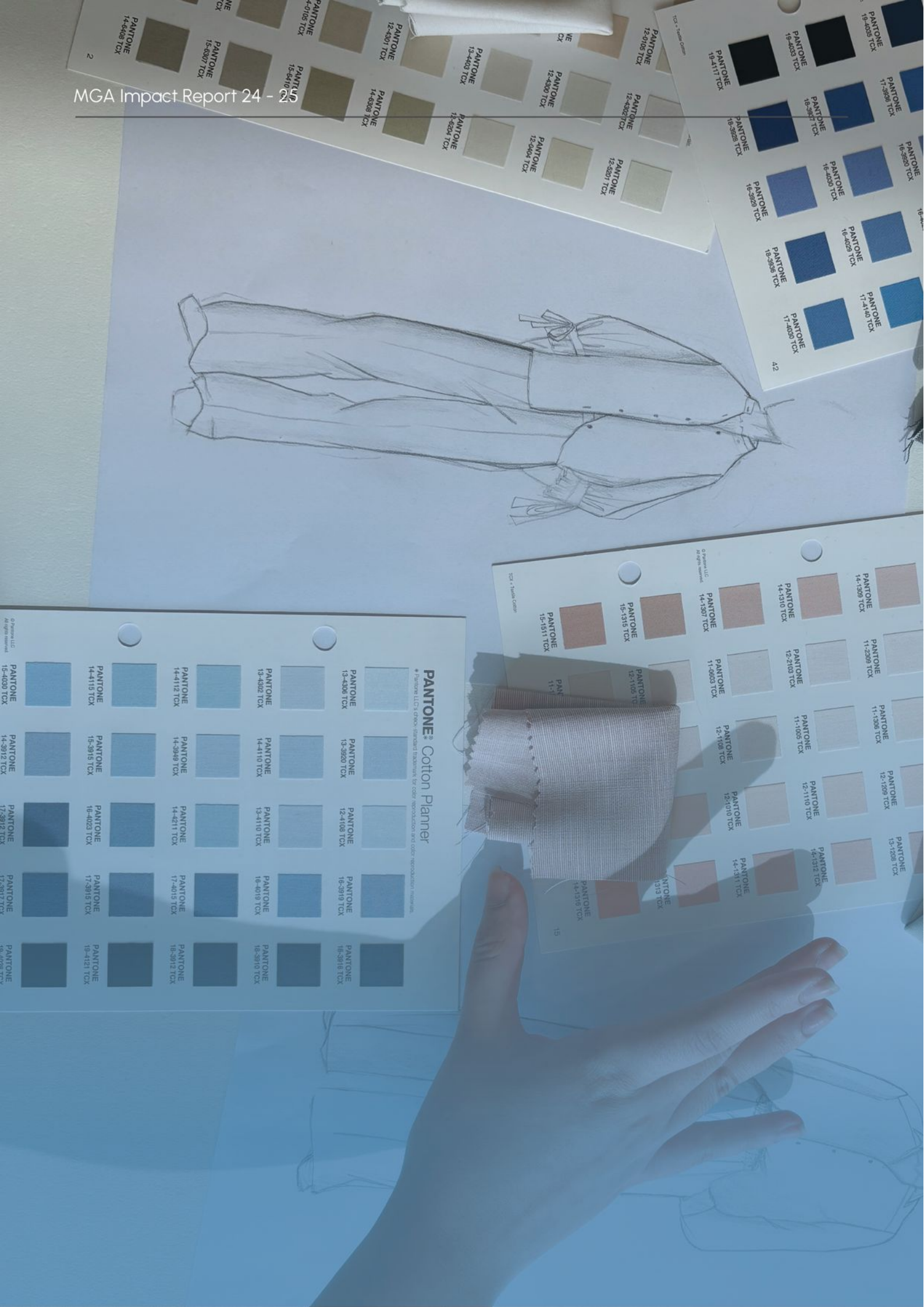
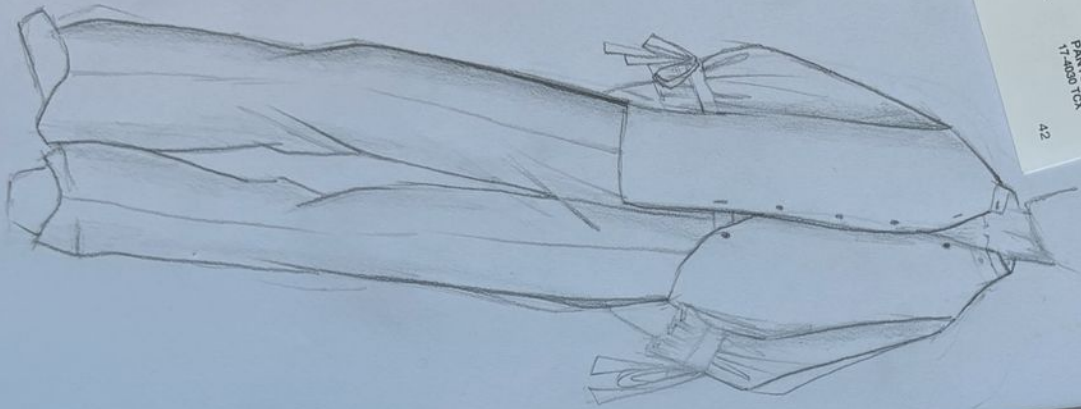
In addition to manufacturing, MG Apparel operates within a broader ecosystem that includes sustainable raw material sourcing, particularly in cotton, and collaborative engagement with supply chain partners. This allows the company to connect upstream agricultural practices with downstream production systems, strengthening traceability and consistency in product development.

The company's operational approach is built on three integrated priorities: efficiency, accountability, and scale. This includes continuous investment in infrastructure, alignment with internationally recognized compliance frameworks, and the integration of sustainability metrics into performance monitoring systems.

As the business continues to expand, the focus remains on building a manufacturing system that is not only capable of scale, but also aligned with long-term environmental and social performance expectations across global markets.







OUR VALUE CHAIN AND OPERATING MODEL



How Our Systems Work

MG Apparel operates through an integrated value chain that connects raw material sourcing, manufacturing, product development, and global distribution. Sustainability is embedded across each stage of this system, allowing environmental and social considerations to be managed alongside operational performance.

Raw Material Sourcing (Farm level)

The value chain begins with cotton sourcing, where MG Apparel works within a structured ecosystem supported by Mahmood Group, enabling alignment with sustainable agricultural practices. Through partnerships and field-level programs, cotton is cultivated under Better Cotton, organic, and regenerative frameworks.

These programs focus on improving soil health, reducing chemical inputs, and strengthening long-term farm productivity. At the same time, they are designed to enhance farmer livelihoods through training, access to better inputs, and improved market linkages.

Traceability systems are being developed to connect farm level production with downstream manufacturing. This enables greater visibility across the supply chain and supports evolving global requirements around responsible sourcing and product transparency.



Material Processing and Manufacturing (Factory Level)

Raw materials are converted into finished garments within a centralized manufacturing facility to integrate efficiency with environmental performance.

Production systems are supported by digital workflows, automated processes, and real-time monitoring, allowing for greater control over output quality and resource utilization.

Sustainability is embedded at this stage through multiple operational systems:

- Renewable energy integration supporting reduced reliance on conventional power sources.

- Water management infrastructure, including treatment and recycling systems aligned with Zero Liquid Discharge (ZLD) principles.
- Process optimization technologies that reduce water, chemical, and energy consumption
- Infrastructure designed to meet globally recognized green building standards.

Workforce systems are also a central component of operations. With women representing a significant proportion of employees, the manufacturing environment is supported by structured training, skill development, and workplace safety programs that enable participation across functions.



Product Development and Production

Product development is supported by digital design and prototyping systems that improve efficiency while reducing material waste and development timelines.

Material selection increasingly incorporates sustainable inputs, including organic and recycled fibers, aligned with broader sourcing strategies. Process level improvements, including advanced finishing techniques and optimized production methods, contribute to reducing the environmental footprint of each garment.

The integration of design, development, and production systems allows for consistency in quality while supporting responsible manufacturing practices.

Distribution and Customer Engagement

Finished products are supplied to global markets through established export channels, supported by compliance systems and quality assurance processes.

Increasing emphasis is being placed on supply chain transparency, with systems being developed to enable traceability from raw material to finished product. This aligns with emerging regulatory and customer requirements, including digital product passports and enhanced disclosure expectations.

Supplier engagement programs are also integrated into this stage, focusing on data transparency, aligning sustainability standards, and supporting emission reduction efforts across the broader value chain.

An Integrated System

Across each stage of the value chain, sustainability is not managed as a separate function but as part of operational decision-making. From farm-level sourcing to final delivery, systems are designed to improve efficiency, reduce impact, and strengthen accountability.

This integrated approach allows MG Apparel to connect upstream agricultural practices with downstream manufacturing and distribution, creating a value chain that is both traceable and aligned with long-term environmental and social performance expectations.





OPERATIONAL SUSTAINABILITY FRAMEWORK

03

What We Focus On

MG Apparel's sustainability approach is structured around key operational areas where environmental and social impacts are most directly linked to business activities. These focus areas are aligned with the company's value chain and guide how performance is measured, managed, and improved over time.

Rather than operating as separate initiatives, these priorities are integrated into sourcing, manufacturing, workforce systems, and governance structures.

"

Sustainability is embedded into how systems are designed, how decisions are made, and how performance is measured across operations.

"



Responsible Materials and Sourcing

The foundation of MG Apparel's value chain lies in the sourcing of raw materials, particularly cotton. The company works within structured sourcing programs that include Better Cotton, organic, and regenerative agricultural frameworks

These programs are designed to improve soil health, reduce reliance on chemical inputs, and promote more efficient use of natural resources. At the same time, they support farmer livelihoods through training, access to improved inputs, and stronger market linkages.

Efforts are also underway to strengthen traceability systems, enabling greater visibility from farm-level production through to finished goods. This supports evolving global requirements around responsible sourcing, transparency, and product-level accountability.

People and Workforce systems

Workforce systems are a central component of MG Apparel's operations. The company's employment model emphasizes inclusion, with women representing a significant portion of the workforce.

This is supported through structured training programs, skill development initiatives, and leadership pathways that enable participation across operational and managerial roles. Programs such as **Lighthouse**, **ReviveHer**, **Beena**, and **Nisaab** contribute to capacity building and long-term professional development.

Workplace safety, health, and well-being are maintained through formal systems that include regular training, monitoring, and access to health services. These systems are aligned with local regulations and international labor standards.



Governance and Accountability

Sustainability is governed through defined structures that integrate environmental and social considerations into business decision-making.

Oversight is provided at the leadership level, supported by a cross-functional sustainability committee responsible for implementation, monitoring, and continuous improvement. ESG-related performance is increasingly integrated into operational metrics and internal reporting systems.

The company maintains alignment with internationally recognized standards and frameworks, including environmental certifications, labor compliance systems, and reporting initiatives. Supplier engagement programs further extend these expectations across the value chain, supporting transparency and accountability beyond internal operations.



A Structured Approach

These focus areas provide a consistent framework for managing sustainability across the organization. Each subsequent section of this report extends on these priorities, outlining the systems, initiatives, and data that defines MG Apparel's performance during the year.





MANAGING ENVIRONMENTAL IMPACT

04

Climate and Resource Management

MG Apparel manages environmental performance through integrated systems that focus on energy use, water stewardship, resource efficiency, and process optimization. These systems are designed to reduce operational intensity while maintaining production, performance, supported by infrastructure, monitoring mechanisms, and continuous improvement initiatives.

"Energy systems are being optimized to reduce carbon intensity across operations."

7.15%

ANNUAL EMISSIONS REDUCTION

2 MW

RENEWABLE ENERGY CAPACITY

80%

WASTEWATER RECYCLED

60 m³/hr

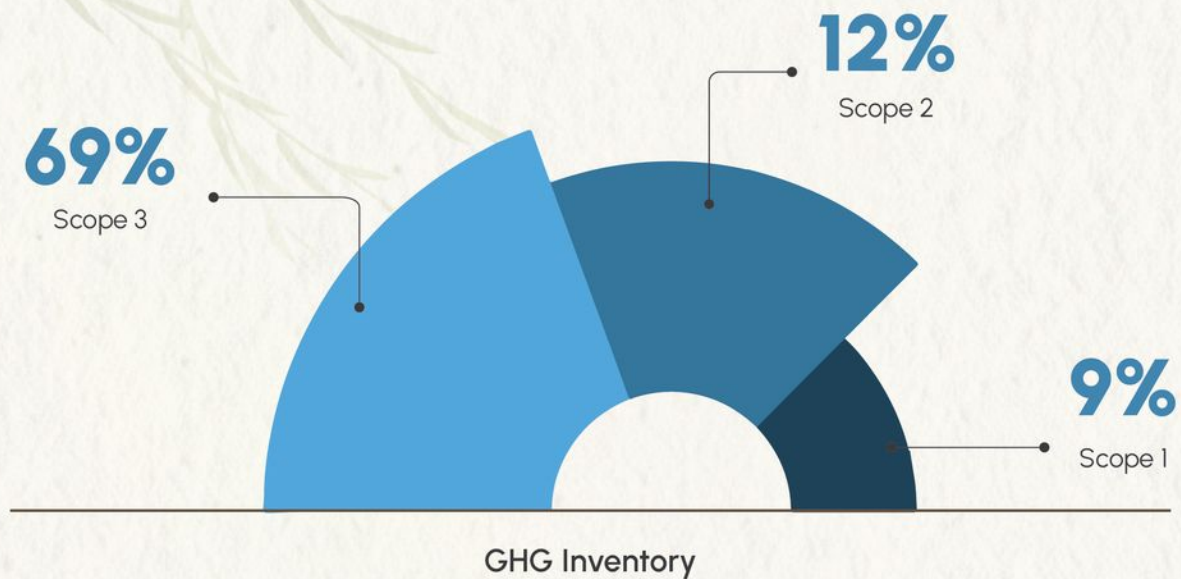
ETP CAPACITY



Climate and Energy

MG Apparel monitors greenhouse gas (GHG) emissions across Scope 1, Scope 2, and Scope 3 categories, covering fuel consumption, electricity use, and upstream supply chain activities. This provides a baseline for managing emissions and defining reduction pathways.

Current emissions distribution indicates that a significant portion originates from the supply chain (Scope 3), followed by direct and indirect operational emissions. During the year, overall emissions were reduced through a combination of energy transition and efficiency measures.



Zero Liquid Discharge (ZLD)

The facility operates in alignment with Zero Liquid Discharge (ZLD) principles, ensuring that wastewater is treated and reused within operations. This is supported by an Effluent Treatment Plant (ETP) with defined treatment capacity and recycling systems that enable reuse of water in the production processes.



Key Actions:

- Low liquor ratio washing systems
- Water recycling infrastructure
- Advanced treatment systems for compliance and reuse

These systems reduce dependency on freshwater sources while maintaining process efficiency and compliance with environmental standards.

Resource Efficiency and Waste Management

Resource efficiency is managed through process optimization, waste reduction initiatives, and external partnerships supporting circular practices.

- Waste heat recovery contributing to emission reduction
- Facility-wide efficiency measures improving resource utilization
- Employee-led initiatives supporting waste reduction

Sustainable Production Processes

Production processes are continuously refined to reduce the use of water, chemicals, and energy while maintaining product quality.

Key Technologies:

- Laser finishing systems
- Ozone-based processing
- Low-liquor ratio washing
- Automated cutting and production systems

Compliance Alignment

- ZDHC-aligned chemical management
- Controlled input usage across processes

Ø ZDHC

"Environmental performance is managed through systems integrated into operations, not isolated initiatives."





DAMN GOOD DENIM



WORKFORCE SYSTEMS AND INCLUSION



05

People and Workplace Systems

MG Apparel's workforce systems are built around participation, skill development, and workplace safety with a focus on creating stable and long-term pathways for employment.

As a labor-intensive industry, workforce structure directly shapes both operational performance and social impact. This is reflected in how hiring, training, and workplace practices are designed across the organization.

Workforce Composition and Inclusion

A defining feature of MG Apparel's workforce is its composition, with approximately 65% women employees across operations. This is not limited to entry-level roles. Women are present across production lines, technical functions, and supervisory positions.

For many employees, this represents entry into formal employment for the first time. Over time, participation extends beyond initial roles through structured training systems and internal mobility pathways that support progression.

This approach allows workforce inclusion to move beyond hiring into sustained participation within the organization.



Skills Development and Capacity Building

Training programs focused on professional development, leadership awareness, and workplace readiness.

Lighthouse

Skill enhancement and literacy programs designed primarily for non-management employees.

Beena & Nisaab

A structured training pathway providing technical stitching skills, with employment opportunities upon completion

Skill Sphere

Programs supporting increased participation of women in technical and innovation-related areas.

STEM-Focused Initiatives

These programs are designed to support long-term employability, improve productivity, and enable progression within the organization.

In addition to technical training, employees are also engaged through awareness sessions focused on sustainability practices, digital literacy, and workplace conduct, contributing to a more informed and capable workforce.

Health, Safety, and Well-being

Workplace health and safety are managed through formal systems aligned with regulatory requirements and internal standards.

Key measures include:



On-site medical support and dispensary facilities providing immediate healthcare access.



Regular health, safety, and environment (HSE) training sessions for employees.



Access to digital health platforms to support ongoing medical consultation.



Fire safety drills conducted in coordination with local emergency services.

Safety protocols, including the use of Personal Protective Equipment (PPE) and regular monitoring systems are implemented across operations to minimize workplace risks.

These systems are designed to maintain a safe working environment while supporting employee well-being and operational continuity

Inclusive Workplace Practices

MG Apparel's workplace systems extend beyond employment to include broader inclusion and engagement practices.

1

Programs supporting the return of women to the workforce after career breaks.

2

Awareness sessions addressing workplace challenges and promoting gender equality.

3

Training and engagement activities designed for employees with disabilities, including accessible communication formats.

4

Campaigns aligned with global initiatives, such as awareness programs addressing gender-based challenges in the workplace.

Employee engagement is further supported through structured interactions, training sessions, and internal initiatives that encourage participation and dialogue.

These efforts contribute to building a workplace environment that supports inclusion, accessibility, and long-term employee retention.



A Workforce-Centered Approach

Workforce systems at MG Apparel are built to support both operational performance and employee development. By integrating training, inclusion, and safety into daily operations, the company aims to create an environment where employees are equipped to contribute effectively and progress within the organization.





A photograph of a cotton field with white bolls ready for harvest. The sky is blue with some clouds. The text "FROM FARM TO FABRIC" is in the top right corner.

FROM FARM
TO FABRIC

06

Responsible Sourcing & Traceability

MG Apparel's supply chain extends beyond manufacturing to include direct engagement at the raw material level. Cotton, as the primary input, forms the starting point of this system, linking agricultural practices with industrial production.



"Engagement at the farm level connects agricultural practices directly with manufacturing systems."

Cotton sourcing and Agricultural Programs

Cotton sourcing is structured through programs including Better Cotton, organic, and regenerative agriculture, implemented across multiple regions.

These programs influence how cotton is grown, with a focus on improving soil health, managing water use more efficiently, and reducing dependence on chemical inputs. Over time, this supports the development of more stable and resilient farming systems.



14,928 MT

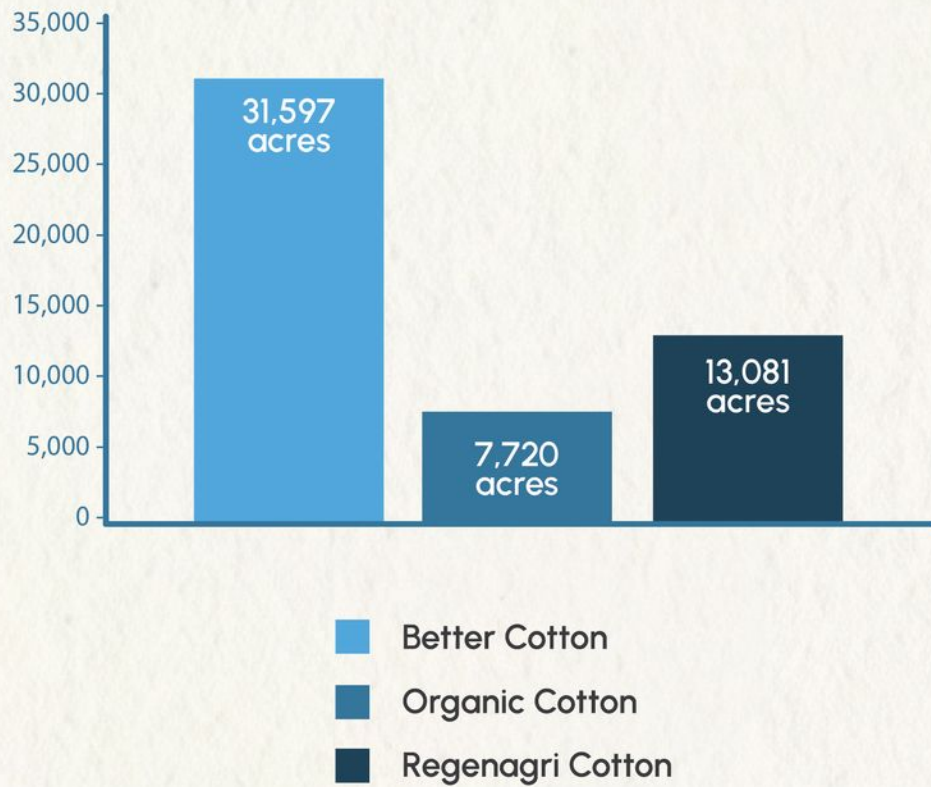
Sustainable Cotton Produced



52,748

Acres Under Sustainable Cultivation

Program Breakdown



Farmer Engagement and Impact

Sustainable sourcing is supported through direct engagement with farming communities. Training programs focus on improving agricultural practices, input management, and crop quality.

These efforts are complemented by initiatives addressing financial literacy, health awareness, and community development.

Supporting improved productivity and participation in structured supply chains



Capacity
Building Programs



Improved Access
to Structured Markets

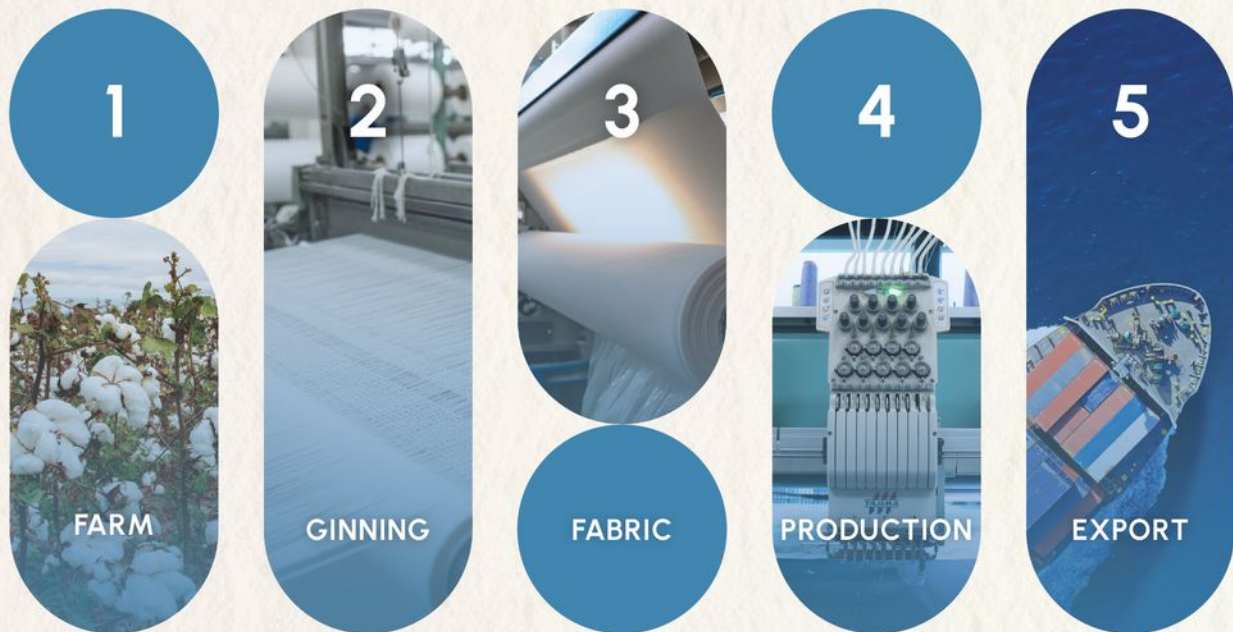


Community-led
Support Initiatives

Traceability and Supply Chain Integration

Traceability systems are being developed to link farm-level production with downstream manufacturing processes.

Digital platforms and monitoring systems support material tracking across stages, aligning with evolving global requirements around transparency and product-level accountability.



Traceability in Progress

Systems being developed to enable product-level visibility and compliance with emerging global requirements.

Partnerships and Industry Collaboration

The cotton ecosystem is supported through partnerships with industry organizations, certification bodies, and global initiatives.

These collaborations enable:

- Adoption of standardized practices
- Access to technical expertise
- Alignment with international sustainability frameworks.



"Sustainability at the source strengthens consistency, traceability, and long-term supply chain performance."

By connecting farm-level practices with manufacturing systems, MG Apparel is building a supply chain that is both traceable and operationally aligned.





A full-page background image of a dense forest. The scene is misty, with a blue-green color palette. The trees are silhouetted against a lighter, hazy sky. The overall mood is serene and atmospheric.

GOVERNANCE SYSTEMS

07

How We Govern and Stay Accountable

Sustainability at MG Apparel is managed through defined governance structures that integrate environmental and social considerations into business operations. Oversight is maintained at leadership level, supported by cross-functional systems that ensure implementation, monitoring, and continuous improvement.

Governance Structure

Overall responsibility for sustainability rests with senior leadership, with strategic direction provided at executive level. This ensures that sustainability priorities are aligned with broader business objectives and operational planning.

A dedicated sustainability function supports the development and execution of initiatives, working across departments to integrate sustainability into day-to-day operations.

ESG Oversight and Implementation

Implementation is supported through a cross-functional sustainability committee comprising representatives from key operational areas, including manufacturing, procurement, human resources, compliance, and engineering.

This structure enables:

- Coordination across departments
- Monitoring of progress against defined priorities
- Integration of sustainability considerations into operational decision making

An extended ESG task force further supports execution by embedding sustainability responsibilities within functional teams, ensuring that initiatives are implemented at the operational level.



Policies, Compliance, and Certifications

MG Apparel aligns its operations with internationally recognized standards and certification systems across environmental and social areas.



The BHive®



Key areas of alignment include:

- Environmental management systems and green building standards
- Chemical management and wastewater compliance frameworks
- Labor and workplace standards aligned with global compliance requirements
- Product and material certifications supporting responsible sourcing.

These frameworks provide structured guidance for maintaining compliance, managing risk, and improving performance across operations.

Transparency and Reporting

Transparency is supported through internal monitoring systems, regular performance tracking, and structured reporting practices. The company is working toward aligning its disclosures with globally recognized sustainability reporting frameworks, enabling consistent measurement and communication of environmental and social performance.

Supplier chain engagement programs extend these expectations across the value chain by:

- Collecting sustainability-related data
- Promoting alignment with environmental and social standards
- Supporting continuous improvement through collaboration

These systems contribute to improved visibility, accountability, and consistency across both internal operations and external partnerships.

A Structured Governance Approach

Governance at MG Apparel is designed to ensure that sustainability is not managed as a separate function, but as an integrated part of business operations. Clear roles, defined systems, and alignment with recognized standards support consistent implementation and accountability across the organization.





TARGETS AND IMPLEMENTATION

08

What We are Working Towards

Targets and Roadmap

MG Apparel's sustainability targets are aligned with long-term environmental and social priorities across its value chain. These targets are supported by defined timelines, operational initiatives, and continuous monitoring systems.

Climate Targets

MG Apparel is committed to achieving Net Zero emissions by 2050, aligned with global climate goals and the Science Based Targets initiative (SBTi).



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET
ZERO
STANDARD

Approved Net-Zero Targets



NEAR AND MID-TERM TARGETS INCLUDE

- MG Apparel commits to reduce absolute scope 1 and 2 GHG emissions **51% by 2032**.
- MG Apparel commits to reduce absolute scope 3 GHG emissions **30% by 2032**
- Implement structured programs to address Scope 3 emissions, including supplier engagement and traceability systems
- Achieve significant reductions in value chain emissions through collaboration with upstream partners

Energy and Operational Efficiency Targets

- Increase the share of renewable energy within operations through expanded on-site generation and energy transition initiatives.
- Improve energy efficiency across production systems through technology upgrades and process optimization.



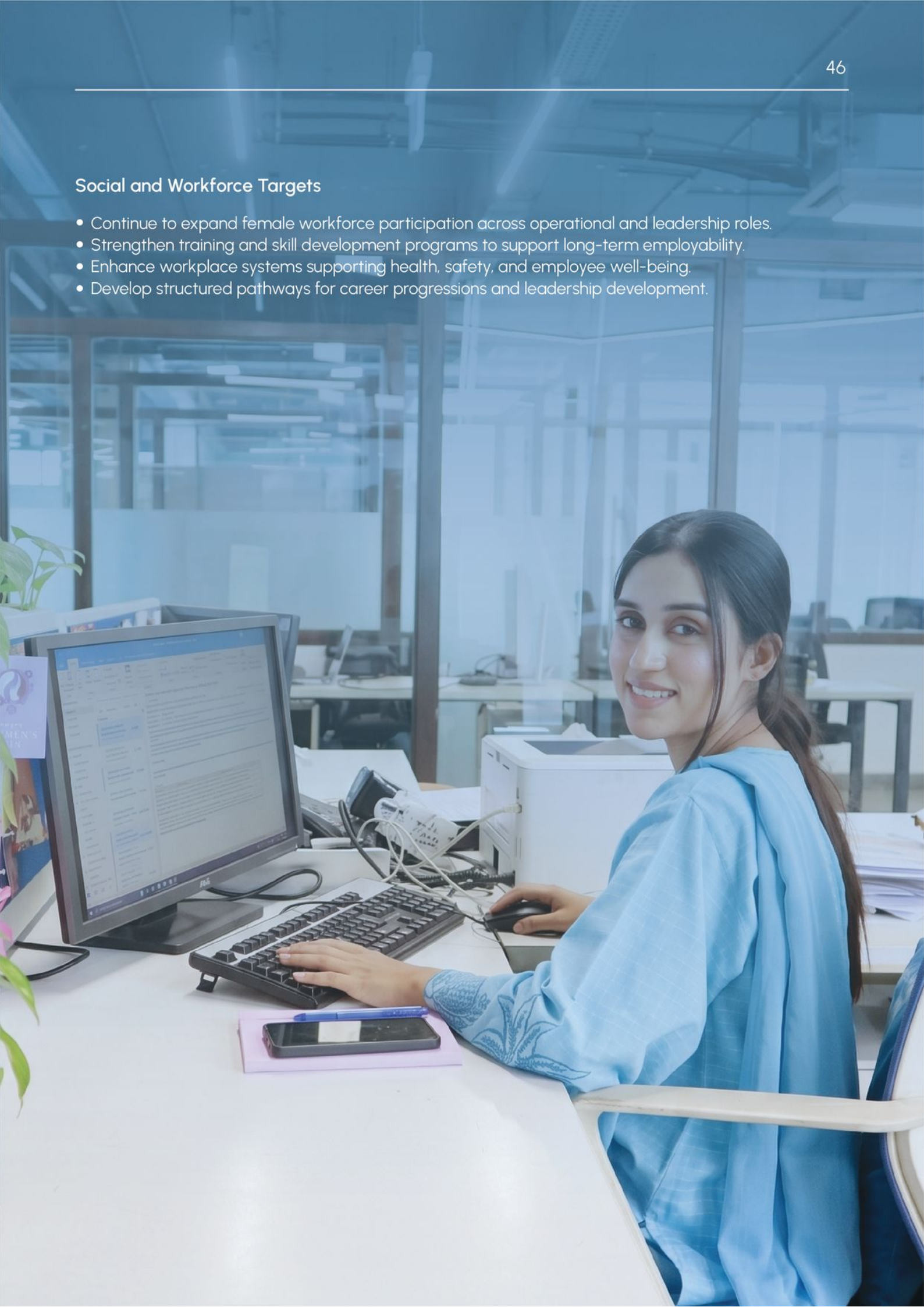
Water and Resource Management Targets

- Maintain and expand Zero Liquid Discharge (ZLD) systems across operations
- Reduce freshwater consumption through process optimization and recycling systems
- Increase the use of sustainable and recycled materials within production
- Strengthen waste reduction practices and improve material utilization across manufacturing processes

Ø ZDHC

Social and Workforce Targets

- Continue to expand female workforce participation across operational and leadership roles.
- Strengthen training and skill development programs to support long-term employability.
- Enhance workplace systems supporting health, safety, and employee well-being.
- Develop structured pathways for career progressions and leadership development.



Implementation Milestones

MG Apparel's roadmap is supported by defined milestones that guide implementation:

2026 Ensuring digitalized traceability & significant emission reduction
Expand organic cotton sourcing through increased acreage and farmer participation.

2032 Achieve 51% reduction in Scope 1 and Scope 2 Emissions, with 30% reduction in Scope 3 emissions.

2035 Achieve 100% renewable energy integration across operations

2040 Achieve significant reduction in Scope 3 emissions through supplier engagement.

2050 Achieve Net Zero emissions across the value chain



A Structured Path Forward

These targets are integrated into MG Apparel's operational planning and performance monitoring systems. Progress is supported through continuous data tracking, cross-functional accountability, and alignment with evolving industry standards.





DATA AND DISCLOSURES

09

Data, Metrics, and Disclosures

MG Apparel tracks environmental and social performance through defined metrics across emissions, energy, water, workforce, and supply chain systems. The following data reflects performance for FY 2024-25, based on available internal monitoring systems and operational records.

Greenhouse Gas Emissions

19%



Scope 1

12%



Scope 2

69%



Scope 3

Target Annual Emissions Reduction: 7.2% for scope 1 & 2, for scope 3 - 4.2% (year-on-year)

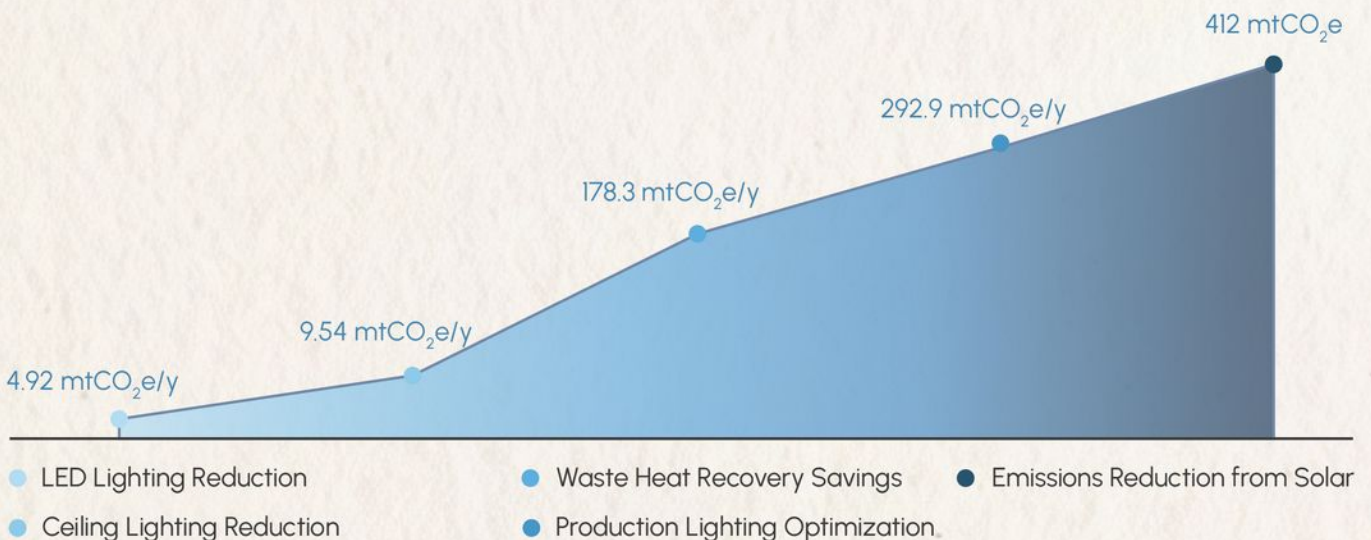
Energy Performance

2MW

1,455,305 kWh

Renewable Energy Capacity

Annual Electricity Reduction



Water Management

56 liters/garment

Denim Water Consumption

28 liters/garment

Non-Denim Water Consumption

60 m³/hour

Effluent Treatment Plant Capacity

80%

Wastewater Recycled

12,000 gallons

Rainwater Harvesting Capacity



Resource Efficiency and Environmental Measures

178.3 tons CO₂e reduction/year

Waste Heat Recovery Boiler

~45 tons CO₂e reduction

Miyawaki Plantation

~110 tons CO₂e reduction

EV Charging Infrastructure

~50 tons CO₂e reduction

Rainwater Harvesting

Sustainable Sourcing and Agriculture



12,372

Farmers Engaged



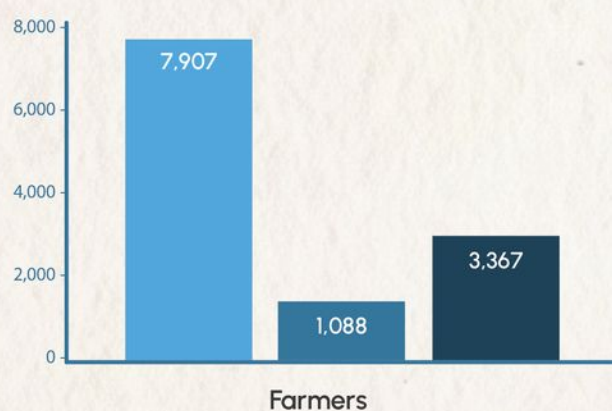
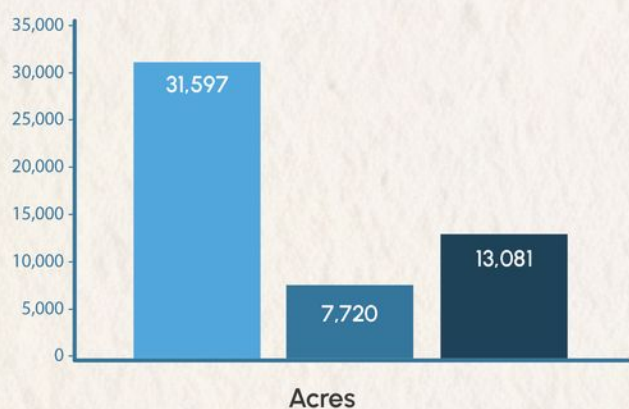
14,928 MT

Sustainable Cotton Produced



52,748

Acres Under Sustainable Cultivation



Better Cotton



Organic Cotton



Regenagri Cotton

Workforce and Social Metrics

~3,100 Employees

Total Workforce

~65%

Female Workforce Participation

1,500 Employees

HSE Training Beneficiaries

800+

Employees Impacted by Women Programs

550,000 Individuals

Community Healthcare Reach

500,000+ Individuals

Clean Water Access (RO Plants)



Certifications and Standards

Social Compliance:



Environmental:



Quality & Safety:



Sustainable Material:



Product:



Cotton:



Assessments & Reporting Platforms:



Digital Traceability & Sustainability Platforms:



Data Approach

Data presented in this section is based on internal monitoring systems, operational tracking, and program-level reporting. MG Apparel continues to strengthen its data collection and verification systems to improve accuracy, consistency, and alignment with global reporting frameworks.



A close-up photograph of a young boy with dark hair, wearing a white school shirt and a dark tie. He is looking down at a white piece of paper he is holding. He has a slight smile and a small dark mark on his cheek. In the background, another child is partially visible, and there is a stone wall on the left.

COMMUNITY
IMPACT

10

MG Apparel's community initiatives are focused on extending beyond factory operations, with programs designed around education, healthcare, access to basic services, and community well-being. These efforts are implemented through partnerships, on-ground programs, and long-term engagement in surrounding regions.

Education and Skill Development

Education initiatives are centered on improving access to quality learning in underserved areas, while also supporting skill development for long-term economic participation.

In collaboration with partner organizations, MG Apparel supports schools in regions including Muzaffargarh and Kabirwala, providing infrastructure and operational support to enable consistent access to education.

- **1,500+ students** supported through school programs.
- Scholarships and financial support provided to children of employees.
- Investment in school infrastructure, including digital learning resources and clean water access.



Additional engagement includes student-focused activities such as environmental awareness programs, competitions, and learning events designed to build early understanding of sustainability.

Health and Well-being

Healthcare initiatives are focused on improving access to essential services for both employees and surrounding communities.

Through partnerships with healthcare providers and organizations, MG Apparel supports awareness programs, medical access, and preventive care initiatives.

- **550,000+** individuals reached through healthcare programs.
- On-ground awareness sessions conducted in collaboration with healthcare institutions.
- Blood donation drives and community health initiatives supporting vulnerable groups.
- **500,000+** individuals provided access to clean water through RO plant installations.

Women Empowerment and Community Inclusion

Community programs extend the company's focus on inclusion beyond the workplace, particularly through initiatives supporting women's development.

Programs are designed to build skills, improve financial independence, and enable participation in economic activities. These include training in areas such as small-scale entrepreneurship, sustainable practices, and household-level resource management.



- 800+ individuals impacted through women-focused community initiatives
- Training programs include kitchen gardening, composting, and income-support activities.

These initiatives are designed to strengthen household resilience while creating pathways for broader social and economic participation.

Community Infrastructure and Engagement

MG Apparel supports local communities through initiatives focused on infrastructure, environmental improvement, and youth engagement.

Key areas include:

- Tree plantation drives across operational regions
- Support for local infrastructure such as roads and public spaces
- Waste management awareness and community cleanliness initiatives

Youth engagement is supported through structured events, including:

- Educational competitions and environmental awareness programs.
- Sports initiatives and partnerships promoting community participation.

These efforts contribute to improving local living conditions while encouraging community involvement in sustainability practices.





A photograph of a large ocean wave with white foam, under a cloudy sky, with blurred grass in the foreground.

APPENDIX

This section provides supplementary information supporting MG Apparel's sustainability systems, certifications, and operational frameworks..

Certifications and Standards

MG Apparel aligns with a range of internationally recognized certifications and standards across environment, social, and product-level compliance.

- **Environmental and Facility Standards**
 - LEED Platinum Certification (87 points)
 - ISO 14001 (Environmental Management Systems)
- **Product and Material Certifications**
 - Global Organic Textile Standard (GOTS)
 - Global Recycled Standard (GRS)
 - Recycled Claim Standard (RCS)
 - Organic Content Standard (OCS)
 - OEKO-TEX (Conventional and Recycled)
- **Social and Compliance standards**
 - WRAP (Worldwide Responsible Accredited Production)
 - BSCI (Business Social Compliance Initiative)
 - SLCP (Social & Labor Convergence Program)
- **Industry Tools and Platforms**
 - Higg Index (FEM, FSLM)
 - ZDHC (Zero Discharge of Hazardous Chemicals)
 - Bhive

Memberships and Industry Engagement

MG Apparel participates in industry platforms and collaborative initiatives to strengthen alignment with global sustainability practices.

- United Nations Global Compact (UNGC)
- Women's Empowerment Principles (WEPs)
- Pakistan Business Council (PBC - CERB)
- All Pakistan Textile Mills Association (APTMA)
- Better Cotton Initiatives (BCI)
- Organic Cotton Accelerator (OCA)
- GIZ
- Accord

Memberships and Industry Engagement

MG Apparel engages in multiple collaborative initiatives across sourcing, sustainability, and innovation.

- Cotton sourcing programs (Better Cotton, Organic, Regenerative)
- Industry collaborations supporting traceability and compliance
- Partnerships supporting healthcare, education, and workforce development
- Digital systems supporting supply chain transparency

Awards and Recognitions

- Gender Diversity & Women Empowerment Recognition (EFP)
- Pay Equity & Fair Wage Recognition (IFC - PBC)
- Innovative Recognition (GIZ - Textile Industry Sustainability Forum)
- Industry engagement through sustainability forums and collaborative platforms

ESG Governance Structure

Sustainability governance is supported by a cross-functional ESG task force comprising representatives from:

- Sustainability and CSR
- Compliance, HSE, and Administration
- Corporate Affairs
- Human Resources
- Manufacturing (Cutting, stitching, washing, Finishing)
- Engineering and Utilities
- Powerhouse Operation
- Fabric Sourcing
- Sales and Marketing
- Quality Assurance and Quality Control

This structure enables implementation across operational functions and supports monitoring of ESG related initiatives.



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