



BUILDING A
SUSTAINABLE
WORLD

2020
Sustainability Report

BUILDING A
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WORLD

Interloop's reason for existence is to Build a Sustainable World through Positive Change for its Stakeholders, by taking initiatives focused on People, Planet & Prosperity, while pursuing Business with Ethics & Integrity.

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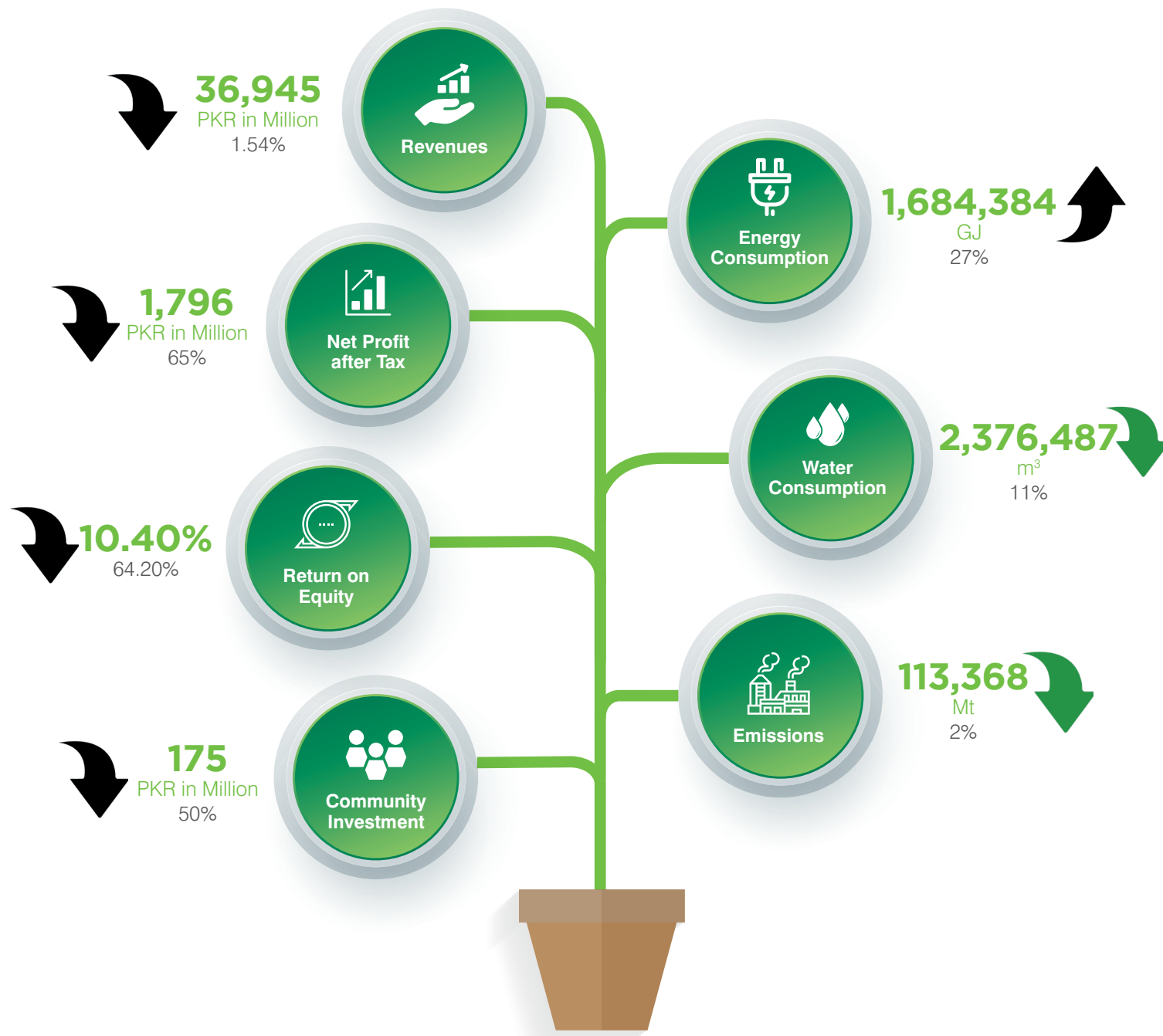


Collaborative Work Environment

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OVERVIEW

KEY PERFORMANCE HIGHLIGHTS



*The above percentages are in comparison with FY 2019

ABOUT THE REPORT

This is Interloop's third Sustainability Report. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards at Core Level. The Report also complies with the requirements of the Sustainability Accounting Standards Board's (SASB) Apparel, Accessories and Footwear Sustainability Accounting Standard to provide stakeholders a complete overview of Interloop's sustainability impacts and its contribution towards the goal of Sustainable Development. The report covers how Interloop is contributing to the United Nations' Sustainable Development Goals through its operational activities and community development initiatives.

Scope and Boundary

The sustainability report contains information about Interloop Limited's operations from July 01, 2019, to June 30, 2020. The last sustainability report covering the period July 01, 2018, to June 30, 2019, was published on April 1, 2020. The information included in this report encompasses Interloop Limited's operating divisions including Spinning, Yarn Dyeing, Knitting, Finishing and Denim but does not cover the information on the impacts of its subsidiary companies. Moreover, the information on impacts within the supply chain is also not included due to non-availability of reliable data.

Report Content

The contents of the report, including material topics, have been derived as per the requirements of GRI Sustainability Reporting Standards, impacts of our operations as well as our engagement with important stakeholder groups. More details about consultation and determination of material topics are available on pages 42-44 of this report.

Methodology and Data Quality

The data included in the report has been recorded on actual basis. However, where data is not available, estimation has been used. All such estimations have been clearly mentioned at respective places. The data related to environmental impacts has been obtained from the Sustainability Cell which is responsible for measuring and monitoring environmental impact and progress against the targets. The sustainability report is part of Interloop Limited's annual reporting process.

Assurance

The Sustainability Cell and the Management Committee review the report annually. The report is not reviewed independently by a third-party assurer. However, Interloop is interested in getting independent reviews of future sustainability reports. The GRI Index is available on page 100 of this report. The report is

available in printed as well as PDF (e-copy) form. The PDF form is the most updated version which can be accessed at www.interloop-pk.com. Stakeholders' input on the report helps to keep our reporting relevant for our stakeholders' decision-making needs. The sustainability team can be reached at the following address:

Muhammad Fauz Ul Azeem

DGM Textile Chemistry & Compliance
Phone: +92-41-4360400
Email: sustainability@interloop.com.pk

MESSAGE FROM THE CHAIRMAN

COVID-19 pandemic, being the greatest challenge during 2020, has been a disaster beyond anything experienced in nearly a century, and has evolved into a global health & economic crisis, disrupting the lives of millions of people and severely affecting the \$90 trillion global economy due to global lockdowns. It has changed the way we live and do business - A New Normal! Coupled with prevailing challenges of poverty and hunger, rising inequalities, climate change, and non-availability of clean water, the pandemic has not only put enormous pressure on the companies to ensure business continuity but has also raised expectations from them, for playing yet a bigger role in managing global challenges.

At Interloop, our sustainability strategy to deliver shared value for our stakeholders and our role as a leading player in hosiery business in the global supply chain is guided by our Mission, "to be an agent of positive change for the stakeholders and community by pursuing an ethical and sustainable business". Being a purpose-driven organization, our foremost priority is business continuity, with responsible and ethical practices in our commercial activities and our relationships with our stakeholders.

Today, Interloop is considered a responsible partner by top brands and retailers worldwide, because

since inception, our topmost priority has always been to support the society and the environment along with providing quality products and services to our customers, consistently. We follow a Triple Bottom Line Sustainability Philosophy, focusing on People, Planet & Prosperity.

Our People Targets 2021 drive our approach to ensure health and safety of our people, nurturing talent, and improving the well-being of our workforce and communities. We continued our strategy of supporting our people and the communities, especially in the wake of the COVID-19 pandemic, despite challenges in profitability this year, owing to global lockdowns. We have been able to transform the lives of thousands of households and enabled many more live fulfilling and healthier lives by investing PKR 1.50 billion in community-based initiatives including education, health, sports and literary activities, over the last decade.

Our focus on conserving the environment, and safeguarding the health & safety of our communities underscores our sustainability approach. The performance against our Planet Targets 2021, which were mainly defined for our hosiery business, has resulted in reducing the environmental footprint of our hosiery function over the years, through

efficient management of water and energy consumption, effluent waste, and reduced GHG emissions. The sustainability practices to reduce the environmental impact of our other business segments are in line with prevailing best practices. Our next five years' targets will cover all business segments of Interloop Limited, for efficient management and greater reduction of the environmental impacts.

Tough economic & market conditions, escalated by a halt in production facilities and disruption in the supply chain on account of COVID-19 pandemic, year 2020 has been very challenging for Interloop, resulting in reduced sales and profitability. However, our teams across all categories have worked diligently to manage their businesses during this uncertainty. We are witnessing a resurgence in the business with a strong outlook for Hosiery and improvement in the Denim, Knitwear and Seamless categories. Though watchful of the expected second wave of the pandemic, we are confident to perform better in these difficult and uncertain economic conditions.

Transparency drives stakeholders' trust and is vital for our existence as a responsible corporate entity. We follow the world's most widely used

sustainability reporting standards "GRI Standards" along with "Sustainability Accounting Standards Boards" "Apparel, Accessories, and Footwear Standard" to better communicate our impacts and contributions towards the goal of sustainable development. Although our business practices and sustainability initiatives impact several of the UNDP's Sustainable Development Goals, our report manifests our alignment and contribution to 9 SDGs which are either more relevant to our business or are high priority areas for our social and environmental uplift focus. We plan to embed these SDGs into our strategies for even greater contribution and impact.

Your input is vital for our success and guidance to deliver shared value to all our stakeholders.



Musadaq Zulqarnain
Chairman



INTERLOOP AND SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The COVID-19 pandemic has caused massive human suffering globally as people fell sick or succumbed to this viral disease and economies crashed due to worldwide shutdowns, affecting billions of lives. The pandemic has presented both challenges as well as opportunities to achieve the 2030 agenda of sustainable development and manifests that the challenges faced by humanity cannot be dealt in isolation. It requires innovative solutions and collective action by the governments and the private sector. We support the government's efforts to achieve the targets under the national priority SDGs and have devised strategies at Interloop to contribute to the SDGs which are most relevant to our operations.

Our Management Policies and Targets support 9 SDGs against which the progress of our sustainability initiatives can be measured and reported, warranting our valuable contribution to the world. Our contribution towards SDGs can be found in relevant sections of the report. The KPIs against each SDG can be referred from the SDGs Index available on page 106 of this report.

Alignment with SDGs

Governance



People



Planet



Prosperity



CORPORATE LEADERSHIP CONVERSATION ON SDGs



Interloop participated in the Corporate Leadership Conversation on SDGs to showcase and share the best practices we have adopted to manage sustainability impacts and support Sustainable Development Goals. Fauz ul Azeem, DGM Textile Chemistry &

Compliance presented Interloop's approach towards the SDGs to the audience. This year's theme of Corporate Leadership Conversation was Climate Change and Chemical Sector SDGs, in line with World Business Council for Sustainable Development (WBCSD), and

Chemical Sector SDG Road Map. The conversation was organized by Fauji Fertilizer Company, Ministry of Climate Change, United Nations Development Programme, Planning Commissions, and Corporate Social Responsibility Centre Pakistan.





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Nourishing Workforce

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**ABOUT
INTERLOOP**

OUR JOURNEY

1992

Commencement of Interloop Operations at Faisalabad with 10 Knitting Machines



2012

Set up Interloop China Office to source top quality yarns, dyes, chemicals & other raw materials cost effectively and to ensure better lead time



2000

Established 2nd Unit with addition of 400 Knitting Machines



2011

Established Hosiery Plant 3 at Lahore through acquisition, with current monthly production capacity of 11.3 million pairs of socks



2003

Established vertically integrated Hosiery Plant 1 at Faisalabad with current monthly production capacity of 13.7 million pairs of socks



2010

Established IL Bangla Limited, Bangladesh, a vertically integrated Hosiery Plant with current monthly production capacity of 2.5 million pairs of socks



2005

Established Spinning Unit - I at Interloop Industrial Park (IIP), Faisalabad comprising 20,400 spindles



2009

Created business alliance with Euro Sox Plus, Netherlands to provide sales, marketing, market intelligence, design, logistics, warehousing and distribution services to customers in Europe & UK



2006

Established vertically integrated Hosiery Plant 2 at IIP, Faisalabad with current monthly production capacity of 18.5 million pairs of socks



2006

Established Yarn Dyeing Division at IIP, Faisalabad with current dyeing capacity of 405,000 kgs / month



2007

Established Interloop North America; an affiliate and exclusive North American representative of Interloop Limited to provide trend analysis, design & product development, sales, marketing, warehousing & logistic services



OUR JOURNEY



2013

As part of business diversification strategy, established Interloop Dairies Limited

2014

Inaugurated Interloop Spinning Unit - II at IIP, Faisalabad comprising 26,304 spindles



2014

Set-up a dedicated Vertical Sampling Facility at IIP, Faisalabad

2017

Expanded Hosiery Manufacturing footprint to Sri Lanka through affiliation with Texlan Center (Pvt.) Ltd. with current monthly production capacity of 3.10 million pairs of socks



2017

Set-up a dedicated Tights & Leggings Production Unit at Plant 1, Faisalabad with monthly production capacity of 0.45 million pieces



2017

Constructed the New Distribution Center at IIP, Faisalabad with storage capacity of around 26.4 million pairs of socks



2017

15.4 MW Interloop Power Plant based on Tri-Fuel Engines was setup at IIP, Faisalabad to cater to energy requirements of existing facilities and new extensions



2019

Established Interloop Denim Apparel manufacturing plant at Lahore, designed as per LEED Platinum Standards. The Plant commenced operations in Dec 2019 with current production capacity of 500,000 pcs per month and planned capacity of 1 million pcs per month by 2021

2019

Installed 2.0 MW Grid Tied Solar Power Generation System at Hosiery Plant 4 & Spinning, IIP; a renewable energy venture focused at reducing around 1,500 tons of Carbon Emissions annually



2019

Held the largest private sector IPO in Pakistan's history and listed at Pakistan Stock Exchange (PSX) as the Largest Textile Company by Market Capitalization



2019

Established Hosiery Plant 5 pilot project at Faisalabad, with current monthly production capacity of 2.5 million pairs



2018

Interloop Limited was demerged in order to separate non-textile business into a separate Holding company & Interloop Limited looking after the textile business, with approval of LHC



2018

Commissioned Region's First LEED Gold Certified Socks manufacturing facility (Plant 4) at IIP, Faisalabad with current monthly production capacity of 7.5 million pairs of sock

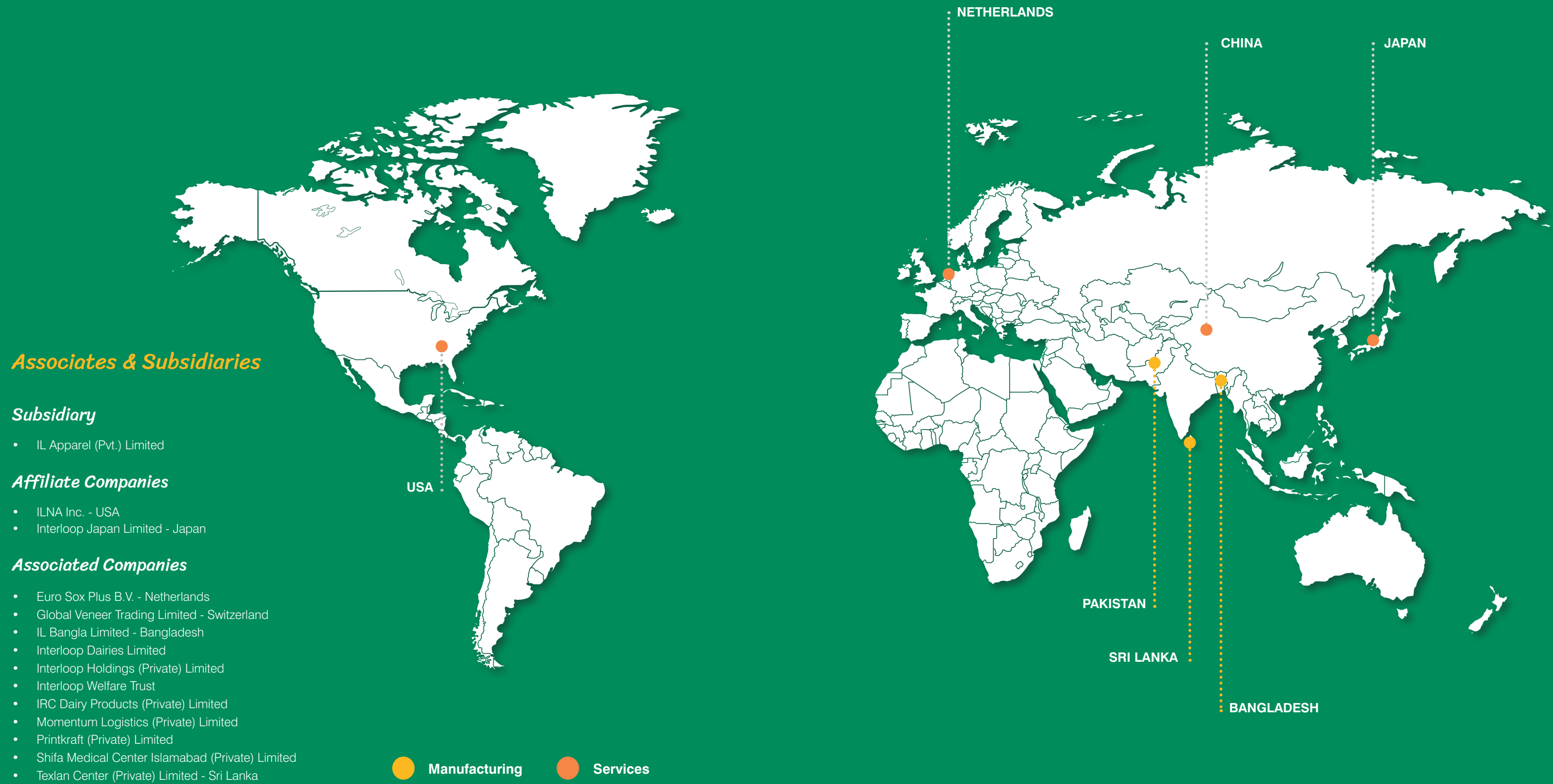


2018

Established IL Apparel (Pvt.) Limited; a subsidiary of Interloop Limited, looking after the Knitwear Apparel business

OUR FOOTPRINT

Global Presence through Associates & Affiliates



Associates & Subsidiaries

Subsidiary

- IL Apparel (Pvt.) Limited

Affiliate Companies

- ILNA Inc. - USA
- Interloop Japan Limited - Japan

Associated Companies

- Euro Sox Plus B.V. - Netherlands
- Global Veneer Trading Limited - Switzerland
- IL Bangla Limited - Bangladesh
- Interloop Dairies Limited
- Interloop Holdings (Private) Limited
- Interloop Welfare Trust
- IRC Dairy Products (Private) Limited
- Momentum Logistics (Private) Limited
- Printkraft (Private) Limited
- Shifa Medical Center Islamabad (Private) Limited
- Texlan Center (Private) Limited - Sri Lanka

CORPORATE PROFILE

Interloop Limited, launched with 10 knitting machines in 1992, has grown into one of the world's largest Hosiery Manufacturers and a Multi-category Full Family Clothing Company. A complete vertically integrated organization with state of the art Spinning, Yarn Dyeing, Knitting, Cutting & Sewing and Finishing facilities; Interloop is Pakistan's 6th largest exporting firm and the largest listed textile company on Pakistan Stock Exchange by Market Capitalization.

With over 5,000 latest Italian knitting machines, over 21,000 employees, and an organizational network spread across 3 continents, Interloop has the proficiency to work with different materials and produces 700 million pairs of Socks & Tights annually, for top international brands and retailers spread across Europe, Asia, and USA. With a current annual turnover to the tune of USD 230.5 million, Interloop

is expanding its Hosiery business and venturing into the Apparel manufacturing segment including Denim, Knitwear & Active wear. The total sales revenue for the year ended on June 30, 2020, was PKR 36,303 million with a net profit of PKR 1,796 million. The total capitalization as on June 30, 2020, was PKR 38,184 million. During the year, Interloop sold 39.5 million dozens of socks and

tights, 11.2 million kgs of yarn, and processed 0.846 million kgs of dyed yarn.

Interloop's head office is located in Faisalabad while operations are spread across Pakistan, Bangladesh, Sri Lanka, USA, Europe, and China. There were no major changes in the organizational structure and supply chain during the year.



BUSINESS CATEGORIES



Hosiery

700 Million
Pairs of Socks and Tights production capacity annually



Yarns

26 Million
kgs Yarn production capacity, 4 million kgs Dyeing capacity with 1 million kg Air Covering capacity annually



Denim

12 Million
Garments planned production capacity annually by 2021



Knitwear

64.8 Million
Garments planned production capacity annually by 2022



Seamless Active Wear

6.48 Million
Garments planned production capacity annually by 2022

BUSINESS CATEGORIES



We are a multi-category multi-country textile business known for providing top quality products and services to our customers

Hosiery

Interloop Limited started as a hosiery manufacturing company in 1992 and to date it remains the core business of the company. Over the last 28 years, Interloop has become one of



the largest suppliers of socks globally, to major brands and retailers such as Nike, adidas, Puma, Target, H&M, C&A, Amazon, and Uniqlo. Interloop has the capacity to produce 700 million pairs annually across a wide range of categories including athletic, performance, fashion and casual, across all genders and sizes.

The company increasingly focuses on sustainable production and manufactures the vast majority of products from organic, recycled,

and other sustainable materials without compromising on the complexity of design or comfort. Interloop's manufacturing facilities and equipment are designed to minimize environmental impact and its processes and policies are designed to maximize worker well-being. The company actively participates in recognized certifications including LEEDS, FairTrade USA, Oeko Tex SteP, and many more to fulfill its purpose of sustainable business.

With eyes set on the future, Interloop is in the process of expanding its capacity to 6,500 knitting machines at its manufacturing locations across Pakistan and Sri Lanka. It is also investing in its digital capabilities to transform its way of working across product design and development, manufacturing, and customer services.

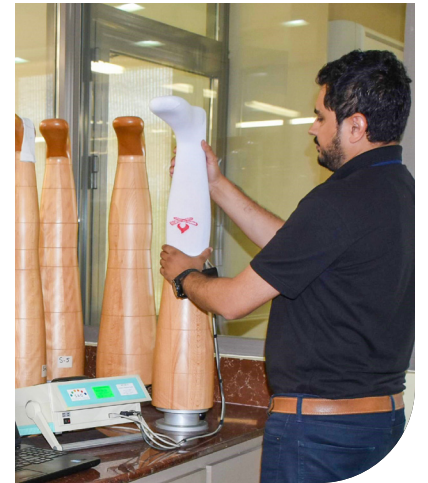
Product Development

A dedicated Vertical Sampling Facility (VSF) at Interloop Industrial Park, Faisalabad comprising a Yarn Library,

dedicated Yarn Dyeing Machines, 100 Knitting Machines installed capacity, and Linking to Finishing capabilities, develops premium quality products for customers. The Product Development Lab houses a complete range of latest colour development machines. We also offer a Product Development facility through our associate company in Sri Lanka.

Research & Innovation

A dedicated Research & Innovation (R&I) Centre in Pakistan, equipped with hi-tech knitting, processing, and



finishing operations, a modern lab, and an extremely competent team has launched multiple commercial concepts including innovative knitting constructions, processing treatments, specialty yarns, and finishing operations. Three patents have already been granted to Interloop and patents for two products are in the application process.

Quality Assurance

The Quality Department looks after Quality Assurance, Quality Control, Quality Testing Labs & QMS. The Quality Policy refers to the way our teams follow the working processes to produce quality products and deliver excellent services to our valued customers. With ISO/IEC 17025:2005 & ISO/IEC - 17043 accreditations, Interloop is the First Textile Company in Pakistan to provide Local Proficiency Testing (PT).



BUSINESS CATEGORIES



Yarns

Spinning

Interloop produces over 26 million kgs of top quality yarn annually for a range of textile customers, following strict testing standards, on Automated Spinning Plants, equipped with the latest European Machines. Raw Materials include:

- Pakistani and Imported Cotton
- BCI, Organic and PSCP Cotton (Primark Sustainable Cotton Program)
- Acrylic, Viscose, Polyester, Modal & Tencel
- Re-Cycled Synthetic Fiber

Multiple varieties of yarns produced include: Plain, Slub, Multi Count, Slub Lycra Core, Lycra Core, Polyamide Core, Siro, etc. 40% of yarn is consumed in-house with remaining serving world's renowned weavers, knitters, denim, and towel producers.

Yarn Dyeing & Air Covering

A state of the art Yarn Dyeing (YD) facility, equipped with modern machines including highly automated dyeing operations, automatic dyestuff, chemical dispensing system, etc., is providing a wide variety of colors in Spun and Filament Yarns. With an annual dyeing capacity of 4 million kgs, Interloop is providing a wide

variety of colors in yarns including Polyester, Nylon, Acrylic, Coolmax, Modal, Tencel, Viscose, Wool, Bamboo, Blended, Microfibers, and Recycled Yarns. Modern Italian Air Covering Machines with an annual production capacity of 1 million kgs are being used for covering all types of in-house dyed, dope dyed, and raw white yarns with various brands of spandexes like Lycra and Creora, at different customized percentages.



Denim

As part of business diversification, Interloop started its Denim Apparel manufacturing operations in Dec 2019. Interloop Denim is one of the most technologically advanced facilities in South Asia and represents how the future of the Denim Industry will look like. The facility is designed as per LEED Platinum Standards and in line with Lean concepts. The operations generate minimal environmental impact and affect prioritized worker well-being in keeping with Interloop's commitment towards United Nations Sustainable Development Goals.

Targeting to promote gender diversity, Denim Apparel intends to achieve a 1:1 male to female ratio in it's workforce, in the long run. The plant has a current production capacity of 500,000 pcs per month and aims at enhancing it to 1 million pcs per month by 2021. Automated precision machinery has been installed to



improve productivity. Overhead hanging systems have been put in place to ensure a Lean manufacturing system. Eco-friendly technologies have been used to replace aggressive processing agents and to reduce excessive water consumption. Laser and Ozone machines have replaced manual processes to minimize the impact on workers and to ensure precision and quality. Additionally,

built-in quality measures have been put in place to minimize defects and rework. The implementation of new, more efficient, and environmentally friendly technologies will have favorable impacts, both on our people and our planet.

Interloop Denim is set to become a model for Sustainability across Denim Garments manufacturing in the region.



BUSINESS CATEGORIES

Knitwear

Expanding further into the Apparel Segment, Interloop has established IL Apparel (Private) Limited; a subsidiary of Interloop Limited which handles the Knitwear business of the company. The Knitwear Pilot Project; a cut to pack garment manufacturing facility has been operational since Jan 2019 and made its 1st export shipment in Mar 2019.

A resourceful fabric sourcing team having strong linkages with reliable spinners, knitters, dye houses, and printers, sources best quality fabric and embellishments, as per customer requirements. IL Apparel has a dedicated Product Development Center with 40 sewing machines for quick turn sampling for its customers.

The stitching plant has a production capacity of 1.2 million garments per month. This includes a good



combination of t-shirts, underwears, polos, sweatshirts and fleece jackets. With 540 hi-tech Japanese sewing machines from Juki & Pegasus, IL Apparel is manufacturing all kinds of fashion diversity in cut to pack garments. IL Apparel plans to put up a complete vertically integrated (fabric production to cut & sew) garment

manufacturing complex at Interloop's second Industrial Park. This complex is expected to house 175 knitting machines with 65 tons capacity per day, dyeing & finishing setup with 70 tons capacity per day, and projected production capacity of 5.4 million garments per month by 2022.



Seamless Active Wear

Interloop has set up Seamless Active wear vertical Pilot Plant at the Interloop Industrial Park. With the current production capacity of 110,000 pcs per month, the ramp-up plan includes increasing the production capacity to 540,000 pcs/month by 2021.

The latest Japanese machines provide a large variety of sewing capabilities as well as a variety of styling from basic to hi-tech. The Seamless garments offer 360 stretch with no restricting seams. Interloop offers a special synthetic material range in recycled as well as biodegradable materials, combining durable performance with sustainability.

Body mapping technology builds required construction, meeting the needs of different body zones. The product range includes basic undergarments to hi-tech active wear for men and women.



OUR CUSTOMERS

Interloop sells socks, tights & leggings to top brands and retailers across Europe, USA & Asia. Some of our top clients include:



SUPPLY CHAIN

COVID-19 pandemic has disrupted the business environment around the globe and is causing supply chain interruptions. Apart from COVID-19, many other externalities such as trade wars, trends of protectionism and nationalism, environmental and human rights issues have begun affecting the supply chains. These issues have highlighted the need to transform traditional supply chains to maintain business as usual, in the new norm.

At Interloop, we are monitoring the impacts of these disruptions on our supply chain and working to devise supply chain management strategies for business continuity. Our procurement strategy is focused on getting the best combination of quality, economy, efficiency, and effectiveness while keeping sustainability as a priority. The Procurement & Supply department at Interloop is responsible for ensuring the timely availability of top quality materials as per requirements. Our procurement management not only focuses on cost-effectiveness but also on bringing a positive change for the stakeholders by pursuing an ethical and sustainable business.

Our Green Purchasing strategy helps to limit the negative impacts on the environment in our supply chain. The strategy clearly defines the desired course of action and factors to be considered while making procurement decisions. Suppliers are required to be compliant with international standards related to product specification and quality. The procurement strategy also takes into account the existence of policies and procedures at our suppliers' sites for managing health & safety, labor, and human rights-related issues. Our special consideration of the sustainability criteria while inducting suppliers, as well as approach for carrying out periodic audits, help to ensure compliance, and manage impacts within the supply chain. During the year, approximately 75% of new suppliers were screened for impacts on the environment and society.

We procure the following items from our wide range of supplier base:

- Hosiery Yarns (Cotton Yarns, Man-Made Yarns, Regenerated and Recycled Yarns)
- Dyes & Chemicals which meet Oeko-Tex requirements and other international certifications
- Services General (repair & maintenance, construction, etc.)

Our supply chain consists of around 1,000 suppliers spanning more than 24 countries. The suppliers in Pakistan (yarn suppliers) are mainly labor-intensive while suppliers abroad (parts, machines, and plants) are mainly technology-intensive. We primarily procure materials and services from local suppliers, in line with our strategy to encourage the development of a local supply chain, leading to economic development within the country. However, the equipment, materials, and services which are not available in Pakistan or do not meet the end customer requirements are procured from abroad. During the year, we procured around PKR 16 billion material and services, compared to PKR 20 billion in 2019, of which 74% was from local and 26% from global suppliers.



COMMITMENTS, MEMBERSHIPS & AWARDS

Interloop is a member of various industry associations and also supports charters developed in the area of economic, environment, and social impact management. We actively support Sustainable Development Goals and UNWomen; a United Nations entity, dedicated to gender equality and women empowerment. We also support GRI Standards and SASB Standards for reporting information about company's impacts on the economy, environment, and society. We actively take part in the events organized by the organizations of which we are a member but do not hold any management positions. No substantial funding is offered to these organizations except membership fees and sponsorships for events/seminars.



Membership



Pakistan Business Council



All Pakistan Textile Mills Association



Pakistan Hosiery Manufacturers and Exporters Association (PHMA)



The Sustainable Apparel Coalition



Better Cotton Initiative



The Faisalabad Chamber of Commerce and Industry (FCCI)



The Lahore Chamber of Commerce and Industry (LCCI)

AWARDS

2020 Owned Brand Business Partner Award

Interloop was presented the 2020 Owned Brand Business Partner Award for Modernize Owned Brand Approach by Target Corporation, for being the best-in-class partner and Interloop's proven track record in both PSQA and Responsible Sourcing



Annual adidas Performance Award

Interloop was conferred the annual adidas Performance Award, 4th time in a row, for making a true difference in the community by supporting Children's Education & Better Career Opportunities for Women in collaboration with UNICEF & UNWomen



COMMITMENTS, MEMBERSHIPS & AWARDS

Sustainability Initiatives Supported

Interloop also supports multiple environmental and social initiatives to ensure sustainability in the supply chain for the betterment of communities.

Environmental Certifications



Social Certifications



Chemical Management Portals



Others





Conserving Nature

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03

**SUSTAINABILITY
MANAGEMENT**



MISSION

To be an agent of positive change for the stakeholders and community by pursuing an ethical and sustainable business

VISION 2020

To double our turnover by 2020 through value addition, process improvement and nourishing talent

CORE VALUES



Integrity

Act with Integrity



Care

Nurturing a Caring Culture



Accountability

Accept Responsibility, Be Accountable



Respect

Respect for Environment, Respect for the People



Excellence

Achieving the Highest Standards

OUR GOVERNANCE



The Governance structure at Interloop is directed by the requirements of the Companies Act 2017, Code of Corporate Governance for listed companies and listing regulations of the Pakistan Stock Exchange. These regulatory requirements are supplemented by our internal Code of Conduct and best available practices in corporate governance. Last year, we got listed on the Pakistan Stock Exchange which has increased the minimum threshold and has helped to enhance the governance practices at Interloop. This transformation is expected to help Interloop ensure continued delivery of exceptional performance and meet the expectations of our stakeholders. The Code of Conduct, being an important component of corporate governance at Interloop, guides on ethical business practices, relations with our business partners and the conduct required from our people. The Code of Conduct can be accessed on pages 10-11 of the Annual Report 2020.

The Board of Directors is the highest governing body at Interloop and is elected every three years. The last

election of directors was held on Oct 15, 2020, and new directors resumed their offices from Oct 22, 2020. The Directors elect one of the members to serve as Chairman of the Board. The positions of the Chairman and the Chief Executive are held by different individuals. The Chairman is responsible for overseeing the performance of the Board while the Chief Executive Officer is responsible for day to day activities of the company, in line with the mandate vested in him by the Board.

The Board consists of seven directors; two executive directors and five non-executive directors. Two of them are independent directors and have no monetary relationship with Interloop Limited except directorship fee paid to them for attending Board / General meetings. The Board has six male directors and one female director. The directors have diverse backgrounds in engineering, finance and other related fields. The details about the directors can be found on pages 52-53 of the Annual Report 2020.

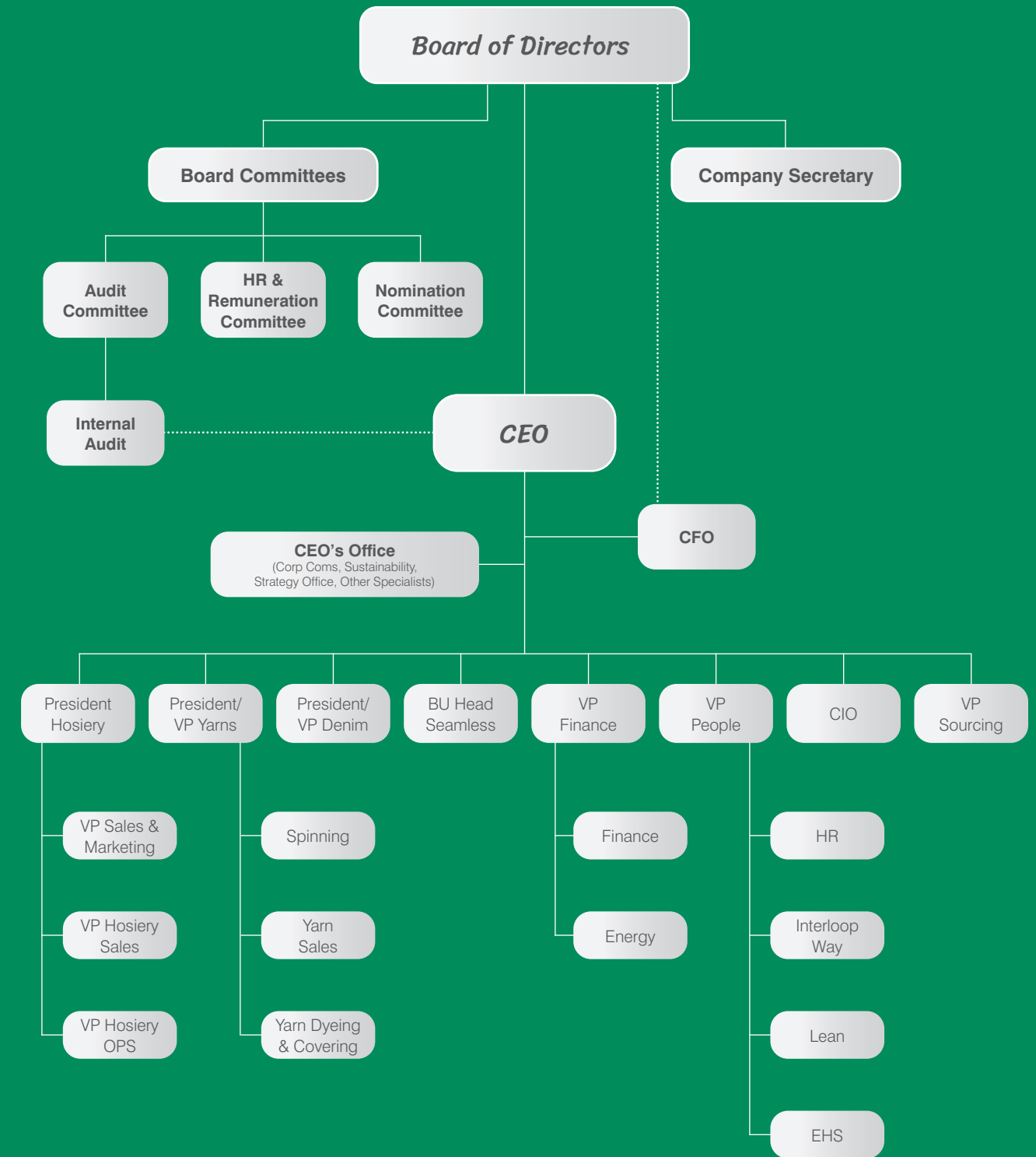
The Board of Directors has constituted different Board committees, with

proper delegation as required under the Code of Corporate Governance, for effective discharge of its duties. The committees include the Audit Committee, HR and Remuneration Committee, Risk Committee and Nomination Committee. These committees have defined terms of reference with clear objectives and responsibilities and assist the Board in effective decision making on matters relevant to these committees.

The Board has delegated the responsibility of planning, execution, and monitoring of sustainability initiatives to the Chief Executive Officer. The CEO Secretariat has centralized these activities under the domain of a dedicated Sustainability Cell. The Sustainability Cell is responsible for reviewing customers' requirements on the sustainability front, developing new policies and actions, recommending the best course of action, defining targets, and monitoring the performance of sustainability. The sustainability performance is reviewed by the Chief Executive Officer on a monthly basis and deliberation is also carried out at the Board meetings.



ORGANIZATIONAL STRUCTURE



SUSTAINABILITY AT INTERLOOP

Interloop's sustainability framework is based on the triple bottom line approach i.e. People, Planet and Prosperity. Environment Friendly Policies, Social Welfare Initiatives & Stable Economic Growth are our key concerns to manage a sustainable business.



PHILOSOPHY

Our Mission enlightens our Sustainability Philosophy which guides us on transforming the way we do business; from sourcing responsibly to reducing our carbon footprint, from supporting labor rights to taking care of our communities, while continuously growing our business. Our ambition is to transform lives, improve well-being and build a diverse, empowered, and inclusive workforce while using our resources ethically. It is part of our DNA and is integrated into our business approach, policies, processes, and practices. With 2015-16 as the baseline year, Interloop has set Sustainability Targets 2020-21, for People, Planet, & Prosperity, which underscores long-term strategic priorities of the company.

STAKEHOLDERS' ENGAGEMENT



Stakeholder consultation is an integral part of our business strategy. The inputs from stakeholders not only help us in devising strategies to meet stakeholder expectations but also enable us to create and deliver shared value. Stakeholders include individuals, entities, and groups who have the potential to affect our ambitions, targets, and business objectives and/or who are affected by our activities and operations. GRI

reporting principle of Stakeholder Inclusiveness from GRI Standard Foundation 101:2016 was used during the process of stakeholder engagement. The stakeholders were identified, mapped, and prioritized for engagement on the basis of their relationship with Interloop, their ability to impact or vulnerability due to Interloop's activities and operations, proximity, and willingness to engage. They are engaged throughout the year through concerned departments for

discussing the issues relevant to them and Interloop.

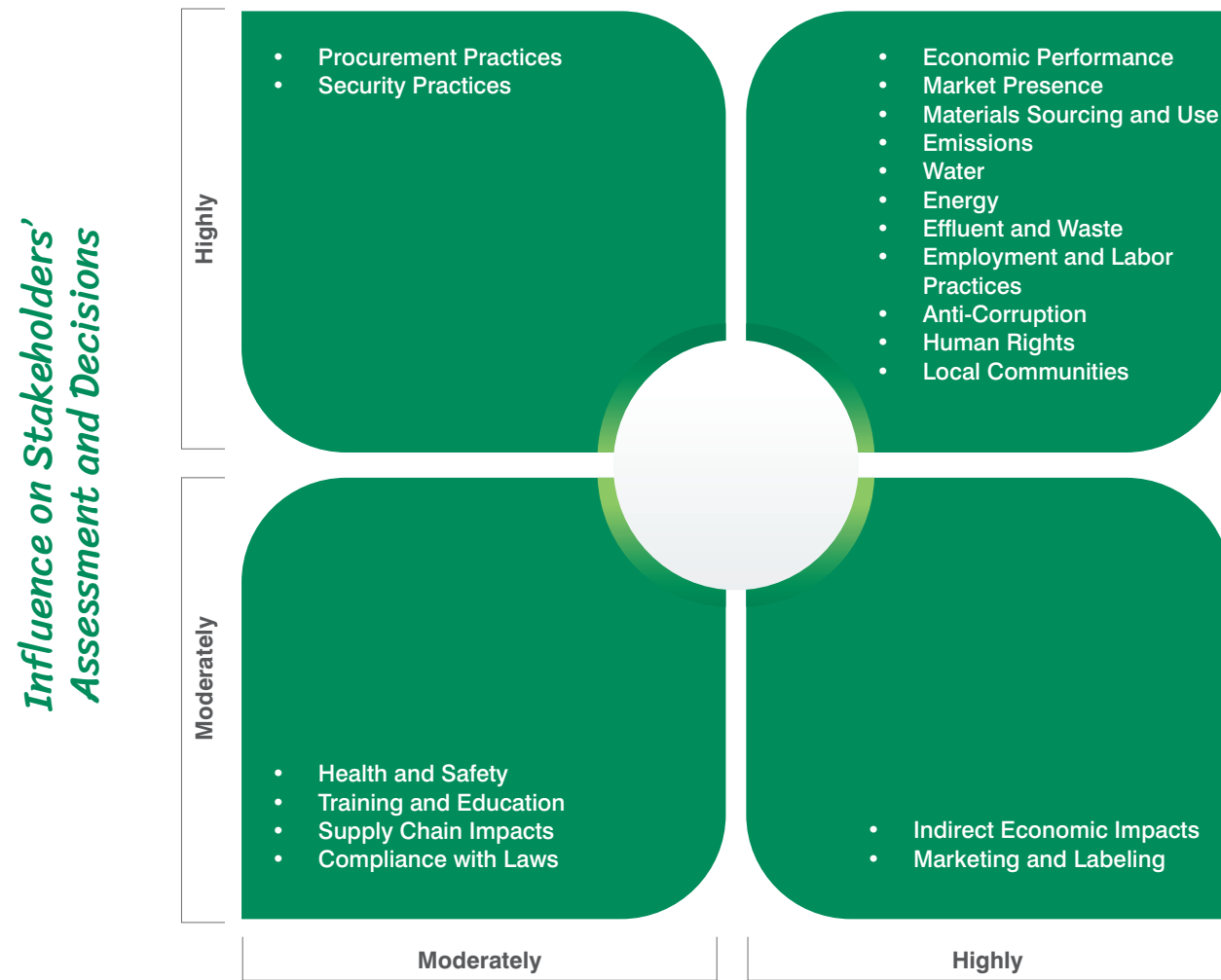
However, during the year, we have carried out specific engagement with the selected stakeholder groups to discuss our response to their concerns, which were raised during last year's sustainability report specific engagement, and collected their input to update the material topics for this year's sustainability report.



Stakeholders	Engagement Method	Engagement Frequency	Topics Identified by Stakeholders	Our Response
Shareholders/ Investors	AGM/EOGM/ Corporate Affairs Department	Ongoing	<ul style="list-style-type: none"> Economic returns Management of health and safety of employees and environmental risks Interventions for the progress of local communities 	Continuous focus on innovation and business development, defining /updating policies for health and safety management in the wake of COVID-19, investing in environmentally friendly technologies and CSR program management
Analysts	Briefing, Reports, Corporate Affairs Department	Ongoing/ Occasional	<ul style="list-style-type: none"> Investments/Expansion Environmental initiatives CSR actions 	Continuous investment in production capacity & expansion, pursuing environment friendly initiatives, regular CSR investment and on account of COVID-19 for the betterment of local communities
Customers	Customer Surveys, Customer Feedback, Marketing Department	Ongoing	<ul style="list-style-type: none"> New Products/Designs Quality Impacts on the environment and society 	Continuous innovation and up-gradation and enhanced focus on quality products, management of impacts on the environment and society through internal initiatives and CSR policies
Employees	Annual Dinner, CBA Meetings, Human Resource Department, Open House Sessions, Mission Awareness Sessions, Employee Surveys, Employee Awards	Ongoing	<ul style="list-style-type: none"> Employee benefits Job-related training Health and safety of workers 	Provision of market-based benefits, on job training to enhance their skill sets and investment, policies, procedures for the management of health and safety of workers
Suppliers	Supplier Surveys, Suppliers Code of Conduct, Request for Quotations	Ongoing	<ul style="list-style-type: none"> Business opportunities Environmental friendly material and guidance on new material requirements and assessment of suppliers for environmental and social impacts 	Business development leading to increased opportunities, exploring environmental friendly materials and training/ guidance to suppliers on new requirements
Regulators/ Government	Reports, Consultative Sessions, Corporate Affairs Department	Ongoing/ Occasional	<ul style="list-style-type: none"> Compliance with laws and regulations 	Compliance with laws and regulations in all business activities
Local Community	Meetings, Employee Engagement	Ongoing	<ul style="list-style-type: none"> Intervention in the field of education especially special children education, technical education, sports, health and safety of employees and communities during COVID-19 pandemic, health initiatives for underprivileged communities for chronic diseases, provision of clean water and infrastructure development 	Structured CSR program, initiatives based on community needs assessment, and investment in education, health, and sports for the betterment of local communities, along with specific initiatives due to COVID-19 pandemic

MATERIALITY ASSESSMENT

Interloop's sustainability strategy is guided by a materiality assessment process which helps us to determine the most important issues manifesting major impacts of our products and operations on the economy, environment, and society. The process takes into account the topics raised by stakeholders along with the issues identified through internal analysis and industry specific sustainability topics. The topics are analyzed, prioritized and finalized using Reporting Principles for defining report content from GRI Foundation 101: 2016. These principles have been applied throughout the materiality determination process at various degrees to shortlist the issues which are of most interest to our stakeholders and which represent our significant economic, environmental and social impacts.



Significance of Impacts on Economy, Environment and Society

The outcome of the materiality determination process has been summarized in the materiality matrix. The materiality matrix contains the issues highly important to stakeholders & Interloop and demonstrates significant impacts on issues that are moderately important to Interloop & stakeholders. The scope and content of the report have been derived from the materiality matrix. The analysis of the material topics also helps in devising and updating appropriate policies and procedures for effective management of the impacts of our operations.

The boundaries of the material topics have been defined based on the actual occurrence of the impact i.e. within the organization, outside the organization, or both.

Material Topic	Impacts Making it Material	Boundary
Market Presence	Job creation for local communities resulting in economic development around the plant site	Interloop
Procurement Practices	Creation of business opportunities for local vendors, economic development, reliable supply chain	Interloop
Materials Sourcing & Usage	Consumption of limited material resources and impacts in the supply chain	Interloop, Our Suppliers
Energy	Impact on climate change due to the consumption of fossil fuels and opportunities for energy production from non-renewable sources	Interloop, Our Suppliers
Emissions	Leads to climate change resulting in severe weather patterns and raw material availability	Interloop, Our Suppliers
Water	Affects the availability of freshwater leading to water scarcity	Interloop, Our suppliers, Our Customers
Effluents & Waste	Affects climate through air emissions, discharge of effluent and waste generation both hazardous and non-hazardous	Interloop, Our Suppliers
Employment & Labor Practices	Providing jobs for economic development, compliance with applicable laws, customer charters and international conventions	Interloop
Anti-Corruption	Affects competitiveness and leads to misuse of power resulting in poverty. Compliance with laws and international charters	Interloop, Our Suppliers
Human Rights	Risks to reputation and license to operate in case of non-compliance of basic human rights defined in international charters and conventions	Interloop, Our Suppliers
Local Communities	Effects on local communities due to operations, the contribution for provision of education and health facilities and creation of livelihood opportunities for economic development	Interloop
Health & Safety	Health and safety of employees impacting productivity, compliance with applicable laws as well as customers' requirements	Interloop
Training and Education	Enhances the productive potential of the workforce, cost savings, and improvement of product & service quality	Interloop
Security Practices	Compliance with human rights laws and international charters and customers' requirements	Interloop
Compliance with Laws	Compliance with applicable laws	Interloop
Supply Chain Impacts	Negative supply chain impacts in the areas of environment, labor and human rights	Interloop, Our Suppliers

Sharing Prosperity

BUILDING A
**SUSTAINABLE
WORLD**



**ENHANCING
ECONOMIC
IMPACTS**

ENHANCING ECONOMIC IMPACTS

Target 2021



Performance till 2020



The COVID-19 pandemic outbreak has caused many disruptions and pushed the world economy into a recession. Pakistan was affected severely at the time when the economic indicators were showing signs of recovery. The pandemic has resulted in negative growth, loss of jobs, lockdowns leading to the closure of production plants, and pushing millions to poverty. A very slow recovery has been projected in 2021 making it a difficult time for business and the masses.

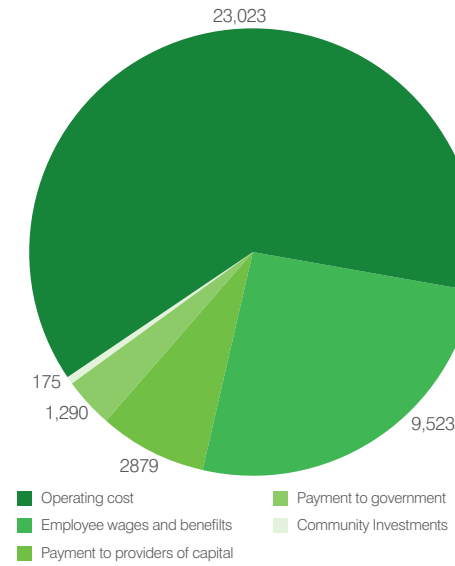
Policy rate reduction, payroll re-financing, and debt relief package was announced by the state bank and government to provide liquidity, ensuring business continuity, and securing employment. However, disruption in the global supply chain along with cancellation of orders by clients on account of lockdowns, and halt of economic activities severely affected Interloop's profitability.

The pandemic has changed the way we work & live and is expected to affect the global economies' growth

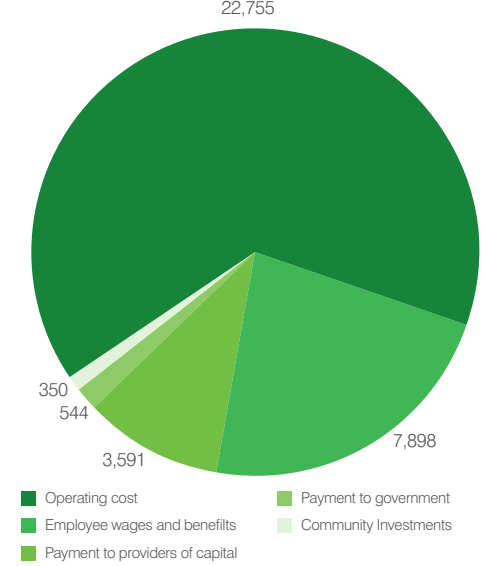
in the coming years. However, as the situation is getting better, we at Interloop are confident to keep exploring opportunities and adjust our business practices in the New Normal, to deliver sustained economic performance.

Economic performance at Interloop is guided by our mission, vision and values, along with targets set by the management for delivering exceptional results, with high-quality products exceeding customers' expectations. Our operations have both direct

Economic Value Distributed 2020
(PKR in Millions)



Economic Value Distributed 2019
(PKR in Millions)



and indirect economic impacts in the shape of return to investors, payments to suppliers, employees, government, and creation of livelihood opportunities in the supply chain along with socioeconomic development of the surrounding communities. The Board defines targets for economic performance. Goals and targets may be annual, or in the case of expansions, acquisitions and new business ventures, may be targeted over a longer-term.

The Chief Executive Officer along with the Management Committee is responsible for underlying activities to meet the targets. At Interloop while pursuing the targets, we have the policy to procure maximum raw material, process material, and other available products/services locally, to strengthen local suppliers and create employment opportunities.

We have zero-tolerance for corruption in our operations as well as in our relationship with our business partners. The Code of Conduct clearly restrains the employees to enter in

such practices. In addition, our internal audit department carries out internal audit of all activities and reports to the Board Audit Committee. The Board Audit Committee reviews the report and corrective action is taken as per requirement. During the year, all operations were assessed for risks related to corruption and no incidence of corruption was recorded at Interloop. The economic performance is periodically reviewed against the set financial targets at Board meetings and corrective measures are taken through process improvement and cost savings to meet the defined targets.

Interloop's financial performance was significantly affected due to the COVID-19 pandemic outbreak. The revenue for the year was PKR 36,945 million compared to PKR 37,524 million in 2019, showing a 1.54% decline. However, the net profit declined considerably to PKR 1,796 million compared to 5,195 million in 2019 showing a 65% decline. Detailed information on financial performance can be found in the financial statement section of the Annual Report 2020.

Defined Benefit Plans

Interloop offers market competitive salaries and benefits to its workforce and regularly monitors the remuneration for relevance and compliance. Apart from salaries, Interloop offers defined benefit in the form of gratuity to its employees where no contribution is required from employees. Interloop does not maintain a separate fund for gratuity and the liability for defined benefit plan is calculated on the basis of actuarial valuation. Interloop also offers contributory benefit in form of provident fund to its employees. A separate fund is maintained where Interloop contributes 7.5% while employees contribute 7.5% to 12.5% of basic salaries. The participation in the contributory benefit plan is voluntary. The liability for defined benefit plan was PKR 3,126.17 million in 2020 compared to PKR 2,482.62 million in 2019.

Direct Economic Value Generated and Distributed

	2020	2019	2018	2017	2016	2015
Rupees in million						
Economic Value Generated						
Revenues*	36,945	37,524	31,169	26,550	26,426	24,213
Economic Value Distributed						
Operating Cost	23,023	22,755	19,513	16,851	16,585	16,218
Employee Wages And Benefits	9,523	7,898	6,853	5,778	5,016	4,225
Payment To Providers Of Capital	2,879	3,591	1,428	1,377	1,045	1,703
Payment To Government	1,290	544	426	381	582	347
Community Investments	175	350	105	200	160	87
Economic Value Retained	55	2,386	2,844	1,963	3,038	1,633

*Revenues as per the requirement of GRI Economic Performance 201:2016 disclosure 201-1 which requires inclusion of revenue from financial investments and sales of assets.





Reducing Carbon Footprint

BUILDING A
**SUSTAINABLE
WORLD**

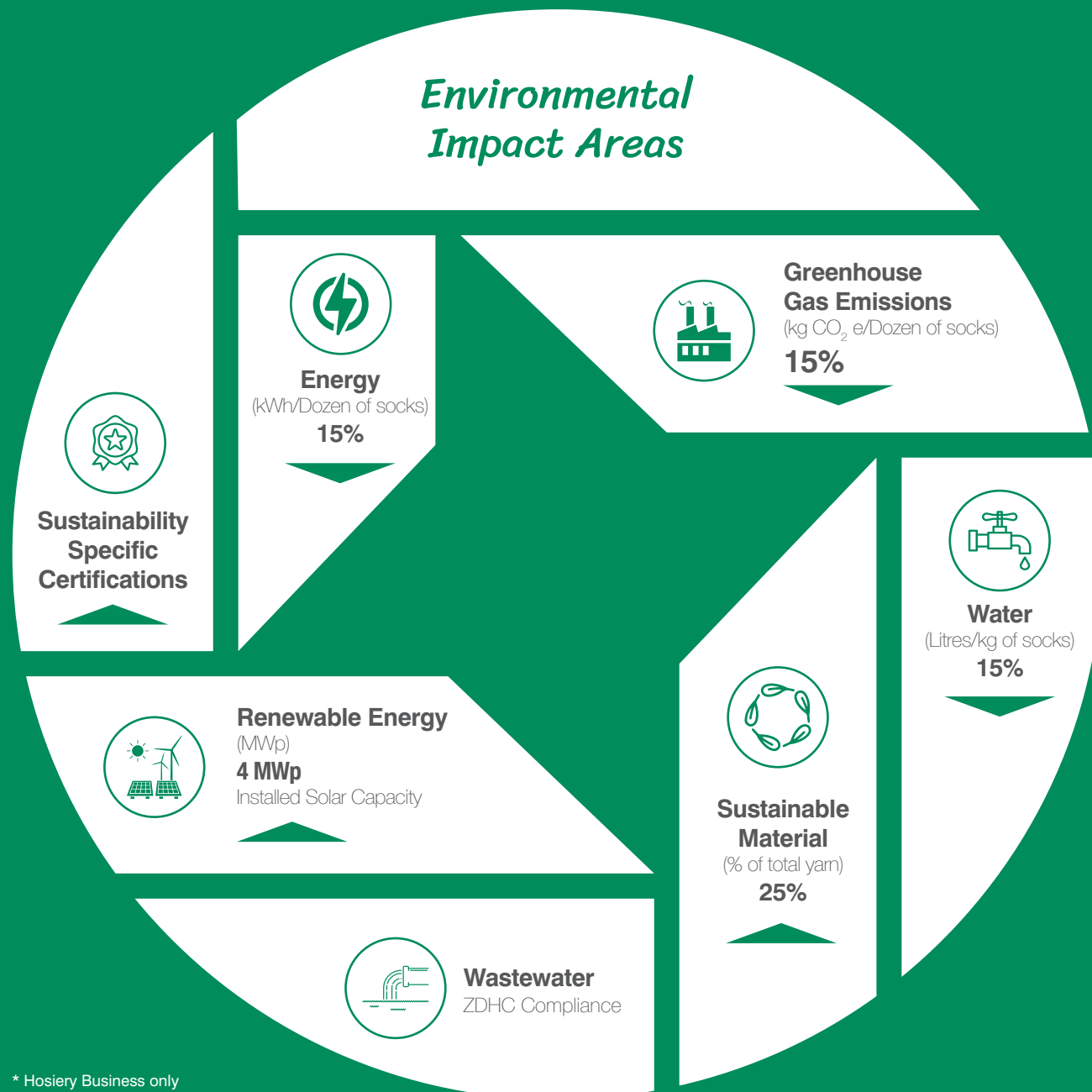


**MANAGING
ENVIRONMENTAL
FOOTPRINT**

TARGETS 2021

(Baseline Year 2016)*

Our sustainability targets FY 2016 - 2021 cover only Hosiery business being the main operational activity of Interloop at the time when targets were set. However, due to expanding business functions, we plan to set next 5 years' targets for important environmental impact areas at the organizational level, in order to effectively manage and reduce the environmental load of our operations.



* Hosiery Business only

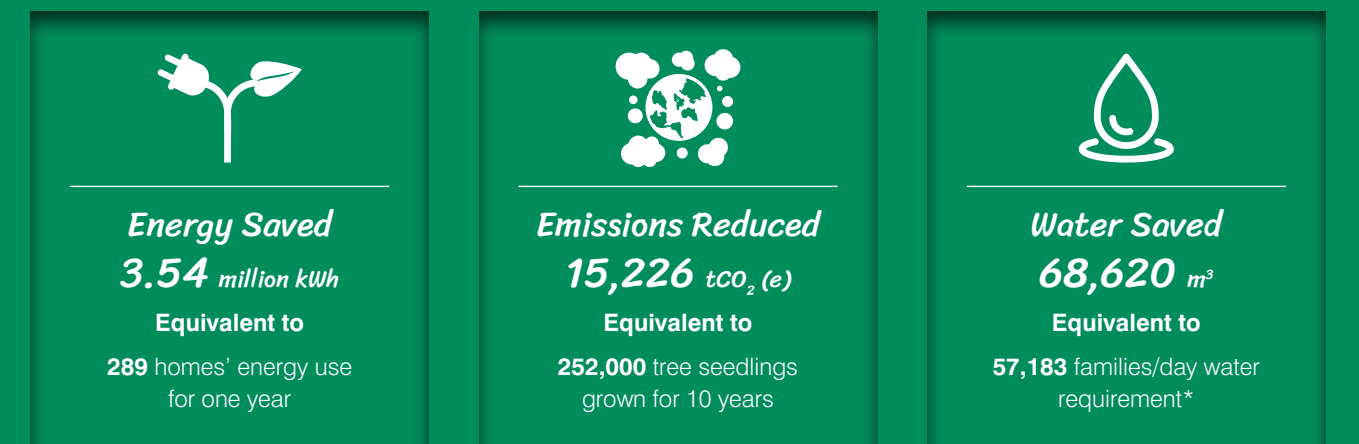
Performance Till FY 2020*

Environmental Impact Area	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Water (Liters / kg of socks)	141	151	137	153	168
Energy (kWh / Dozen of Socks)	5.35	5.06	4.70	4.75	4.71
Greenhouse Gas Emissions** (kg CO ₂ e / Dozen of Socks)	1.92	1.88	1.95	1.69	1.89
Sustainable Material (%age of total yarn)	49.06	40.85	34.66	32.82	25.35
Renewable Energy (MWp)	2.13	0.12	0.12	0.12	0.12
Wastewater	ZDHC foundational level compliance achieved				
Sustainability Specific Certifications	2020: Oeko-TEX STeP 2020: Made in Green 2020: FairTrade (USA) 2019: Cradle to Cradle (Gold) 2018: LEED GOLD Certified facility (Hosiery Plant - 4) 2018: ISO-50001 (Energy Management System certification for Hosiery Plant - 2 & 4)				

* Hosiery Business only

** Greenhouse Gas Emission values include scope I & scope II emissions

Sustainability - Impacts FY 2020



* based on 6 members family

MANAGING ENVIRONMENTAL FOOTPRINT

The textile industry impacts every human being on the earth and is a major source of exports and economic development for developing countries. At the same time, it impacts the environment through consumption of raw materials, wet processing, chemicals & energy use, discharge of effluents, emissions, and wastes from production processes. These activities are causing climate change and require active management to reduce their negative impacts. In-line with Article 15 of Rio Declaration, our environmental management approach at Interloop is proactive, focusing on early impact identification of environmental issues and taking appropriate measures to timely manage them. Irrespective of costs involved, we are continuously investing in new technologies for operational excellence and reduced environmental impacts.

Our environmental policy serves as a guiding document for all business units to manage the environmental impact of the company's operations and helps in complying with our commitments, applicable laws, and customers' code of conduct. A dedicated corporate sustainability cell is responsible for evaluating environmental sustainability initiatives, tracking impacts, and setting targets. EHS representative at each plant is responsible for ensuring compliance for employees' health & safety, applicable local & international laws,

and customer requirements. Regular internal & external trainings are carried out for executive & non-executive employees at all manufacturing facilities. Interloop has devised internal training modules on different environmental, health, and safety issues to equip the line staff with the latest knowledge and skills.

Interloop is part of the global supply chain and realizes its responsibility to manage its environmental impact and report the performance, keeping in view the ethical commitments and global customers' requirements. Interloop defined environmental targets for its hosiery business in FY 2016 which have resulted in reducing the relative volume of water consumption, energy usage, air emissions, and effluent waste over the years. The next five year targets are planned to cover all business segments of Interloop to better manage our overall environmental footprint. Our manufacturing facilities are certified against various management systems viz. ISO 9001:2015, ISO 14001:2015, OHSAS-18001:2015, ISO-50001:2011, SA 8000, ISO-17025, ISO-17043, and Oeko-TEX STeP helping in the identification of opportunities & risks and devising necessary measures for capitalization and management, respectively. The performance is regularly monitored through internal checks against targets and appropriate measures are taken if and where required. During the reporting year, PKR 37.01 million was

invested in environmental protection, out of which PKR 29.31 million was spent on waste disposal, emissions treatment, and remediation while PKR 7.7 million was spent on prevention and management costs. In 2019, PKR 29.17 million was invested for environmental protection.

An environmental grievances mechanism exists across the company where complaints about environmental issues can be filed by the affected parties. During our regular training & awareness sessions, employees are encouraged to share ideas and suggestions about environmental concerns, as we believe that it is an integral part of continuous improvement in the systems.

Various platforms like Worker Management Council (WMC), EHS Committee, Focus Group Meetings, etc. are available to discuss and generate solutions for these problems. Additionally, the grievances can also be channelized through dedicated Management Representatives (MR) available at each hosiery plant, and suggestion boxes have been installed at prominent locations at each manufacturing facility. The Manager Health & Safety is responsible for dealing with such complaints. The complaints requiring new policies, procedures, and investments are forwarded to Corporate EHS for review & appropriate actions. As a result of strong management systems, no non-compliance with the environmental laws, regulations, and customers' requirements occurred during the year.

OEKO-TEX STeP

Interloop Limited successfully achieved OEKO-TEX® STeP, the first facility based sustainability certification. Hosiery Plants 2 & 4, already OEKO-TEX 100 certified, are now capable of producing Made In Green labeled products. Made In Green label ensures that products are tested for harmful

substances & guarantees about the environmentally friendly production processes, good social working conditions and optimum health & safety. Interloop secured higher than the global & regional average scores in all modules, recording highest compliance Level-3, with an overall score of 83%.



USING RESOURCES EFFICIENTLY AND RESPONSIBLY

Material Sourcing and Consumption

Interloop is a vertically integrated setup. Priority raw material are yarns -being produced by using natural and synthetic fiber- and fabric. We produce as well as procure cotton yarns, synthetic yarns, regenerated and recycled yarns which are processed using dyes and chemicals to produce socks and tights. The fabric is procured to produce denim, knitwear and active wear We are focused on increasing the quantity of sustainable and certified raw materials (BCI Cotton, Organic Cotton, and Recycled

Yarns) to decrease the environmental load of our products. The priority raw materials are determined by dividing the quantity of each material by total raw material consumed (yarns & chemicals) during the year and are sourced from Oeko-TEX 100 certified suppliers.

The major environmental and social risks in the supply chain are climate change, water scarcity, depletion of soil in cotton growing areas, waste management, labor practices, and human rights compliance. In order to effectively manage the risks in the supply chain, we source from certified suppliers and compliance is ensured

through rigorous supplier evaluation processes. Moreover, we are supporting many social initiatives in health, education, sports, and literary & cultural activities within Pakistan where our major suppliers are based and also encourage them to engage in social activities.

Interloop sources 100% raw materials from third-party certified suppliers for an environmental or social sustainability standard, which may include but not limited to Oeko-TEX Standard 100, BCI, GOTS, and GRS, directly supporting SDG 12; Responsible Consumption and Production.

Raw materials third-party certified to an environmental or social standard, by standard (at Interloop Hosiery)

Standard / Program*	Material	UOM**	FY 2020	FY 2019	FY 2018	FY 2017
Oeko-TEX (Standard 100)	-	%	100	100	100	100
BCI	BCI Cotton	%	37.13	33.49	26.80	25.3
GOTS	Organic Cotton	%	4.07	2.37	2.80	1.82
GRS	Recycled Cotton	%	0.005	4.44	5.45	5.38
	Recycled Nylon	%		0.02	0.11	0.24
	Recycled Polyester	%	3.58	0.06	0.001	0.004
Sustainable Cotton Program***	-	%	4.29	0.5	-	-

* Hosiery Only
 **percentage from total raw material
 ***Primark Sustainable Cotton Program



USING RESOURCES EFFICIENTLY AND RESPONSIBLY



Raw Material Consumption

Material*	Unit	FY 2020	FY 2019	FY 2018	FY 2017
Raw Material - Yarn	kg	20,742,363	19,309,318	20,315,384	18,390,254
Raw Material - Dyes and Chemicals	kg	5,691,648	9,810,602	13,520,679	14,610,396
Packaging Material	kg	3,960,016	3,829,999	4,380,589	-

Of the total raw material consumed at Interloop during FY 2020, 54% was renewable while 46% was non-renewable compared with FY 2019 where 48.09% was renewable while 51.91% was non-renewable. The total raw material comprises Yarns, Dyes & Chemicals, and Packaging Material.

Recycled Input Material*	FY 2020	FY 2019	FY 2018	FY 2017
Percentage of recycled input materials used	3.60%	4.52%	5.56%	5.62%

The recycled material consists of recycled Nylon, Polyester, and Regenerated Cotton

Energy Usage and Energy Savings

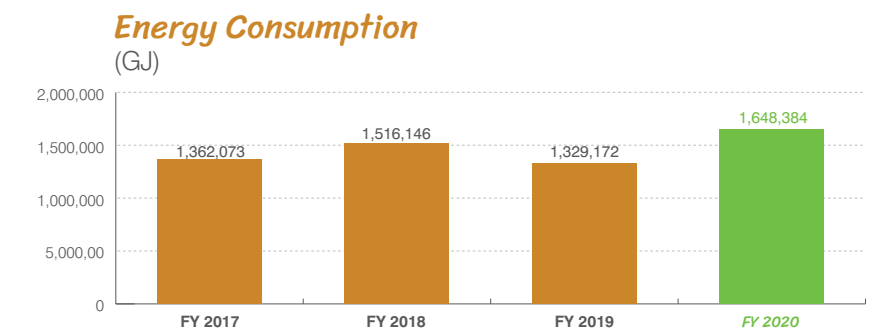
Natural gas, diesel, furnace oil, and coal are used for electricity and steam generation. Electricity is also purchased from Lahore & Faisalabad Electric Supply Company. Interloop is continuously working to reduce the

energy consumption at its operations through modern energy-efficient technologies and efficient operations management.

During the year, significant steps were

taken to increase the use of renewable energy resulting in higher percentage of clean energy supporting **SDG-7; Affordable and Clean Energy**. The reduced energy consumption initiatives include installation of

skylights, motion sensors in Finishing and Yarn Store, Inverters at ETP Suction Blowers, Speed Control of Suction Fans, Highly Efficient Boarding Machines, Automation of Cooling Towers, Inverters on Air Handling Units, Preference to Waste Heat Recovery, and Hot Water Chillers.



Energy Usage	Unit	FY 2020	FY 2019	FY 2018	FY 2017
Energy used within Operations	GJ	1,684,384	1,329,172	1,516,146	1,362,073

The fuel consumption figures are derived from log record and converted from their respective measuring units to energy in GJs, using factors from the Engineering toolbox.

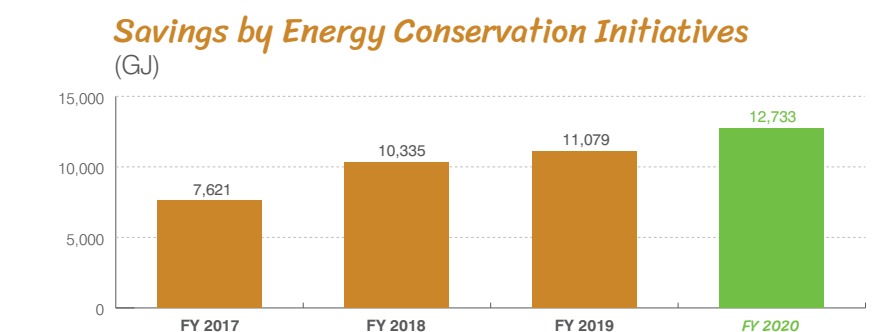
The energy consumption during the year increased on account of commencement of the Denim production facility which was in pilot phase during 2019.

Energy Saving	Unit	FY 2020	FY 2019	FY 2018	FY 2017
Savings by Energy Conservation Initiatives	GJ	12,733	11,079	10,335	7,621

The savings are achieved as a direct result of energy efficiency initiatives.

Energy Management Initiatives - ISO 50001:2011

Interloop Limited is the 1st Textile Company and 4th among all other industries in Pakistan to achieve ISO – 50001:2011 Certification for Energy Management System (EnMS). The certification provides guidelines for applying EnMS to existing monitoring and measurement system along with streamlined documentation. Currently, the scope of this certification includes Plant 2, Plant 4, Vertical Sampling



Facility, and Distribution Centre at the Interloop Industrial Park. EnMS is helping in considerably improving energy efficiency at Interloop Limited and is assisting in achieving its

Environmental Sustainability Targets for 2021 in Hosiery business. The entire standard revolves around the PDCA (Plan-Do-Check-Act) cycle that endorses a continual improvement process.

* Hosiery Business Only

USING RESOURCES EFFICIENTLY AND RESPONSIBLY



Biomass Boiler

Biomass fuel has very little contribution to GHG emissions compared to coal and furnace oil for steam generation. Interloop fulfills some portion of its energy demand by using bio-waste (rice husk) as fuel. The total saving from this initiative in 2020 was 2,423 against 1,779 tons of CO₂e in 2019.

Solar Energy

Solar energy is the cleanest energy source in terms of GHG emissions. Our currently installed solar capacity of 2.130 MWp has made a positive impact by generating 2,519,427 kWh and savings 1,310 tons of CO₂e emissions per annum. To achieve our target of 4MWp installed solar capacity by 2021, Interloop is further planning to install 3.78 MWp solar power at Hosiery Plant 3, Lahore in FY 2021 reducing 3,500 CO₂e annually.

LEED Certification

Interloop's Hosiery Plant 4 is a LEED Gold certified facility. The plant is saving energy by 26%, portable water by 51%, and providing 25% enhanced fresh air intake to improve comfort.



Water Usage

Water is extensively used in raw material production, textile processing operations including dyeing, resizing, scouring, bleaching, and mercerizing. Interloop uses water in hosiery as well as yarn dyeing apart from producing steam. We are focused on reducing water consumption in our operations by using dyes which require less water, and installation of water-efficient equipment. We are also investing in initiatives for recycling and reuse of processing water.

Interloop withdraws ground water for consumption in its operations. The area has been declared as high risk according to WRI aqua duct tool. As water table is shallow, hence, mineral contamination is more in the area. However, the size of the water source is not known. The water source is not declared as protected area, however, it is significantly important for the community being dependent on this source.

of water in production facilities and reduction of fresh water intake, supporting **SDG-6; Clean Water and Sanitation**. The initiatives include sustainable textile bleaching, water reuse in socks processing, installation of water-efficient Nano Bubble technology in wash process, water saving taps in canteen areas and re-utilization of ablution water in the mosque. During the year, 0.37% water was recycled and reused.

During the year, different initiatives were taken for efficient utilization

Water withdrawal by source	Unit	FY 2020	FY 2019	FY 2018	FY 2017
Ground water	m ³	2,376,487	2,667,672	2,971,045	3,283,288

The water withdrawal and recycled is measured through flow meters

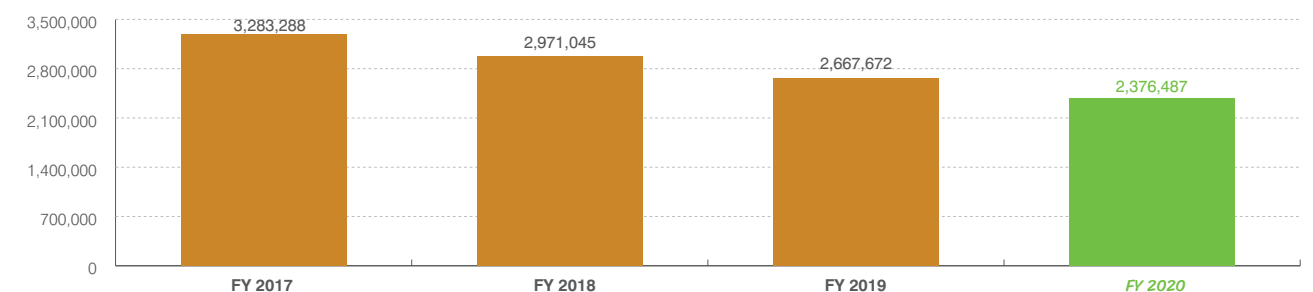
Initiatives for Efficient Water Management

Nano Bubble Technology

To efficiently manage water use in wash process, Interloop inducted the Nano Bubble Technology in 2019. The Tehcnology reduces water consumption by 95%, chemical consumption by 71%, and energy consumption by 50%, with zero liquid discharge. So far, 18 E-flow Nano Bubble Technology machines have been installed in different processing units across the company.



Water Withdrawal (m³)



USING RESOURCES EFFICIENTLY AND RESPONSIBLY

Comparative Reduction in Water Usage by adopting E-flow Technology

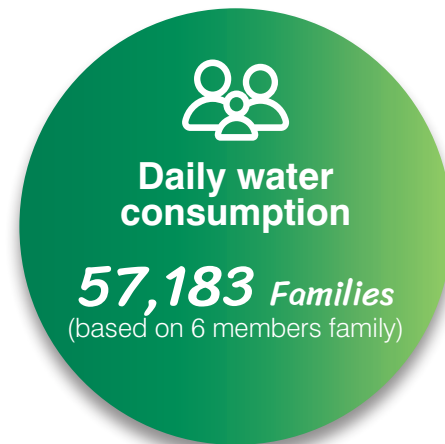
Consumption (Per kg Comparison)			
Process	Classical Technology	Nano Bubble Technology	% Reduction
Water (liters)	20	1	95.0
Chemical (g)	57	16.5	71.0
Electricity (kWh)	200	103	50.0
Wastewater (liters)	18	0	100

Sustainable Textile Bleaching

Sustainable Textile Bleaching project has been applied successfully where we are upgrading our existing processing machines with a multiple fill and drain system. This allows us to reuse bleached water and chemicals for multiple processing cycles, significantly reducing our environmental impact. The project will save 94,500 liters water, 3,785 kgs steam, and 157 kgs chemicals per day.

Impact of Efficient Water Management Initiatives

Water management initiatives at Interloop have resulted in saving 68,620 m³ of fresh water intake. This has resulted in reduced impact on water resources and availability of water for other stakeholders.



REDUCING EMISSIONS AND WASTES

GHG Emissions

Greenhouse gas emissions occur as a result of combustion processes in industries and are a major cause of climate change. Changing climatic conditions across the globe require immediate actions by corporates to reduce emissions from their operations in order to keep the

temperatures well below 2 degrees Celsius, above pre-industrial levels. This requires introduction of cleaner technologies and continuous up-gradation of operations. The GHG emissions at Interloop are the result of multiple operational processes and subject to limits set by Environmental

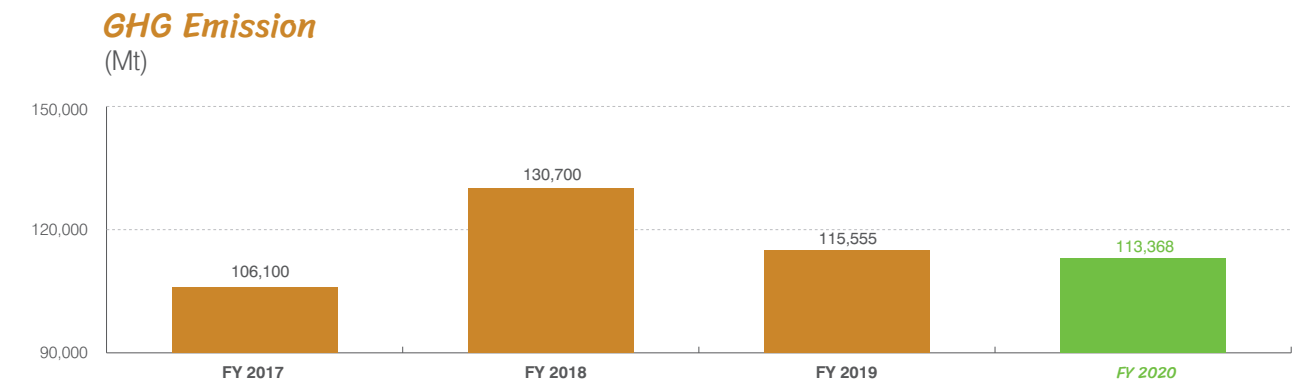
Protection Agency (EPA), under Punjab Environmental Quality Standards (PEQs). We regularly monitor greenhouse gas emissions at our production units to ensure compliance with control limits, as well as meeting the targets set in these areas as part of our five-year plan.

	Unit	FY 2020	FY 2019	FY 2018	FY 2017
GHG Emissions (Scope I)	Mt	90,521	68,579	123,196	78,447
GHG Emissions (Scope II)	Mt	22,847	46,976	7,504	27,653
Total Emissions	Mt	113,368	115,555	130,700	106,100

CO₂, CH₄, N₂O gases are included in the calculation of CO₂e emissions. No biogenic emissions occur at Interloop. The source of emission factors were derived from IPCC's 5th assessment report.

	Unit	FY 2020	FY 2019	FY 2018	FY 2017
Reduction in GHG Emissions through multiple initiatives	Mt	15,226	9,090	16,181	8,687

CO₂, NH₄, N₂O gases are included in the calculation of CO₂e emissions



REDUCING EMISSIONS AND WASTES

Emission Reduction Initiatives

Heat Recovery System at Filament Yarn Dyeing Facility

Interloop has a state of the art Filament Yarn Dye House equipped with the latest & highly specialized machinery. The Heat Recovery System provides the added advantage of economizing its operations to a significant extent. High-temperature waste liquor passes through heat exchanger to raise the temperature of fresh water. Heated water is used in subsequent dyeing processes with no fuel input, which reduces 140 tons of CO₂e emissions per annum.



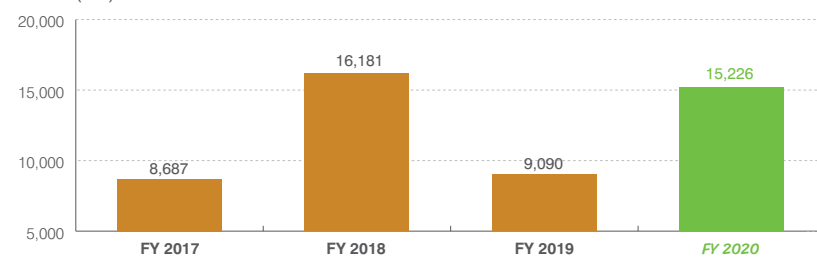
Waste Heat Recovery System (WHRS)

We are harnessing free steam from Waste Heat Recovery (WHR) Boilers.

- The technology of Bi-Generation system along with electricity produces around 21% of the total steam



Reduction in GHG Emission (Mt)



generation with significant reduction in GHG emissions. WHRS has reduced 9,287 tons of CO₂e in 2020 against 5,530 tons of CO₂e in 2019.

Preference to R-407 & R-410 Refrigerant

Keeping Interloop aligned with international standards, we prefer to use R-407 & R-410 refrigerants, gradually eliminating the usage of R-12 & R-22 refrigerants, which have been banned globally due to their harmful impacts on the environment.



Effluent and Waste

A well-defined environmental policy for handling and discharge of effluents and solid wastes (hazardous as well as non-hazardous) guides out waste management activities. Interloop is committed to work out the options for zero discharge of effluents and minimization of solid wastes (hazardous and non-hazardous) from operations. Moreover, target

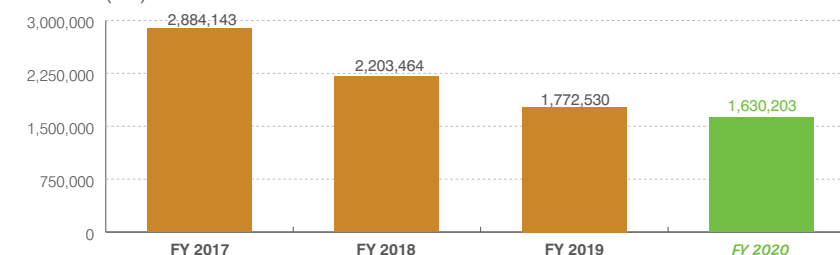
for 100% compliance of ZDHC foundational level by FY 2021 is also in place. The section heads and area incharges at each plant are responsible for careful segregation of waste, which is collected by waste stores through defined safe handling and disposal procedures to ensure compliance as per policy. Centralized storage facilities are established and operational at all manufacturing plants

for wastes where all collected wastes are temporarily stored and placed before discharge or sale or treatment. A dedicated workforce is deputed for waste collection, handling, and discharge.

Wastewater

Water used in textile production becomes polluted due to chemicals used in the process. Therefore, it needs to be treated by reducing the pollutants to an acceptable range as per applicable local laws and ZDHC foundational limits. Interloop has biological effluent treatment plants at all manufacturing facilities, treating effluent 24/7/365. The treated water is discharged to industrial drains. The quantity of water discharged is measured through flow meters installed at all effluent treatment plants.

Waste Water (m³)



	Unit	FY 2020	FY 2019	FY 2018	FY 2017
Wastewater*	m ³	1,630,203	1,772,530	2,203,464	2,884,143

*Values for hosiery and yarn dyeing business

REDUCING EMISSIONS AND WASTES

Waste by Type and Disposal Method	Unit	FY 2020	FY 2019	FY 2018	FY 2017
Hazardous Material					
Reuse (Chemical Drums)	No	12,321	11,353	13,305	-
Incineration	kg	20,151	12,166	14,003	-
Non-hazardous material					
Other - Sold*	kg	5,279,551	5,297,142	4,861,470	-

* The non-hazardous waste sold to third parties most of which is used as recycled or renewed material. The incineration figures for the year 2018 were mistakenly reported in 2019 and vice versa, which have been rectified.

Interloop does not transport hazardous waste internationally. The hazardous waste produced as a result of operational activities is disposed off through approved contractors. During the year, 12,321 chemical drums were sent back to suppliers for reuse while 20,151 kg waste was incinerated by the contractors. The disposal methods for hazardous waste were confirmed by the contractors. Interloop has developed Standard Operating Procedures for hazardous waste providing guidelines regarding handling, transportation, storage, and disposal, followed by all manufacturing plants.

Initiatives to manage Wastewater and Waste

Effluent Treatment Plants

Ecological conservation requires treatment of wastewater to preserve the habitats and human health. Interloop understands its responsibility towards environment and always takes measures to reduce any negative impact on the resources. Interloop has set-up state of the art

effluent treatment plants at all hosiery manufacturing facilities to effectively manage treatment requirements. These biological effluent treatment plants run 24/7/365 and are meeting not only the Punjab Environmental Quality Standards (PEQS) but also fulfilling the stringent international guidelines of Zero Discharge of Hazardous Chemicals (foundational limits). The largest effluent treatment plant has the capacity of treating 180m³ of effluent per hour. Interloop has a dedicated QC laboratory at each ETP to closely monitor the parameters and ensure that the effluent discharged into the environment is within safe limits.



Coal Ash Brick Plant

Dumping the Ash produced from the coal boiler results in depleting water quality and land fertility. As a part of waste reduction initiatives, Interloop commissioned a Coal Ash Brick Plant in 2019 to produce bricks from Coal Ash; a waste produced from the coal boiler during steam generation. The bricks are produced through an eco-friendly method involving no burning of fossil fuel and using sunlight for brick curing. The Brick plant has the capacity of producing 7,000 bricks per day. The bricks have been in the construction of Denim plant at Lahore, Day Care Center, Mosque floor & Walking Track of I-Park at Plant 2, Interloop Industrial Park & Automation Unit at Plant 1, and sold to various top civil companies of Pakistan. During 2020, 691,206 bricks were produced.



consumption and waste of resources as well as production of waste. Cradle to Cradle (C2C) Certification is a globally recognized measure of safer, more sustainable products made for the circular economy. Interloop being an ethically responsible entity aligned with international development in the field of sustainability, has made a completely biodegradable Cradle-to-Cradle (Gold) certified product. The product is designed on the principle of circular economy and is

fulfilling all five sustainability areas of C2C (material health, material reuse, renewable energy, and carbon management, water stewardship, and social fairness). Non-biodegradable material like Polyester, Nylon and Spandex have been substituted by sustainable materials and further processed by C2C certified dyes & chemicals to make the product 100% biodegradable.

Circularity

Circular economy requires a new way to design, make, and use things within planetary boundaries to limit

Green Chemistry Inputs

Interloop green chemistry practices aligned with ZDHC road map to zero program to tackle the use of hazardous chemicals in textile supply chain. The chemical management program at Interloop ensures the use of safe input chemistry by inducting ZDHC MRS L compliant chemicals. Using ZDHC gateway and CleanChain ADEC tools, we are increasing the use of green and sustainable chemistries in our wet process. This is helping to measure chemical compliance level & performance over time.





Equality & Diversity

BUILDING A
**SUSTAINABLE
WORLD**



**UNLEASHING
HUMAN
CAPITAL**

TARGETS 2021

Interloop is a Business for Purpose! Our Mission and reason for existence is to bring about a Positive Change for all stakeholders and the community. This reflects in all our decisions and business practices as we have set People Goals and our pursuing Targets 2021 to achieve these goals.

Goals

Build a Diverse and Empowered Workforce

Build a diverse, inclusive, and empowered workforce that becomes agent of positive change and drives sustainable economic growth for Pakistan

Transform Lives

By 2021, we will help transform lives of 5000 households, helping break the socioeconomic divide through provision of affordable quality education

Improve Well-being

Enable 15,000 people live more fulfilling and healthier lives through, participation in sports and literature, and access to free quality health services

Targets

- Expand representation of women across all levels of our workforce to 10%
- Support new mothers by improving maternity benefits and providing quality early year education across all our childcare centres
- Provide decent work and employment opportunities to 20,000 people, supporting livelihoods of more than 120,000 people
- Empower our team members by adopting true Lean philosophy and deploying Lean tools and trainings to over 2000 people
- Improve talent management by encouraging cross-functional careers, rewarding high performance and living by organizational values
- Provide affordable, equitable and quality education to 4000 children by sponsoring 25 TCF schools in under privileged communities
- Provide 500 young women and men access to technical and higher education by granting annual scholarships
- Provide equal access to education for 300 children with disabilities
- Provide quality early childhood development and pre-primary education to at least 200 children at Interloop's childcare centers
- Promote local sporting talent by enabling 3000 people to participate in sporting events at local and national level across multiple sports
- Promote sports for differently abled people by sponsoring local and international sports events
- Improve well-being of 4000 people in our community through promoting reading, literature and associated festivals
- Reduce epidemics of tuberculosis and water-borne diseases, as well as other acute health issues by sponsoring treatments for 8000 patients
- Promote mental health and wellbeing by funding research and diagnostics for Alzheimer's disease

NOURISHING WORKFORCE

Our talented, motivated and committed People are one of the key elements contributing to our success over the last 28 years. We consider our People our strategic asset and believe that their personal and professional growth is essential for the growth of the company. Our People Management approach is based on two key principles:

- Respect for People
- Continuous Improvement

These key principles guide our common and shared values, i.e., I-CARE: Integrity, Care, Accountability, Respect, and Excellence, shape our

organizational culture and define the essence of our company.

HR Policies & SOPs

Since inception, Interloop has been focused on investing in processes & people. We have in place well-defined HR policies and SOPs, in line with international best practices. We work towards continuously improving our management processes including organizational structure, HR planning and performance management as well as spending time, effort and money on developing our employees. Our HR

policies are focused on grooming our present employees as well as bringing onboard highly talented professionals from the industry, nourishing them all through internal and external trainings, honing their skills through on job training, providing them a productive and enabling workplace to show their talent and becoming valuable resource for themselves and for the organization. Performance based career growth opportunities and job rotation options make Interloop a much sought after employer for aspiring professionals.



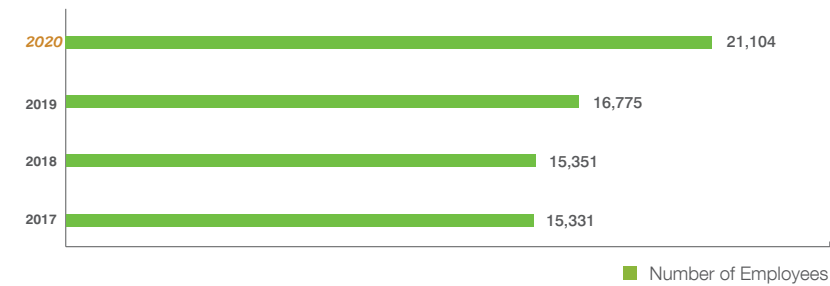
NOURISHING WORKFORCE

HR Department's Hierarchy

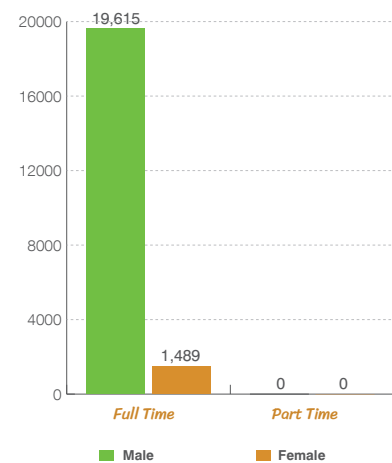
The most senior officer responsible for implementation of human resource practices is the Vice President People & Organization Development. He is assisted by Sr. General Manager Strategic HR and Learning & Development and General Manager Human Resource & Administration. Support Services Managers at all plants are responsible for the implementation of HR policies. All human resource-related aspects i.e. employment practices, diversity, training, etc. are monitored at the plant level and reported at the corporate level. The Human Resource & Remuneration Committee of the Board reviews the human resource related policies and recommends suitable course of action to the Board. The substantial portion of the company business is performed by full-time employees. There was no major variation in the workforce during the year. At the end of the financial year 2020, Interloop employed 21,104 employees.



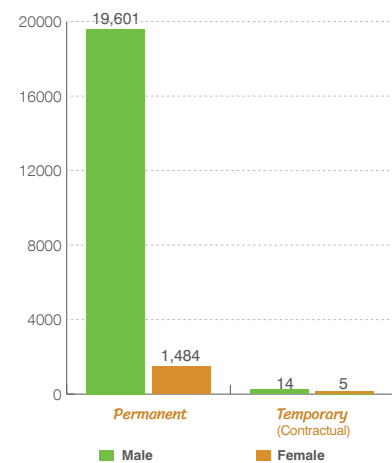
Details of Workforce



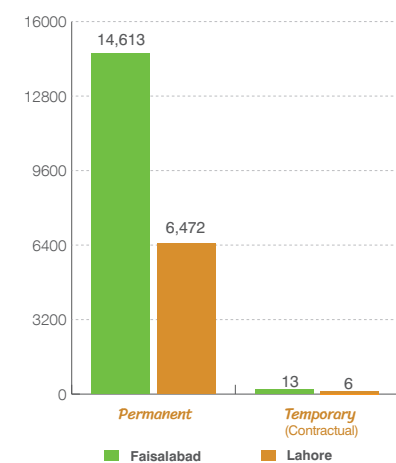
Workforce by Employment Type broken by Gender



Workforce by Employment Contract broken by Gender



Workforce by Employment Contract broken by Region



Hiring and Attrition

Hiring by Age-Group

<30	5,568	79.92%
30-50	1,385	19.88%
>50	14	0.2%
Total	6,967	100%

Attrition by Age-Group

<30	1,956	75%
30-50	633	24%
>50	36	1%
Total	2,625	100%

Hiring by Gender

Male	6,213	89.18%
Female	754	10.82%
Total	6,967	100%

Attrition by Gender

Male	2,207	84%
Female	418	16%
Total	2,625	100%

Hiring by Location

Faisalabad	2,663	38.22%
Lahore	4,304	61.78%
Total	6,967	100%

Attrition by Location

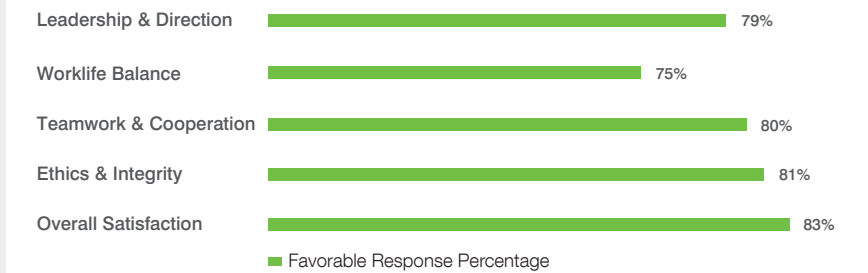
Faisalabad	1,080	41%
Lahore	1,545	59%
Total	2,625	100%

Interloop's Human Resource Management approach ensures retaining top talent which leads to sustainable performance and cost effectiveness. The hiring and attrition rates during 2019-2020 were 34% and 12% against 20% and 11% in 2018-2019, respectively. The senior management i.e. Deputy General Manager and above are hired based on relevant experience, skills, education, and suitability for the position. Although, there is no restriction for geographical background, a significant proportion of senior management has been hired or belongs to the local community. Moreover, while hiring workers, preference is given to the people from the local community.

Employee Engagement Survey

HR department conducts Employee Engagement Survey of executive employees through the internationally acclaimed Mercer's Employee Engagement Model, to better understand employee perspectives regarding various aspects of their employment with the company, and to identify areas of improvement. The results are shared with all functional and business heads and plans are put in action to improve Employee Engagement Index. The last survey was done in 2018 and the next one is planned to be conducted in 2021.

HR Dimensions



NOURISHING WORKFORCE

Compensation & Benefits

At Interloop, market based remuneration is offered to all employees, according to their skills and performance. Workers at all locations are paid more than the minimum wages prescribed by the government. We ensure that the contractual employees working within the factory premises are paid the minimum wages, and salaries are disbursed to all employees directly through their bank accounts. All male and female employees hired for similar positions receive equivalent remuneration and benefits.

Female workers are eligible for maternity leaves. During 2020, all eligible 43 female workers took maternity leave and 40 returned to work during the year. During 2019, 4 out of 14 female workers who took maternity leaves returned to work and remained employed for more than 12 months. The return to work and retention rate is 97%.



Benefits*	Executive	Non-Executive
Life Insurance	Yes	Yes
Health Care	Yes	Yes
Disability / Invalidity Coverage	Yes	Yes
Parental Leave	Only females	Only females
Retirement Provision	Yes	Yes
Stock Ownership	Yes	No
Residence	Yes	No
Company Vehicle	Yes (E5 & above)	No
Subsidized Meals	Yes	Yes
Pick and Drop	Yes (E1 - E4)	Yes

*Benefits for full time employees including executives & non-executives. Not applicable to contractual employees



Interloop provides multiple employee welfare schemes including gratuity, provident fund, health care including health insurance, group life insurance offering death, accidental & disability benefits, scholarships for employees' children, special welfare assistance for non-executives, free pick & drop, subsidized meals, etc.

Residential Facilities

To facilitate non-resident male & female executives, Interloop provides top-class residential facilities including hostels and upscale apartments within company premises, as per space availability.



Leave Fare Assistance & Anniversary Day Off

To promote work life balance, Interloop provides annual Leave Fare Assistance (LFA) to executive employees for vacation with family. It also presents them a day off on their wedding anniversaries with paid dinner to enjoy the memorable occasion with their spouses.

Employee Stock Option Scheme

The company introduced "Interloop Limited Employees Stock Option Scheme, 2016 (ESOS)" to offer

Company Shares to its eligible Executive Employees, pursuant to the Public Companies (Employees Stock Option Scheme) Rules, 2001, transforming them from Stakeholders to Shareholders. These shares qualify for bonus shares, dividend or similar corporate benefits announced by the Company from time to time. The scheme is flexible, voluntary and focused on long term growth and prosperity of the employees. Currently,

any further allocation of shares under the scheme has been put on hold till its amendment in accordance with the "regulations applicable on listed companies", owing to the recent listing of the Company on the Pakistan Stock Exchange. The proposal for subject update in the existing scheme is under review and pending approval from shareholders of the Company and SECP, respectively.



NOURISHING WORKFORCE



Management Trainee Officers Program

Every year, Interloop inducts fresh graduates, 50% females, across various functions through the Management Trainee Officers Program. The one-year working contract exposes MTOs to a variety of operational and strategic roles. After final evaluation, successful MTOs are offered permanent jobs as per availability. During the year, 56 fresh graduates have been inducted through Management Trainee Officers Program.

Special Welfare Fund for Non-Executives

Interloop has set-up an additional welfare fund for non-executive employees and is supporting them for marriages, children scholarships, critical illness or death, and any other sudden requirements.

FairTrade USA

Ensuring sustainable livelihoods for our workers has always been a foremost priority for us. During the reporting year, our Hosiery Division II received the Fair Trade USA certification, becoming the First Sock Facility in the world to be FTUSA certified. Fair Trade certification is a further endorsement of our rigorous standards for health and safety, working conditions and fair wages, and scaling it to all Interloop plants will be a top priority for us.



Improving Workers Well-being Program

Interloop in consultation with its prestigious customer Sticht, initiated the 'Improving Workers Well-being' (IWWB) program', in 2019, being run by Levi's at its selected supplier sites. HANDS with its CSO partner BSR/HER (Health Enables Return); a global public-private partnership, is the implementing partner in Pakistan for the IWWB program which is being implemented at Plant 2 & 4, Interloop Industrial Park, Faisalabad.

The program has been designed to be carried out over a span of 14 months with an objective to improve health-related knowledge of low-income women and men workers, increase the uptake of health services and products as a positive behavior change, and grow the capacity of factory management to implement effective trainings in the workplace in areas including Nutrition, Maternal Health, Birth Spacing, Aids & Hepatitis, Drug Abuse & Diseases, and Common Disease. It will also enable the partner supplier to demonstrate business benefits for investing in workforce well-being.

Workers' Right to Freedom of Association

Interloop respects the workers' right to freedom of association and awareness sessions are carried out in this reference as a general practice. Worker's Management Council is actively working at all Interloop plants. During the year, 93% of workers were covered under collective bargaining agreement. We also encourage our suppliers to respect the workers' right to freedom of association as per applicable laws and conventions. During the year, no supplier was identified where the workers' right to freedom of association was at risk.

Equality & Diversity

Interloop is an equal opportunity employer and is committed to promoting equality, diversity and fair treatment in all areas of employment. It provides an inclusive environment where everyone feels valued and respected, irrespective of age, gender, race, marital status, disability, religion



or belief, color or nationality. It's a 21,000+ strong team with diverse talent and over 15 nationalities across various locations.

Interloop aims to provide all employees a safe and supportive work environment, free of discrimination and harassment and equal opportunities to grow, learn and develop on merit. The policies, procedures, and practices of the company have been formulated to inculcate the culture of encouraging and supporting women, transgender, and differently abled employees, equally. During the year, no incident of non-discrimination was reported.



Grievance Handling

Standard Operating Procedures for Grievance Handling are in place and special positions of Management Representatives have been created at all plants who are always accessible to every employee for handling any grievance or complaint regarding work, working environment, welfare, & discipline, etc. Management Representatives frequently visit shop floors and offices, encouraging employees to identify any potential barriers to a conducive working environment. They are skilled communicators, helping employees excel in their professional & personal lives.

NOURISHING WORKFORCE

Women Empowerment

Interloop truly believes that empowering women through employment and skill enhancement not only helps them achieve financial stability for themselves and their families but also makes them productive members of the society.

Enhancing Female Participation

To improve gender parity within the organization, Interloop has taken a strategic decision to increase the percentage of women in executive & non-executive teams, in various grades including managerial roles and working cadres. The percentage of women in executive and non-executive teams has increased by 195% and 114% respectively, since FY 2016.

Reconnect Program

Through the 'Reconnect Program', female staff members who have



completed 3 years' service with the company and have to leave their jobs due to family requirements can reconnect with their careers after having a break. Five female employees have re-joined Interloop under this reconnect program since FY 2018.

Extended Maternity Leave

In addition to the entitled leaves, if a female employee requires further leave due to her or her newborn's

health issue, she can avail another 4 weeks leave at half pay.

Day Care Centers

To provide ease of mind to working mothers regarding their young children, world-class Day Care Centers are in place at all Interloop manufacturing Plants where the executive and non-executive female employees comfortably leave their children, while at work. Experienced Nannies take good care of children according to their play, rest and meal timings. The international standard infrastructure includes study, play and rest areas, and trained teachers ensure quality pre-primary education and development of these children through curricular and extracurricular activities. Company doctor performs periodic check-ups of these children to warrant that they stay in good health.



Interloop Joins Hands with IFC-PBC

Interloop is among the 14 companies in Pakistan to participate in the first-ever private sector peer-learning collaboration led by IFC & PBC, to create better career opportunities by providing a family-friendly workplace. Under this initiative, IFC, PBC, CatCo Kids, Ubuntu Care, National Commission on the Status of Women, UNICEF Pakistan & UN Women Pakistan are providing advice on childcare needs assessment & conducting a series of events to expand learning & share knowledge on family-friendly practices.

Employing Females in Non – Traditional Areas

Pursuing our People goals, women are now represented in every department and also in non-traditional roles including knitting planners, knitting operators, and stitching machines operators, previously considered male-dominant areas. 54 females



with STEM degrees are working at Interloop including 31 textile, electrical and industrial engineers. Several policies & practices have been instituted to recruit and train females in non-traditional jobs.

Other Initiatives for Female Employees

- Free and safe pick & drop has been expanded to more remote areas

- Focused trainings and recreational & sports activities
- Membership of compliance committees such as Workers Management Council, Environment Health & Safety Committee, etc.
- Presence of Female Welfare Officers at all manufacturing plants to facilitate grievance management of female employees



NOURISHING WORKFORCE

Talent Development Programs

Interloop truly believes in nurturing its people. The Human Resource Department conducts regular Training Need Analysis to identify development needs of employees and prepares comprehensive people development programs. The objective is to equip the people with knowledge & skills for long term employability and career enhancement. For executive employees, well-designed customized and open enrolment training programs on technical, managerial, and leadership skills are conducted by Pakistani & Foreign trainers, while non-executive employees are trained for similar skills at the in-house Technical Training School (TTS). During the year, the company has spent 49,419 hours to train 13,816 employees.



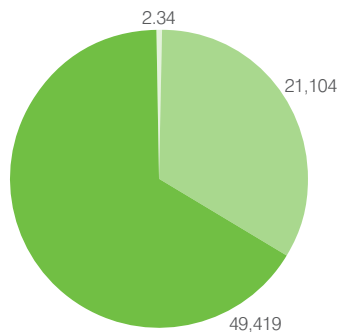
All employees received performance and career development reviews during the year.

In FY 2020, Interloop devoted 12,921 hours compared to 8,633 hours, to human rights policies concerning aspects related to business including

non-discrimination, diversity & equal opportunity, child labor, and forced & compulsory labor. 63% of workers including 100% security personnel were trained during the reporting year on human rights policies as compared to 51.69% in 2019.

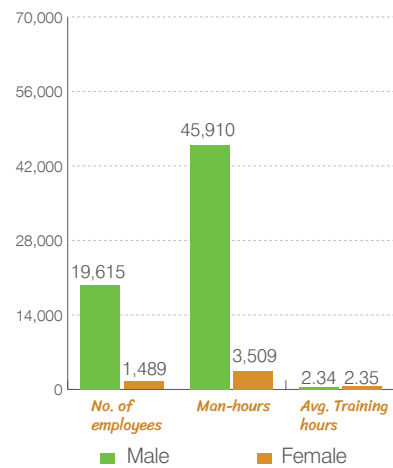
Training hours per employee

Training Hours per Employee

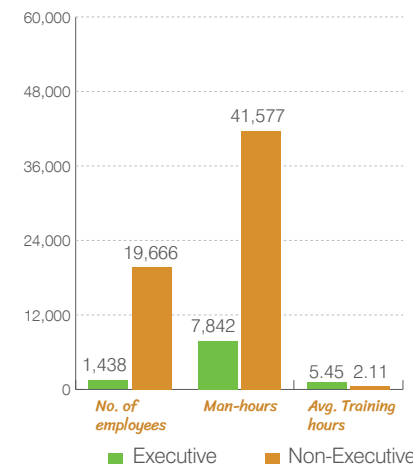


- No. of Employees
- Training Hours
- Average Hours of Training

Training Hours per Employee (by Gender)



Training Hours per Employee (by Employee Category)



Companywide Sports Activities

To promote physical and mental well-being of our people through competitiveness and healthy entertainment, the company has developed modern Sports Infrastructure, including a state of the art executive club, table tennis, squash, badminton and basketball courts, football grounds, and high energy fitness gyms and organizes various traditional and non-traditional sports tournaments, for all employees including differently-abled.



Corporate Social Events

To enhance employee engagement with the company and to recognize their services, Interloop organizes various social events throughout the year including the Annual Dinner, Managers' Dinner, International Women's Day, Long Service Awards, Christmas, etc.



Talent Scholarship for Employees' Children

Interloop encourages its employees to motivate their children acquire undergraduate degrees and flourish into promising careers. The company offers 5 Talent Scholarships every year to meritorious children of its employees, for Bachelor Degree Programs.

Respecting Human Rights

Interloop places great emphasis on respecting human rights not only within its operations but also in its sphere of influence. Our well-defined policies on different aspects of human rights coupled with our commitment and practice to abide by laws and international charters ensure that human rights are well respected in all of our activities. Our Code of Conduct and core values 'I-CARE' require all team members including workers to act empathetically and uphold the rights of co-workers, communities and other related parties. We believe in fair treatment to labor and do not have any kind of forced, compulsory or child labor practices at our plants. Our top priority is to comply with applicable employment and human rights related laws and honor our commitment to international charters on human rights. As a policy, we try to make sure that similar labor practices prevail at our supplier organizations. The compliance is ensured through third-party audits and non-compliances identified are discussed with suppliers to rectify these and to avoid such instances in future.

INTERLOOP WAY

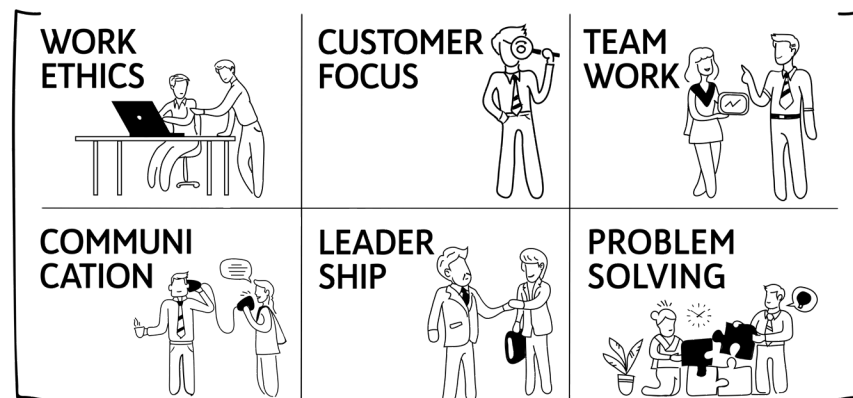
Interloop was introduced to Lean by one of our customers, NIKE, and since 2009, we have been applying Lean for improving our manufacturing processes and becoming robust in our operations. A centralized Lean Resource Group was created in 2010 for creating awareness about Lean Philosophy across the company, and by 2011 the Lean implementation teams started working towards developing the Lean Culture at the plant level. Over the years, multiple training workshops have also been organized for Interloop's senior & middle management, by world-renowned consultancies including American Links and Toyota Engineering Corporation in Japan.

Interloop fully understands the significance of our 'people practices' supporting deployment of Lean so that this develops as part of our culture. Consequently, in 2017,

the company started designing 'Interloop-Way', comprising Lean & People components. Interloop-Way will improve our people practices, systems & processes and will help in achieving full engagement, for sustainable growth and development.

Uniform Behaviors

In 2019, under the emblem of Interloop-Way, we Launched Uniform Behaviors; a complete Manual about expected behaviors at the workplace. It defines the set of particular behaviors that need to be demonstrated by every employee, unanimously throughout the company, and acts as a sustainable roadmap, for closing development gaps and providing employees with a clear direction for how to work for success in their personal and professional lives.



HEALTH AND SAFETY



Health and safety are areas of utmost importance to Interloop. Our approach towards health and safety is preventive in nature and focused on enhancing the occupational health and safety culture across the company, including offices, operational sites & manufacturing facilities. This health and safety framework is designed for minimizing occupational incidents, illnesses, and major adverse happenings. A dedicated central EHS department commands the teams at all plants. All policy-making and communications are done by the central department while their execution and related day to day operational matters are dealt with by teams at the plants. The operating procedures based on national & international laws and customers' Code of Conduct covering occupational environment, safety & health are implemented and monitored. All workforce from top to bottom is responsible for the implementation of the health and safety measures and accountable for any non-compliance. Interloop has a dedicated budget at floor

line manager and plant head levels to manage the health and safety requirements, in line with their authorized limits. All major spending including additional workers, material and monetary resources are forecasted and submitted to the Board of Directors for consideration and approvals.

The safety scoreboards are established at Plant 2 and Plant 3 along with public address systems at all facilities. Safety related days and weeks are celebrated for awareness of the workforce. Moreover, workers are regularly trained on health and safety related topics to update their knowledge and ensure a safer and productive work environment. The health and safety management system is practiced through health and safety committees active at the plants and cover all workers.

The performance of the EHS framework is monitored through KPIs which are assessed regularly in the form of internal and external audits, to ensure compliance with the policy

and identify any gaps. Reports of findings against KPIs are shared with top management for their review and further necessary actions as and where required. Based on the audit findings and urgency of action, regular adjustment is done. Also, the adjustments in the company's central EHS policies and procedures are carried out, subject to any changes in national & international laws and customers' Codes of Conduct.

Operations at Interloop are automated to a large extent, however, workers in the boiler section and production areas have interaction with machines and cotton dust where there are chances of occupational diseases. At Interloop, we are fully aware of these risks and have defined safety rules in place which require workers in these areas to use safety equipment and follow the instructions to avoid the risk of such illnesses. The EHS system is flexible for the employees. They can highlight issues through different platforms like EHS Committee Meetings, Focus Groups, etc. Additionally, grievances can also

HEALTH AND SAFETY

be channelized through suggestion boxes installed at prominent locations in each facility. No grievance was filed during the year under review.

Interloop has defined procedures for accident investigation and reporting. This includes the initial accident report followed by an accident investigation report and follow-ups. The company includes first aid injury and fatalities in the injury rate. The lost day means scheduled workdays and lost day count begins the day after the incident.

Response to the COVID-19 Pandemic

The COVID-19 pandemic disruption in 2020 affected billions of lives and halted economic activities globally as Governments and health & safety systems world-wide were not really prepared for such a disaster. Interloop responded vigilantly through planning and strategic implementation of control measures to safeguard the health of all stakeholders. Based on precautionary instructions from WHO and government health departments, EHS released precautionary guidelines and control measures for awareness and control against the pandemic, among all stakeholders within the company. Considering the outbreak of this pandemic in the country and well-being of our employees, based upon Government notification, all production facilities were closed in March 2020, till further instructions from company management.

All production facilities resumed operation in mid April 2020, after government notification, with limited workforce and after taking proper control measures and disinfection

Rate of Injury by Region & Gender

	Organization		Contractor	
	Male	Female	Male	Female
Faisalabad	Nil	Nil	Nil	Nil
Lahore	Nil	Nil	Nil	Nil

Occupation Disease Rate by Region & Gender

Faisalabad	Nil	Nil	Nil	Nil
Lahore	Nil	Nil	Nil	Nil

Lost Days Rate by Region & Gender

Faisalabad	Nil	Nil	Nil	Nil
Lahore	Nil	Nil	Nil	Nil

Absenteeism Rate by Region & Gender

Faisalabad	Nil	Nil	Nil	Nil
Lahore	Nil	Nil	Nil	Nil

of whole facilities. The working strength was enhanced gradually in accordance with the effectiveness of control measures incorporated and as per governmental guidelines. Meanwhile, suspected as well as affected cases among the employees were provided with all levels of medical support by the company in terms of testing and treatment financing, in addition to internal medical facilities.

The controls set in place to cope with the pandemic include but are not limited to the following:

- Guidelines communication to all stakeholders in English and Urdu language
- Banners displayed at prominent locations, posters and floor markings made to ensure social distancing and brochures distributed among the workforce



- Risk assessment conducted for all production facilities
- Disinfection (by engaging third party service provider) of whole plants followed by regular internal disinfection of high-risk areas based upon risk assessments
- Procurement and provision of disinfection machines to all plants for their regular internal use
- Provision of face masks to all employees, and hand sanitizers across the plants including transport vehicles, soaps at all toilets etc.
- Provision of face masks, face shields, gloves, coverall, IR based temperature guns, pulse oxy meters to paramedical staff and security personnel at the company entrances
- Regulated entry of visitors through dispensaries after initial screening and symptomatic medical examinations by the CMOs
- Initial screening (ensuring use of face masks, provision of hand sanitizers, maintaining



social distancing and temperature monitoring) of all personnel entering the premises through IN/OUT terminals as well as through gates for vehicular movement

- Ensured social distancing among employees on production floors as well as in the transport vehicles
- Training sessions conducted: on floors at limited scale in early days of the pandemic while transmissions on mega phones, mobile speakers and public address systems afterwards

- Internal audits of all Plants conducted to verify the implementation of above listed control measures and to identify gaps for further improvements
- Inspectorio-Rise - a digital platform, enabling a centralized view of health and safety risks during the pandemic. As a result, we can take proactive measures to safeguard our people through real-time monitoring & ensure safe working conditions





Positive Change

BUILDING A
**SUSTAINABLE
WORLD**



**COMMUNITY
DEVELOPMENT**

COMMUNITY DEVELOPMENT

Interloop is a Business for Purpose! Our Mission and reason for existence is to bring about a positive change in the community and this reflects in all our decisions and business practices. Our ambition is to Transform Lives and Improve Well-being when it comes to social responsibility. As per policy, we have defined community development goals with clear objectives to deliver inclusive growth. To pursue this cause, Interloop has invested approximately PKR 1.50 billion in the community during the last decade. Our main areas of focus include EDUCATION, SPORTS, LITERARY ACTIVITIES, HEALTH CARE and DISASTER RELIEF. The company has long term KPIs and every year a CSR spending target is fixed and implemented through an organized system.

Community development initiatives are planned based on the need assessment of the communities. The policy implementation is reviewed by Sustainability Cell which reports the outcomes to the CEO and the Chairman for further deliberation at the board level. The evaluation is performed by comparing the outcomes with the planned results and adjustments are carried out where required.

Our Corporate Social Responsibility Cell is working on all community development activities throughout the country, especially in our surrounding areas. The Head of CSR reports to the Chairman & CEO of Interloop Limited and also looks after Interloop Welfare Trust; a philanthropic arm of Interloop Limited, engaged in betterment initiatives for the community.



Education

We truly believe that one of the best ways to transform a society is to educate the children and the youth, as education develops the human mind to think & learn and apply that learning to seize opportunities for living a purposeful life, and contributing to the advancement of the society. Our initiatives in this area support **SDG-4; "Ensure inclusive and equitable quality education and promote lifelong learning for all"**.

Primary & Secondary Education

In order to bring positive & lasting change in the community by educating the children, especially underprivileged, Interloop Welfare Trust, in May 2009 partnered with THE CITIZENS FOUNDATION; the largest non-profit organization in Pakistan, providing quality education to the disadvantaged. So far, Interloop has established **27 schools (14 primary, 9 secondary & 1 higher**

secondary; separate campuses for boys and girls) including 3 primary campuses during 2020, in the rural areas around Faisalabad city. These schools are managed by female staff and provide quality formal education to **3,400 less privileged children, 50% girls**, in an environment that encourages intellectual, moral and spiritual growth. Interloop has created an endowment for supporting lifetime operating cost of 16 schools and also provides funds for managing annual operational cost of the remaining schools.



COMMUNITY DEVELOPMENT



TCF Rahbar Program

From 2012 onwards, executives from Interloop Limited regularly volunteer for the TCF Rahbar Program, twice a year, to mentor class 8 and 9 students about developing a positive mind set in life and making better career choices. **Till now, 175 Interloop Executives have voluntarily mentored 760 students at TCF-Interloop Schools, to help them make confident decisions.**

Scholarship Program for Cadet College, Hasan Abdal

Cadet College Hasan Abdal (CCH) has been a trendsetter for quality education boarding schools for boys in Pakistan. Interloop established a Scholarship Fund in April 2016 and is supporting 5 financially challenged cadets, for complete 5 academic years program.

Higher Education

Interloop is pursuing its target of providing 500 young men & women access to technical and higher education, by granting annual scholarships at various institutions, including Government College University, Riphah International University, National Textile University, University of Central Punjab, NUST Pakistan, NFC University and University of Sargodha, in Pakistan, and University of Vaasa, Finland.



Endowment Fund at Lahore University of Management Sciences (LUMS)

Since May 2013, Interloop Limited, through its Endowment Fund at the Lahore University of Management Sciences, is providing 8 perpetual scholarships to financially challenged Bachelor Degree students, under the National Outreach Program.

Scholarship & Internship Program for Government College Women University, Faisalabad

As part of its on-going endeavors for women empowerment, Interloop Limited, since May 2015, has instituted 190 Scholarships for deserving female Bachelor Degree Students, at the Government College Women University Faisalabad (GCWUF). It has also structured an Internship Program to acquaint GCWUF students

with professional work environment and practices, as part of their degree program requirements.

Need Based Scholarships at University of Agriculture, Faisalabad

20 full degree scholarships (5 scholarships every year) were introduced by Interloop at the University of Agriculture, Faisalabad in September 2017, for Bachelor Degree Programs in Engineering, Textile & Dairy Sciences.

Scholarship Grants at National Textile University, Faisalabad

In March 2019, Interloop Limited established a Scholarship Grant at the National Textile University (NTU), Faisalabad to encourage learning and exposure of NTU students, by sponsoring one academic semester at a good Turkish University, and is also

sponsoring the Graduate Research Fellowship at NTU to encourage research in Textiles at MS Level.

In September 2019, Interloop & NTU signed an agreement and established 'Interloop Need-Based Scholarship Program' to support 12 financially challenged undergraduate scholars in 4 academic years (3 scholarships per year).

Entrepreneurship Training Programs

Interloop collaborated with the Institute of Business Administration (IBA) Karachi and GC Women University Faisalabad to sponsor the Women Entrepreneurship Training Program for training females to start and grow successful business lines. 127 participants benefitted from two sessions during 2020. Prior to this, 300 aspiring male and female entrepreneurs benefitted from similar trainings at Hyderabad, Faisalabad & Gujranwala.



COMMUNITY DEVELOPMENT

Sports

We believe in nurturing talent by promoting sports, competitiveness and healthy entertainment for the youth, community and the society. For this purpose, Interloop has joined hands with sports organizations, especially those representing blind, handicapped, and women players, to sponsor multiple tournaments throughout the year.

Sponsoring Cricket for a Cause

To encourage young players from the grassroots for National and A-Teams, Interloop has been sponsoring cricket tournaments including SAICA-Interloop T-20 Cricket Championships (twice) and Interloop Premier League T-20 Cricket Tournaments (annually), since 2012.

International & Domestic Blind Cricket

Interloop has been sponsoring International & Domestic Blind Cricket

since 2014. We were the Official Sponsor of the Pakistan Cricket Team for the Blind Cricket World Cup 2014, played in South Africa, and Blind Cricket World Cup 2018, played in Pakistan & UAE. Interloop also promotes female sports and supported the Pakistan Women Blind Cricket Team Coaching Camp in 2018 and sponsored world's First International Women Blind Cricket Series in 2019 between Nepal & Pakistan. Interloop also sponsored 3 International tournament for men with India, Sri Lanka and Nepal teams respectively, hosted by Pakistan.

Sports for the Differently Abled

To promote the rights and well-being of persons with disabilities, Interloop joined hands with the Pakistan Wheel Chair Cricket Association and sponsored the Pakistan Wheel Chair Cricket team for Wheel Chair Asia Cup 2019. We sponsored the Pakistan Disabled Cricket Team for T-20 Cricket World Series, in England in 2019. We



also supported 3 Pakistani athletes at the Special Olympics 2019, held in Dubai.

Intersarsity-Interloop Sports Extravaganzas

To motivate youth towards healthy activities, Interloop has been sponsoring Intersarsity T-20 Cricket Championships and Sports Galas annually since 2016 at the University of Agriculture, Faisalabad in which top teams from various universities participate.

Supporting Young Talent

Interloop is also providing financial support to Pakistan's Fastest & Youngest Athlete; Sahab-e-Asra, for her future Endeavors.

All Pakistan Open Golf Tournament

Interloop has been sponsoring the All Pakistan Interloop Open Golf Championship annually since 2015, organized by the Lyallpur Golf N' Country Club, Faisalabad.



Literary Activities

Playing its role in creating learning opportunities and developing the character of the society, Interloop supports various cultural and literary events throughout the year.

Faisalabad Literary Festival

Since 2014, Interloop hosts the Faisalabad Literary Festival every year as the main sponsor, where people from all walks of life including families and youth get the opportunity to interact firsthand with eminent literati from across the country, who gather to inspire people with their popular works of literature and performing arts.

Conferences

She Loves Tech, Pakistan

We have been an avid advocate of diversity and have been supporting STEM projects, especially those articulated around females. Broadening their horizon, women

have stepped into tech-savvy fields as well, and She Loves Tech Pakistan has been one such program that got full support from Interloop as the main sponsor, as we partnered with CIRCLE Pakistan; the local organizer and a social enterprise working on women's economic empowerment and leadership development. It is the world's largest contest to create opportunities for women-led/impact tech start-ups to level up the global stage. STEM women from all over Pakistan participated

in the competition and the finalist represented Pakistan at the global competition in China.

Lyallpur Picture Gallery

Interloop provides financial support to Lyallpur Picture Gallery, annually, developed by District Government, Faisalabad. General public, especially students visit the gallery to learn about Faisalabad's rich history, culture and transformation into a textile industry hub.



COMMUNITY DEVELOPMENT



Health Care

Another area of constant focus for Interloop's social responsibility is Health Care. The eruption of the COVID-19 pandemic has further elevated the need of well-being initiatives for healthier societies. Our activities in this area support **SDG-3; Good Health and Well-Being.**

Free Treatment for Poor Patients

We have been providing free health care services to deserving patients at various hospitals across Pakistan. During the year, Interloop supported multiple hospitals in Faisalabad, by providing stretcher beds to DHQ Hospital and financial aid to ENT ward at Government General Hospital, Ghulam Muhammad Abad, Gynecology Ward at Hilal e Ahmar and General Ward at Mujahid Hospital. We are regularly providing free treatments to approx. 17,440 deserving patients for Corneal Transplants, Ophthalmic Diseases, Renal Dialysis, Tuberculosis treatment, Hepatitis C treatment, Spinal & Orthopedic treatments, Blood Transfusion, Thalassemia, Hemophilia

and treatments for Cardiac ailments, at various top hospitals of Pakistan, since 2009.

Support for Differently Abled Children

Interloop, being a community oriented organization, annually supports education, health and well-being of differently abled children by supporting Syeda Khatoon-e-Jannat Trust Hospital & Special Education Center, Faisalabad; a noble institution looking after the treatment and optimal development of children with

intellectual and physical disabilities. More than 100 students are being benefited per year.

Alzheimer Socks

Interloop teamed up with Euro Sox Plus B.V. Netherlands in 2015, 17, 18 & 19 and produced Alzheimer Socks; an initiative to start the dialogue and create awareness among people about Alzheimer's disease. Approximately €1.78 million have been generated and donated for research on diagnostics and treatment of Alzheimer's disease



Mobile Health Clinic

Interloop has partnered with Lok Sanjh Foundation; implementation partner of Better Cotton Initiative (BCI) in Pakistan, to finance provision of Mobile Health Services for marginalized Rural Communities, in cotton growing areas of 3 Union Councils in District Toba Tek Singh, Punjab. Since Feb 2019, two Mobile Health Clinics are serving approx. 11,000 rural community members, especially farmers, women workers and women cotton pickers working in the cotton fields, on weekly basis.



Community Support during COVID-19 pandemic

Interloop has always supported the communities in the hour of need and the COVID-19 pandemic is no different. We immediately earmarked PKR 70 million to support the people in need and it will be on-going support as per the growing requirement. Following community initiatives were taken during the pandemic outburst:

- To ensure proper protection of our frontline doctors & medical staff who were treating COVID-19 patients, Interloop donated 100,000 masks and 5,000 protective goggles to National Disaster Management Authority, to be supplied to hospitals
- Donated PPEs & Medical Equipment to Faisalabad Medical University Hospitals and other hospitals in Faisalabad and Lahore
- Partnered with Nestle Pakistan and Interloop Welfare Trust donated 50,000 liters of milk for the people in need
- Provided food hampers to 15,000 deserving families in Faisalabad, Kasur district and Karachi as well





BUILDING A
**SUSTAINABLE
WORLD**

08 FUTURE OUTLOOK

THE WAY FORWARD

The COVID-19 pandemic has resulted in global recession and loss of jobs, pushing millions of people below the poverty line. The uncertain conditions are still prevailing as no vaccine is available yet, while the second wave of the pandemic is erupting in many countries. A slow economic recovery is expected in 2021, making this challenging situation linger on for some time, for all of us. Despite challenges in business and profitability this year owing to global lockdowns, our teams across all our categories worked diligently to manage their businesses efficiently, during this uncertainty.

Interloop is committed to continue working as a responsible organization, creating shared value for all

stakeholders, in line with our Mission. We will keep following the Triple Bottom Line Sustainability Approach, focusing on People, Planet & Prosperity. Pursuing sustainability in all spheres of our business activities and to practice it more effectively, we will be endeavoring to achieve our sustainability targets by FY 2021, furthering our undertaking of sustainable business with inclusive growth.

Strong financial performance is vital not only for business continuity but also for pursuing sustainable practices, successfully. To ensure sustained economic returns, Interloop will continue to focus on growing our hosiery business by scaling up the Hosiery Plant 5 Pilot project

to a vertically integrated, LEED certified sustainable manufacturing facility. We will keep pursuing our diversification strategy and our newly established technological advanced and sustainable Denim Apparel manufacturing facility, is planned to be a LEED Platinum certified plant, with the target to engage females as 50% of the total workforce, in-house day care, at least 30% area as green space, ZERO hazardous material and waste, reduce carbon footprint by up to 50%, save approximately 35million liters of water per month and focus on maintaining & enhancing worker safety. We will also be scaling up our Knitwear Pilot Project to a state of the art vertically integrated Knitwear garments manufacturing plant and ramping up the Seamless Active wear production.

Completely conscious of upcoming Environmental sustainability challenges on account of our operations and our supply chain, we will be introducing Environmental Targets for all businesses, aligned with relevant Sustainable Development Goals (SDGs) of United Nations Development Programme (UNDP). We aim to further reduce our environmental impact through effective strategies, investment in new technologies and automation tools, increased clean energy production, efficient waste, water and energy management, improved water recycling, and sustainable procurements.

Our people are our strength to realize our mission and create a shared value. We are committed to pursue best employment practices through provision of a safer and productive workplace, nourishing talent through trainings, providing competitive rewards and benefits, and investing in employee welfare activities.

We are aware of our responsibility towards our community. Acting as an Agent of Positive Change, we are committed to continue investing in education, health, sports, women empowerment and literary activities for the under privileged, for developing a prosperous and healthy society.

Stakeholders' input is critical for our long-term success in the competitive market, therefore, we commit to engage our stakeholders on a regular basis for gaining insights on sustainability issues. Moreover, we pledge to share our story with our stakeholders and interested parties and to continue supporting UNDP's Sustainable Development Goals through our operations and interventions, for building a Sustainable World!

GRI INDEX

The GRI content index serves as a navigation tool to locate the content within the report. The GRI Standards together with the related disclosures are listed and each disclosure is referred to the relevant page in this Sustainability Report or other publicly available source.

Key

SR = 2020 Sustainability Report
AR = Annual Report 2020

●●●●●●●● Fully disclosed
●●●●● Partially disclosed
□ Not disclosed

GRI Standard	Disclosure	Page No. (s)	Omission & Reason
GRI 101: FOUNDATION 2016	GRI 101 contains no disclosures.		
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	102-12 External initiatives	30-33	●●●●●●●●
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	102-14 Statement from senior decision-maker	8-9	●●●●●●●●
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	102-16 Values, principles, standards and norms of behavior	36-37	●●●●●●●●

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	102-40 List of stakeholder groups	43	●●●●●●●●
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	102-42 Identifying and selecting stakeholder	42	●●●●●●●●
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	102-50 Reporting period	7	●●●●●●●●
	102-51 Date of most recent report	7	●●●●●●●●
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	102-53 Contact point for questions regarding the report	7	●●●●●●●●
	102-54 Claims of reporting in accordance with the GRI Standards	7	●●●●●●●●
	102-55 GRI content index	100	●●●●●●●●
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	Ensure access to affordable, reliable, sustainable and modern energy for all	48, 57	201-1, 302-1, 302-4
	Promote inclusive and sustainable economic growth, employment and decent work for all	29, 48, 56, 57, 70, 71, 72, 75, 78, 80, 81, 82	102-8, 102-41, 201-1, 202-1, 301-1, 301-2, 302-1, 302-4, 401-1, 401-2, 403-1, 403-2, 404-1, 404-3, 407-1, 408-1, 409-1, 414-1
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	48	201-1
	Reduce inequality within and among countries	87-93	413-1

	Ensure sustainable consumption and production patterns	29, 56, 57, 61, 64	204-1, 301-1, 301-2, 302-1, 302-4, 305-1, 306-2, 306-4
	Take urgent action to combat climate change and its impacts	57, 61	302-1, 302-4, 305-1
	Conserve and sustainably use the oceans, seas and marine resources	61	305-1, 305-5
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	61	305-1, 305-5
	Promote just, peaceful and inclusive societies	29, 36-37, 38, 49, 54, 78, 80	102-16, 102-22, 205-1, 307-1, 414-1, 406-1, 408-1, 419-1

GLOSSARY AND ACRONYMS

BCI	Better Cotton Initiative
CBA	Collective Bargaining Agent
CFCs	Chlorofluorocarbons
CSR	Corporate Social Responsibility
GHG	Green House Gases
GJ	Giga Joule
GOTS	Global Organic Textile Standard
GRI	Global Reporting Initiative
GRS	Global Recycled Standard
HFCs	Hydrofluorocarbons
HSE	Health, Safety and Environment
IFC	International Finance Corporation
ISO	International Standards Organization
MW	Mega Watt
NGO	Non-Governmental Organization
PBC	Pakistan Business Council
SA 8000	Social Accountability 8000
SASB	Sustainability Accounting Standard Board
ZDHC	Zero Discharge of Hazardous Chemicals

FEEDBACK FORM

Sustainability Report 2020

Information provided on material topics covered in the report.

Comprehensive
 Adequate
 Inadequate

Clarity of the information provided in the report.

High
 Medium
 Low

The quality of design and layout of the report.

Excellent
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