



PURPOSE TO IMPACT

SUSTAINABILITY REPORT 2023

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COMMIT. EMPOWER. LEAD: PURPOSE TO IMPACT

At Interloop, sustainability is our purpose and responsibility to the planet and to each other. By prioritising sustainable practices, we are creating positive impacts that extend far beyond our company. We have taken significant strides to ensure our operations align with the highest levels of environmental and social stewardship, making us a partner of choice for all.

MESSAGE FROM OUR CEO

Showing leadership to protect the future of our next generations has taken on a new urgency as global climate systems continue to go through widespread and rapid disruptions. The IPCC's latest report also warns us of the likelihood that warming will exceed 1.5°C during the 21st century and make it harder to limit warming below 2°C.

We are rising to the challenge, using a data led approach to our impact, becoming the first large-scale company in Pakistan to have its emissions reduction targets approved by the Science Based Targets Initiative (SBTi). In FY2023, we mitigated over 29,029 metric tonnes of emissions from biomass installation, solar energy and energy efficient infrastructure. There is more work to be done as we set our sights on achieving a 51% reduction in our scope 1 and scope 2 emissions by 2032.

As we look deeper into our supply chain, it has become evident that cultivation of raw materials is one of the biggest sources of emissions. This insight, along with our commitment to lead with purpose, has helped us launch our direct-to-farm cotton projects. Interloop organic kapas project is helping farmers transition to organic cotton, spread across 5,000 acres. With IC2 certification in its second year, we are on our way to scale the project to 10,000 acres and 2,000 farmers by 2025. We are also launching Interloop Regen Kapas, as we see significant potential in scaling regenerative cotton farming in Pakistan, helping restore natural ecosystems whilst supporting livelihoods.

Our commitment towards building a diverse and inclusive culture is stronger than ever. This year, we increased women's representation at the company board to 44% and in our top executive body to 25%. I am also proud to share that we successfully launched Pakistan's first T20 cricket series for women, with over 120 women participating in the series.

At Interloop, our mission is to be an agent of positive change. We are redefining what that means at our workplace and in our communities. Whether it's advancing women in leadership roles; prioritising mental health and well-being; investing in different ability sports and reducing barriers to access; or supporting equal access to quality education for girls and boys, we are working to create an equitable and inclusive future.

With innovation and purposeful impact from farm to floor, we weave a world where every product has a meaningful story.

Navid Fazil
CEO





COMPANY OVERVIEW

OUR CORPORATE PROFILE

Interloop Limited, headquartered in Pakistan, is a vertically integrated Full Family Clothing company, manufacturing Hosiery, Denim, Knitted Apparel & Seamless Activewear products, for top international brands and retailers, aiming to become a Partner of Choice.

Being the largest listed textile company on Pakistan Stock Exchange by market capitalization and among the top exporters of Pakistan, Interloop employs ~30,000 highly motivated and engaged people from over 15 nationalities. It enjoys an organizational network operating from 6 countries, with an extensive, well-equipped industrial infrastructure base



MISSION

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

VISION 2025

To become a full family clothing partner of choice.



in Pakistan, an associate manufacturing facility in Sri Lanka, contract manufacturing facility and sourcing office in China, and marketing services offices in USA, Europe and Japan.

Renowned globally for its manufacturing excellence, Interloop is also a pioneer in environmental consciousness and at the forefront of social change. Aiming for Race to Zero, it focuses on circular by choice and is Pakistan's First manufacturing organization in Large Enterprise Category to have its Science Based Targets approved. With multiple LEED certified facilities, Fair Trade certification and as a member of United Nations Global Compact, Interloop is committed to sustainable development.

CORE VALUES



INTEGRITY



CARE



ACCOUNTABILITY

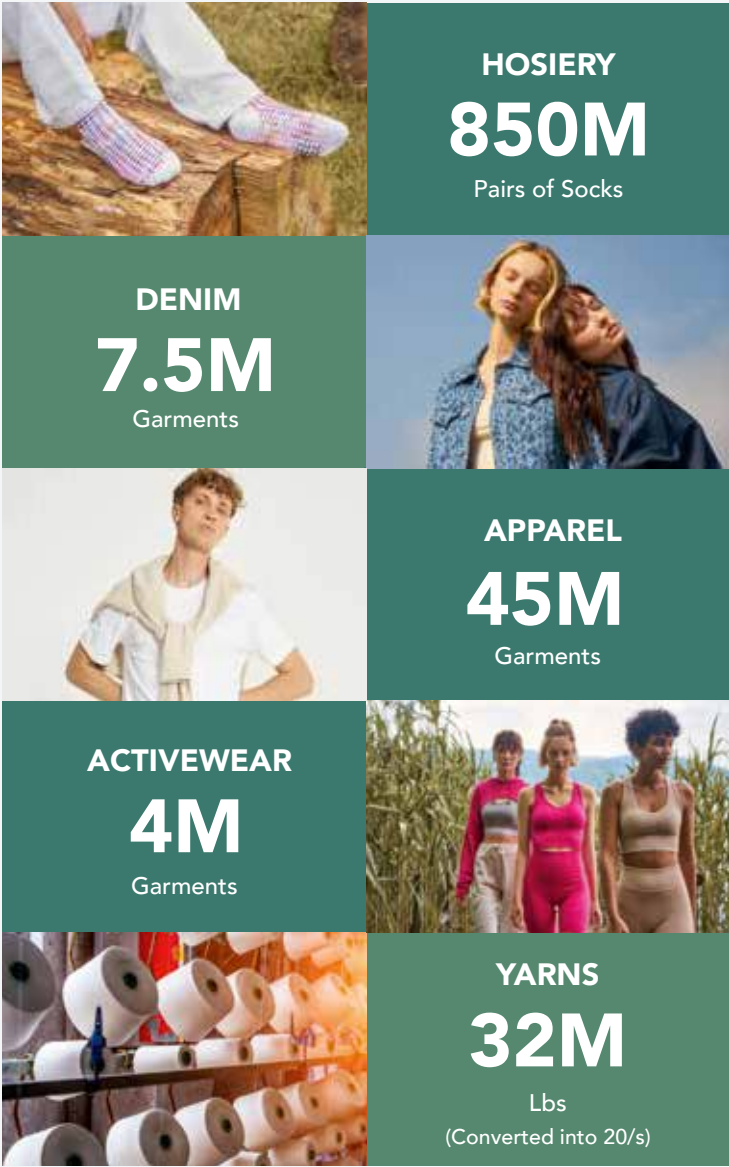


RESPECT



EXCELLENCE

OUR BUSINESS CATEGORIES



*Annual production capacity in Million

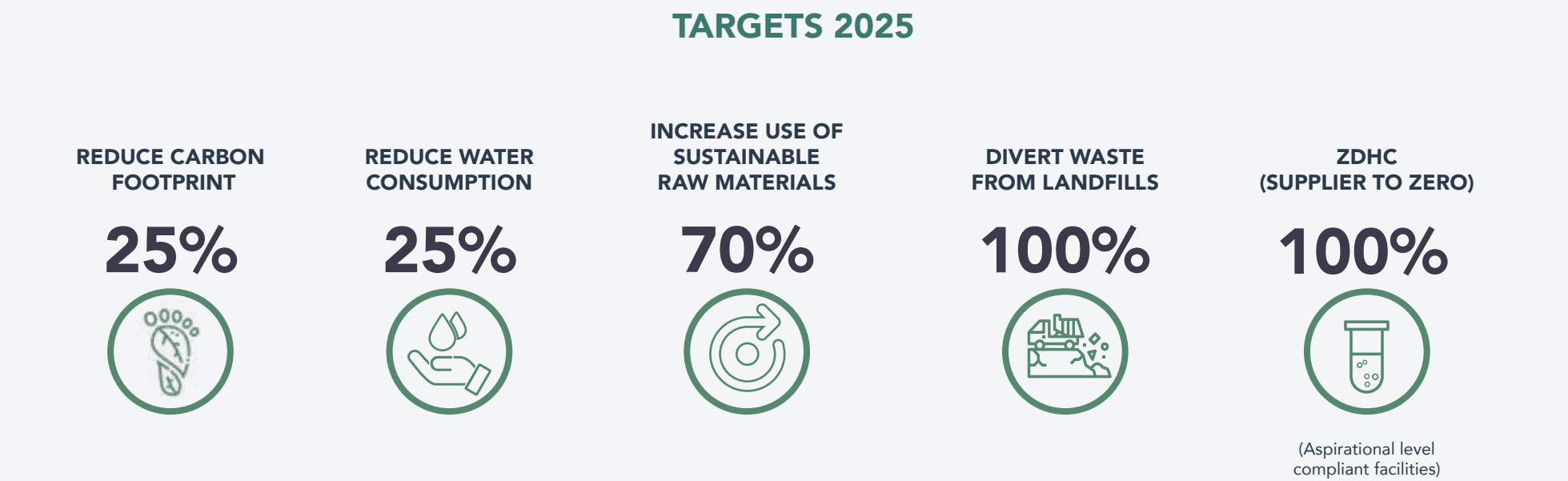
OUR CUSTOMERS



*To read further about our capabilities, machinery, processes, production, and future capacity enhancements, refer to pages 14-18 of the Annual Report 2023.

PLANET

Lead the way in responsible manufacturing meeting the highest standards of environmental and social performance.



ACHIEVEMENTS VS TARGETS 2023

IMPACT AREAS	GHG EMISSIONS (KG CO ₂ /KG)	WATER (Liters/KG)	SUSTAINABLE MATERIAL (% of total Material Procured)	SOLID WASTE (Diversion from Landfills)	CHEMICAL MANAGEMENT
TARGETS	-10%	-7%	70%	70%	ZDHC (Supplier to Zero) (Foundational level compliant facilities)
ACHIEVEMENTS	+2%	+2%	68%	70%	Achieved

PEOPLE

Building a diverse, inclusive, and engaged workforce creating a high-performing organization.

TARGETS 2025

INCREASE WORKFORCE DIVERSITY

30%



BOOST EMPLOYEE ENGAGEMENT

70%



TRAIN WORKFORCE ON RELEVANT AND FUTURE COMPETENCIES

80%



ACHIEVEMENTS VS TARGETS 2023

IMPACT AREAS		TARGETS	ACHIEVEMENTS		
DIVERSITY RATIO		14.2%	10.3%	Women ratio	
*EMPLOYEE ENGAGEMENT		64.8%	64%		
WORKFORCE TRAINING	Events	143	134	94%	For executives only
	Man Hours	30,944	32,979	107%	For executives only

*The figure is for FY'22 as the Engagement Survey is conducted every two years. This year's focus remained on Talent Development & fostering Anti-harassment.

COMMUNITY

Creating inclusive and fair opportunities for community well-being.

TARGET 2025

INVEST IN COMMUNITY WELL-BEING
4%
OF PROFIT



ACHIEVEMENT VS TARGET 2023

IMPACT AREA	TARGET	ACHIEVEMENT	INITIATIVES
INVEST %AGE OF PROFIT IN COMMUNITY WELL-BEING	4%	4%	Affordable, equitable quality education to *5000 children by sponsoring 34 TCF schools
			Technical & higher education scholarships for *650+ young women & men
			Equal access to education for *5000+ children with disabilities
			Early childhood development and pre-primary education to at least **180 children at Interloop's childcare centers
			Enabling *4000+ local talent from grassroots through Sports events
			Organized literary & cultural activities for *15,000+ people
			Free healthcare for over *100,000+ patients
			Raised PKR 190 million through company funds, its employees, sponsors and friends and supported thousands of flood affected families by delivering more than a million meals, and essential aid in the form of medicines, home textile items and feed for thousands of cattle
			*Approximate Figure **Children enrolled so far

PROSPERITY

ACHIEVEMENT VS TARGET 2023

IMPACT AREAS	TARGET	ACHIEVEMENT
DIRECT ECONOMIC VALUE GENERATED (USD IN MILLION)	568	456



OUR STRATEGY

Rooted in our mission, Interloop's sustainability strategy is focused on offering sustainable and innovative products, augmenting responsible sourcing, reducing our resource consumption, and aligning with climate science, while taking care of our people and communities.

Rooted in our company's mission and embraced by our teams diligently, our sustainability strategy is well integrated into our business planning, processes, policies, and practices. Throughout our operations, we prioritize effective management of our impacts in key sustainability areas i.e., reducing our environmental footprint, ensuring well-being of our people and communities,

respecting labour and human rights and promoting sustainability practices in our supply chain to continuously grow our business, creating shared value and positive change for all our stakeholders. Our five-year environmental and social targets under our Vision 2025 and the recently approved science-based targets manifest our long-term strategic priorities. As a leading company, we understand our influence to drive positive change, and will continue to pursue sustainability practices for meaningful contribution to address global sustainability challenges. We are also mapping our supply chain and collaborating to develop a collective roadmap, ensuring emissions reduction across scopes.



Our long-term ESG goals include exploring carbon markets, growing our LEED footprint, enhancing operational efficiency, switching to low-emission-intensive fuel, and ramping up renewable energy.

POLICY COMMITMENTS

Our strategy and business policies are aligned with the leading global pledges, and frameworks we abide by, representing our commitment to responsible business conduct, managing our impacts, and respecting internationally proclaimed human rights.

Our code of conduct and policies require conducting due diligence at the outset to identify the potential negative impacts and develop appropriate strategies to prevent negative impacts. The CEO approves all policy commitments applicable to our operations, employees, and supply chain partners. To foster sustainable practices, employees and supply chain partners are informed about policies and changes through various channels, including the internal employee portal (ELOOP), emails, and business meetings.

Our commitment to responsible business conduct and respecting and promoting human rights form the basis of developing and revising our relevant policies. The respective managers are responsible for executing and ensuring the alignment of our activities with approved policies, procedures, and commitments. We organize regular sessions for employees and supply chain partners to ensure the effective implementation of the policies and procedures into day-to-day activities. Compliance with the policies and procedures is ensured through internal audits, external review, and certification, all of which are discussed in management approaches for material topics throughout the report.

REMEDIATING NEGATIVE IMPACTS

Our proactive approach, supported by risk assessments, helps in the early identification of possible negative impacts of our activities and taking appropriate measures to avoid these negative impacts. However, in cases where negative impacts are unavoidable, appropriate plans are developed based on the severity and scale of the impacts to remediate the negative impacts in our operations and supply chain. Affected stakeholders can lodge a complaint through our grievance reporting mechanisms comprising LoopHR, and suggestion/complaint boxes installed at each business location. The complaints are reviewed by respective teams for resolution, and outcomes are communicated to the concerned parties.



GOVERNANCE & SUSTAINABILITY MANAGEMENT

Our governance structure, code of conduct, and sustainability philosophy guide our sustainable business practices. Sustainability is overseen by the top leadership, reviewed by the CEO, and deliberated at the Board meetings.

GOVERNANCE STRUCTURE

The Board of Directors is the highest governance authority at Interloop, elected every three years. The Board elects a Chairperson from among the Directors, and the positions of Chairperson and Chief Executive Officer are held by different individuals. The Board comprises nine Directors, including three executives, two non-executives and four independent Directors. The non-executive and independent directors have no monetary relationship with Interloop Limited, except the directorship fee paid to them for attending Board meetings. The Board consists of five male Directors and four female Directors, all with diverse backgrounds in engineering, finance, and other related fields.

The Board has established various committees with proper delegation as per the Code of Corporate Governance. These include the Audit Committee, Human Resource and Remuneration Committee, Risk Management Committee and Nomination Committee. Also, the Board has set up the ESG Committee. All committees have defined objectives and a clear set of responsibilities, and help the Board in making sound decisions on relevant matters. For more information on the Management Committee and Board Committees, please refer to pages 27, and 34-35 of the Annual

Report 2023. To enrich Board's expertise in the realm of sustainable development, the Board and the top management consistently receive updates on sustainable development trends through the Environmental, Social, Governance (ESG) Committee, participate in sustainability-focused networking events, and engage in various initiatives. Interloop conducts trainings and workshops for its executive employees for continuous learning and knowledge sharing. These measures help ensure that the governance body is well-informed and proficient at making informed decisions to drive sustainable development.

The Board's Nomination Committee assists the Board in evaluating and suggesting potential changes to the Board's structure, size, and composition, in accordance with the Code of Corporate Governance Regulations, 2019. The Committee prioritizes a diverse Board in terms of gender, ethnicity, skills, and expertise as it brings in a variety of perspectives and enhances decision-making. The Chief Executive Officer directly oversees planning, execution, and monitoring of sustainability initiatives, and is responsible for day-to-day activities, in line with the mandate vested in him by the Board.

BOARD'S ROLE IN OVERSEEING THE MANAGEMENT OF IMPACTS

The Board is responsible for developing, approving, and updating the organization's purpose, vision, values, policies, strategies, and goals related to sustainable development. This includes setting the direction for sustainable practices and ensuring alignment with the organization's overall mission.

The Board's Risk Management Committee (RMC) oversees due diligence processes to identify and manage impacts on the economy, environment, and people and reports to the Board. The outcomes ensure that a comprehensive understanding of impacts is integrated into strategic decisions, enhancing the ability to identify and mitigate risks effectively. The Board regularly reviews the efficacy of these processes in the Board Meetings to ensure effective management of impacts and responsiveness to changing contexts and emerging challenges.

The evaluation of the Board's role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The Board has a comprehensive mechanism for evaluation of its performance developed in conformity with the Code of Corporate Governance Regulations, 2019 and global best practices. Based on self-evaluation, appropriate actions are planned and implemented by the Board.

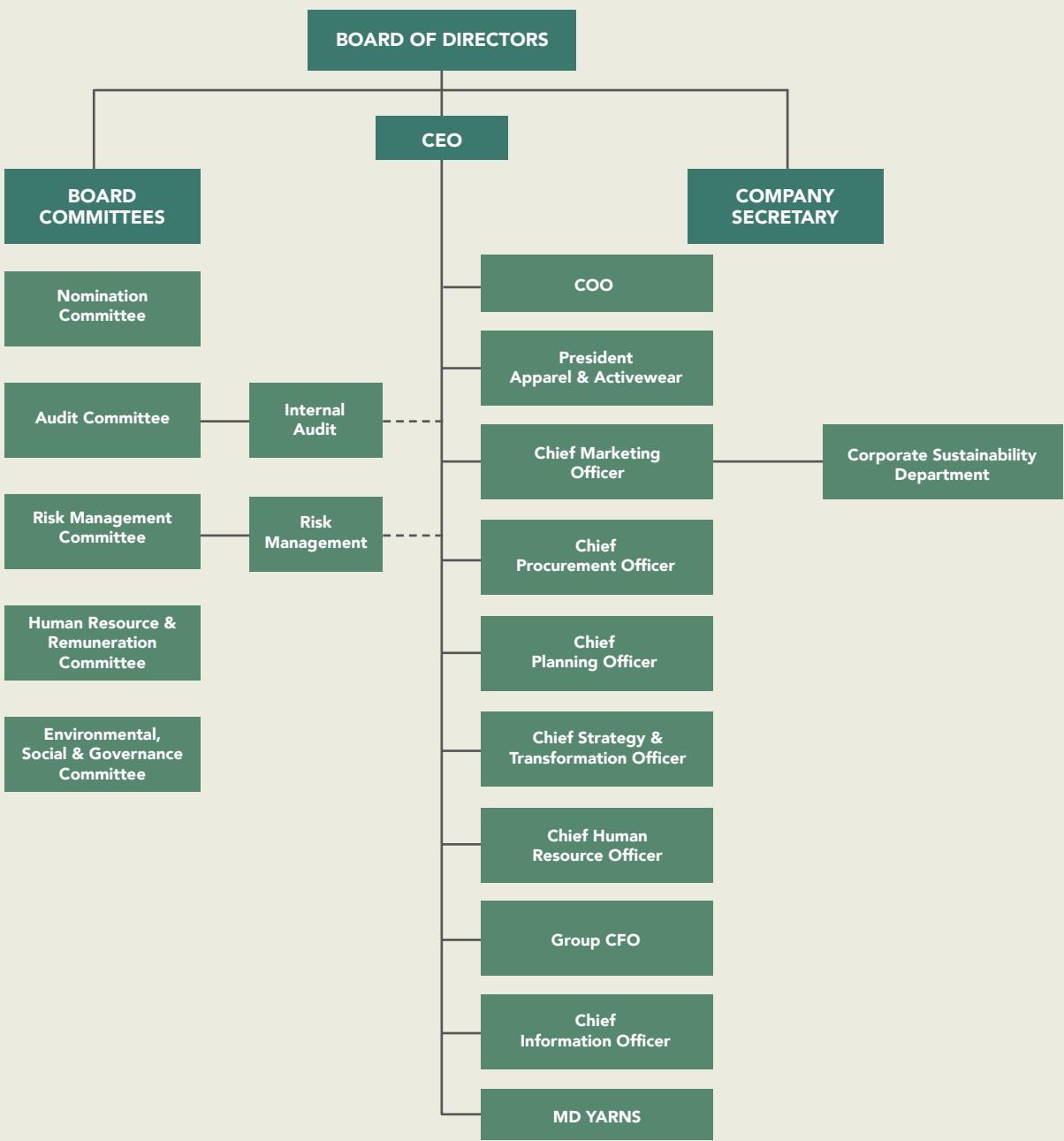
POLICIES AND PROCESS TO DETERMINE REMUNERATION

The remuneration policies for the highest governance body are framed in accordance with the Code of Corporate Governance and no Director is involved in determination of his/her own remuneration. No emoluments are paid to Non-Executive Directors except fees for attending the Board meetings.

The Human Resource and Remuneration Committee (HR & R Committee) is responsible for developing, reviewing, and refining the remuneration policies, ensuring they are in-line with the prevailing industry trends and business practices, and aligned with the objectives for management of impacts. The Board approves the remuneration policies, ensuring that they are conforming to organization's strategic direction. No consultants were involved in determining remuneration during the year.

CONFLICT OF INTEREST AND CRITICAL CONCERNS

Our code of conduct is an important component of our governance structure which guides on ethical business practices, relations with our business partners, and the conduct required from our people. We have stringent processes in place to prevent and mitigate conflicts of interest within the organization. Clear policies are communicated to





all members, ensuring awareness and adherence to ethical standards. Any conflicts arising from cross-board memberships, cross-shareholding, controlling shareholders, and related party transactions are actively identified and managed through the Audit Committee. Additionally, these arrangements and transactions are highlighted separately and presented for approval by shareholders during the general meetings of the Company.

Interloop has structured grievance handling mechanisms and other processes to enable stakeholders to raise concerns regarding organization's potential and actual negative impacts. Critical concerns raised by stakeholders, encompassing issues related to ethics, compliance, environmental impact, social responsibility, and other significant areas, are communicated promptly to the Board through relevant Committees. Interloop maintains an open and accessible channel through which employees, customers, suppliers, and other stakeholders can report these concerns. The Board actively engages with Board Committees, expert advisors, and relevant stakeholders to address these concerns effectively, in accordance with the policies and applicable regulations, and to ensure that all responses are ethical, prompt, and aimed at resolving the concerns satisfactorily.

ESG MANAGEMENT

The ESG Committee is responsible for dealing with as well as advising the Board on ESG matters. The overall responsibility to oversee management of impacts rests with the Chief Executive Officer, while the responsibility to oversee environmental impacts rests with the Head of Corporate Sustainability & Chemical Management. The sustainability department assists the ESG Committee in defining long-term goals and strategies, and supporting businesses in target setting, baseline calculation, and identification of potential sustainability projects relating to environmental impacts. It also develops new policies, recommends the best course of action, and monitors performance. The CEO secretariat and CSR department assist the ESG Committee with strategies and target setting for social and economic impacts. Specific responsibilities are also delegated to various teams within the organization, ensuring a comprehensive approach.

Regular reporting mechanisms are in place, involving senior executives, the sustainability department, the ESG Committee, and designated team members. Sustainability performance is reviewed quarterly at the business level, bi-annually at the corporate level, and is also deliberated at the Board level annually. The responsibility to review and approve material topics and the annual sustainability report has been delegated to the Chief Marketing Officer who reports to the Chief Executive Officer, for further deliberation in the ESG committee.

U.N. SUSTAINABLE DEVELOPMENT GOALS

We have aligned our strategy and business actions with the United Nations’ Sustainable Development Goals (SDGs).

<div>1NO POVERTY</div> <div></div>	Improve Well-being Amazon’s Benefits for Business & Workers Program Fair Trade Transform Lives	<div>2ZERO HUNGER</div> <div></div>	Transform lives Enhancing Economic Returns	<div>3GOOD HEALTH AND WELL-BEING</div> <div></div>	Climate & Energy Health & Safety Transform Lives	<div>4QUALITY EDUCATION</div> <div></div>	Training & Development Transform Lives
<div>5GENDER EQUALITY</div> <div></div>	Improve Well-being Women Empowerment Women on Wheels Program Champions of Change	<div>6CLEAN WATER AND SANITATION</div> <div></div>	Water Stewardship Waste & Circularity	<div>7AFFORDABLE AND CLEAN ENERGY</div> <div></div>	Climate & Energy	<div>8DECENT WORK AND ECONOMIC GROWTH</div> <div></div>	Respecting & Promoting Human Rights Improving Well-being Women Empowerment Amazon’s Benefits for Business & Workers Program Fair Trade
<div>9INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div></div>	Climate & Energy Health & Safety Transform Lives	<div>10REDUCED INEQUALITIES</div> <div></div>	Improve Well-being Women Empowerment Women on Wheels Program Champions of Change	<div>11SUSTAINABLE CITIES AND COMMUNITIES</div> <div></div>	Transform Lives	<div>12RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	Sustainable & Traceable Raw Materials Climate & Energy
<div>13CLIMATE ACTION</div> <div></div>	Sustainable & Traceable Raw Materials Climate & Energy Supply Chain	<div>14LIFE BELOW WATER</div> <div></div>	Waste & Circularity	<div>15LIFE ON LAND</div> <div></div>	Waste & Circularity	<div>16PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div></div>	Enhancing Economic Returns Health & Safety Respecting & Promoting Human Rights
<div>17PARTNERSHIPS FOR THE GOALS</div> <div></div>	UNGC Participant Fashion Industry Charter Signatory Champions of Change						

AWARDS & ACCOLADES

UN GCNP SUSTAINABILITY AWARD

Interloop has been recognized for Living the Global Compact Principles and Championing UN SDGs second time in a row, as it received the 1st prize in the Large National Enterprises category at The Global Compact Business Sustainability Awards 2022 by the Global Compact Network Pakistan.

TOM TAILOR SUPPLIER EXCELLENCE AWARD

Interloop was conferred upon the prestigious Supplier Excellence Award by Tom Tailor at its Supplier Summit 2023, in recognition of Interloop's steadfast dedication to upholding exceptional standards across all its operational aspects.

BEST EMPLOYER TO WORK WITH IN TEXTILE SECTOR AWARD

Interloop has been accorded the Most Preferred Employer in Textile Industry Award by Pakistan Society of Human Resources Management (PSHRM) and Engage Consulting. The award was based on the results gleaned from the BPTW 2023 survey, taken up by over 40,000 employees across Pakistan, excluding employees of the nominated organizations, positioning us as the employer of choice.

OCCUPATIONAL SAFETY, HEALTH & ENVIRONMENT AWARD

Interloop received the 2nd prize for outstanding Environmental, Health & Safety practices. This achievement underscores our commitment to a safe and sustainable work environment.

AWARENESS WORKSHOPS

ALLIANCE FOR WATER STEWARDSHIP

The global challenges of water scarcity and environmental degradation present formidable obstacles to sustainable development. In a bid to tackle these pressing issues, Interloop Limited organized an Alliance for Water Stewardship Awareness and Consultation Workshop at Lahore University of Management & Sciences. Various stakeholders including industry representatives, the public sector, communities, and NGOs converged to deliberate on water issues in Pakistan. They collectively shared insights on water challenges and explored opportunities to mitigate risks associated with water management.

SDG LEADERSHIP PROGRAM

In 2023, Interloop was recognized as the SDG-12 leader by the Center of Excellence in Responsible Business (CERB), Pakistan Business Council. In line with that, we organized a stakeholder engagement session involving market peers, academia representatives, and stakeholders from the public and private sectors at Nishat Hotel Lahore. The session provided an opportunity to share our best practices regarding ESG principles and reporting disclosures, and their significance in advancing SDG-12 objectives.



OUR PLEDGES

SUSTAINABLE DEVELOPMENT GOALS



In support of

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

Established by UN Women and the
UN Global Compact Office





PLANET

Committed to a greener future, we are driving science-based emissions reduction across our value chain. With clean energy, efficient technologies, and green buildings, we minimise waste and lower our impact. Embracing circularity, we repurpose materials and conserve resources.

ENVIRONMENTAL IMPACTS 2023



*Energy Saved

8,900,000 kWh

=



Energy Used by Homes for One Year

794



GHG Emissions Avoided

29,029 TONS

=



Tree Seedlings Grown for 10 Years

480,000



Water Saved

164,726 m³

=



Daily Water Consumption (Based on 6 Member Family)

137,271 FAMILIES



CLIMATE CHANGE

We are decarbonizing our operations by adopting renewable energy sources, investing in LEED manufacturing for energy conservation, and transitioning to biomass-based fuel, resulting in a complete phase out of coal usage.

OUR COMMITMENTS AND ACTIONS

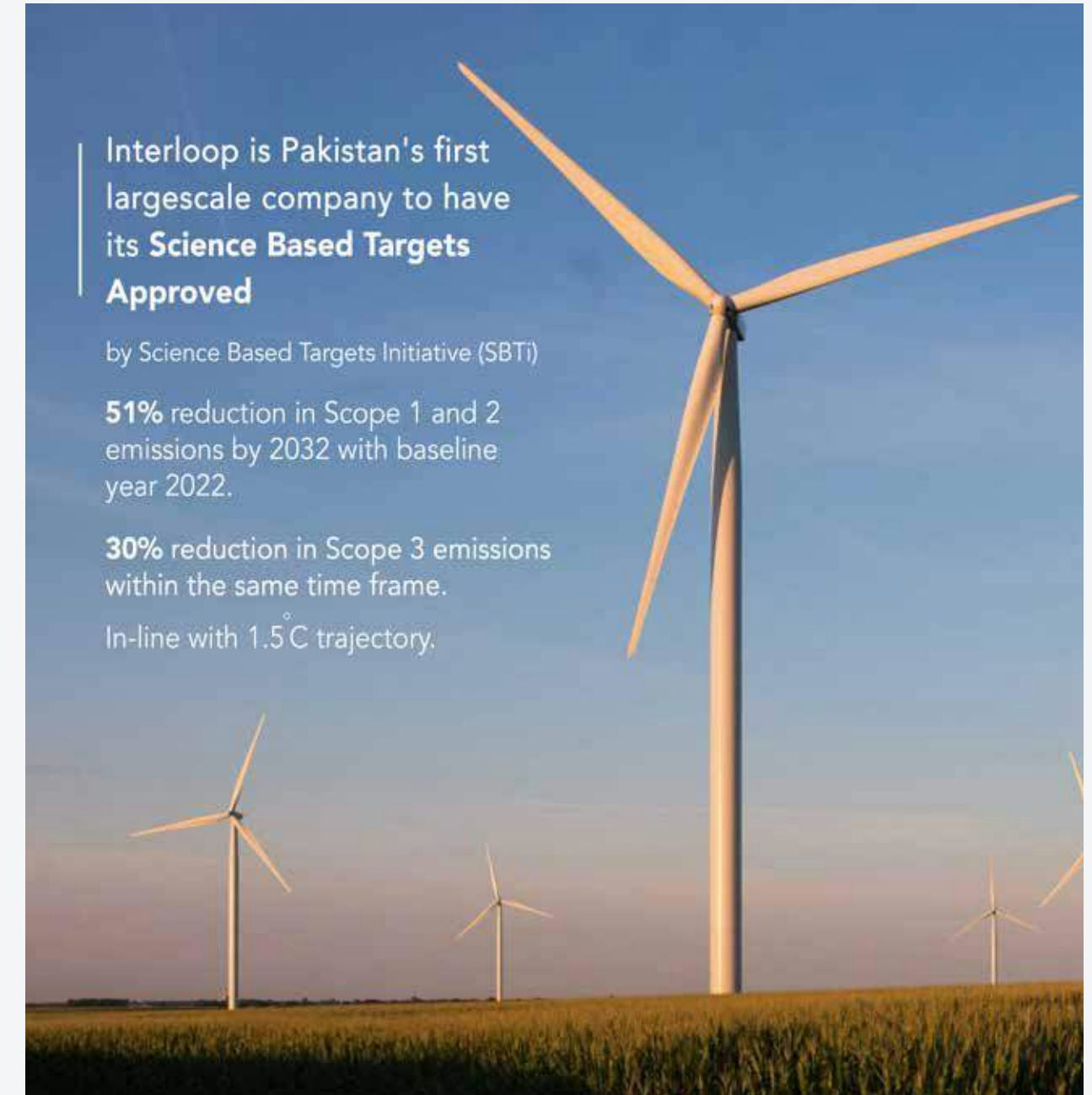
Climate change has been identified as one of the top risks in the World Economic Forum Risks Report 2023.

The risks associated with climate change have led to economic losses and have necessitated the need for businesses to adopt climate-resilient practices and manage their environmental impact.

SCIENCE BASED TARGETS

In October 2020, we started our journey with an ambitious step to commit and align our emission calculations with SBTi target setting requirements. It was an extensive of aligning our current GHG inventory in accordance with SBTi and GHG protocol guidelines. A detailed gap analysis ensured outcome meets SBTi guiding principles i.e. Relevance, Completeness, Consistency, Transparency and Accuracy.

While Scope 1 & 2 emissions are already being reported by Interloop, Scope 3 calculations and reporting in accordance with SBTi guidelines are being done for the first time. Accounting for Scope 3 emissions is a bigger challenge as it addresses the entire value chain i.e. both upstream and downstream. Data was aligned for fifteen scope 3 categories covering the entire value chain. The Spend-Based Method was used for Scope 3 emission calculations using Quantis; a tool recommended by SBTi and GHG protocol. However, we are exploring further methodologies to ensure our Scope 3 calculations become more robust in future.



Interloop is Pakistan's first
largescale company to have
its **Science Based Targets
Approved**

by Science Based Targets Initiative (SBTi)

51% reduction in Scope 1 and 2
emissions by 2032 with baseline
year 2022.

30% reduction in Scope 3 emissions
within the same time frame.

In-line with 1.5°C trajectory.

CARBON DISCLOSURE PROJECT (CDP)

After registering with the Carbon Disclosure Project in 2020 we are submitting annual climate change assessments (2020, 2021, 2022 & 2023) to date.

UN FASHION INDUSTRY CHARTER FOR CLIMATE CHANGE

In 2021, we signed the UN fashion industry charter for climate change committing to a carbon-neutral future by 2050, aligned with the Race to Zero campaign.

LEED CERTIFIED FACILITIES

Our newest hosiery plant, Plant 5, has achieved LEED Gold certification from the US Green Building Council. This marks the third Interloop facility to be LEED certified, with Hosiery Plants 4 and 5 holding LEED Gold certifications, and Interloop Denim securing LEED Platinum certification.



Hosiery Plant 5

2022 - GOLD

Denim Plant

2019 - PLATINUM

Hosiery Plant 4

2018 - GOLD

GHG EMISSIONS

Interloop’s greenhouse gas (GHG) emissions are a result of multiple operational processes and are subject to the limits set by the Environmental Protection Agency (EPA) under Punjab Environmental Quality Standards (PEQs).

We monitor GHG emissions regularly to ensure compliance with control limits and targets set in these areas. Our absolute GHG emissions have decreased due to reduction in production volumes despite the addition of new facilities. We are further exploring cleaner technologies, adopting renewable energy, switching to alternative cleaner fuels, green buildings, and efficient operations management to reduce our carbon footprint further.

GHG EMISSIONS (MT)

	2023	2022	2021	2020	2019
(Scope I)	104,005	124,268	124,248	90,521	68,579
(Scope II)	29,521	19,717	12,161	22,847	46,976
Total (Scope I & II)	133,526	143,985	136,409	113,368	115,555
(Scope III)	319,121	401,679	-	-	-

The CO₂e emissions are calculated considering all greenhouse gases from self-generated and purchased energy sources. No biogenic emissions occur at Interloop. We are using emission factor of IEA-2019 report alongwith IPCC's 5th Assessment. Spend-Based Method was used for calculation of Scope 3 emission.

REDUCTION IN GHG EMISSIONS (MT)

	2023	2022	2021	2020	2019
	29,029	25,158	21,295	15,226	9,090

The CO₂e emissions are calculated considering all greenhouse gases from used energy sources.

EMISSION REDUCTION INITIATIVES

Through the heat exchange process for fresh water used in the dyeing process, the Heat Recovery System at our Filament Yarn Dye House reduces 140 tons of CO₂e (emissions) per annum. Our Waste Heat Recovery (WHR) Boilers produced around 17% of our total steam generation, reducing 8,087 tons of CO₂e in 2023.

ENERGY CONSUMPTION AND REDUCTION

We use natural gas, diesel and furnace oil for electricity and steam generation and also purchase electricity from Lahore and Faisalabad Electric Supply Companies.

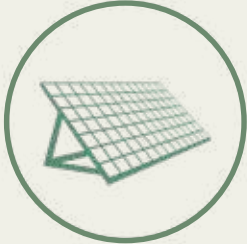
Our energy consumption decreased due to reduced production volumes despite addition of new facilities. We are committed to reducing energy consumption through modern energy-efficient technologies, cleaner energy sources, green buildings, and efficient operations management. Our initiatives to reduce energy consumption include installation of skylights, motion sensors in the finishing and yarn stores, 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 R-407 & R-410 refrigerant, and hot water chillers.

RENEWABLE ENERGY

Interloop is transitioning to renewable energy to achieve its climate goal, supporting commitment towards achieving its Science Based Targets for 2032. With the current 8MW Solar installed capacity in operation, we are commissioning an additional 4.6MW, bringing our solar installed capacity to 12.6MW. Our 8MW solar energy has contributed to the annual reduction of approximately 4,660 tons of CO₂ emissions. Interloop fulfills a significant energy demand by using biomass fuel. The total savings through biomass in 2023 were 12,712 tons of CO₂e, compared to 4,965 tons of CO₂e in 2022. We are also commissioning two biomass boilers at Interloop Apparel Park, each with a capacity of 27.5 Tons per hour. This undertaking is aimed at achieving a significant reduction in CO₂e, with the potential to save up to 50,000 tons.

SOLAR


12.6 MW
INSTALLED CAPACITY



Approximately 7,160 Tons of
CO₂e Reduction Annually

BIOMASS

55 Tph
INSTALLED CAPACITY



Approximately 50,000 Tons of
CO₂e Reduction Annually

ENERGY USED WITHIN OPERATIONS (GJ)

	2023	2022	2021	2020	2019
Non-Renewable	1,903,185	2,364,842	2,124,169	1,587,169	1,226,330
Renewable	305,581	103,760	102,140	97,215	1,329,172
Total	2,208,766	2,468,602	2,226,309	1,684,384	1,329,172

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

ENERGY SAVINGS (GJ)

	2023	2022	2021	2020	2019
	31,995	31,618	26,605	12,733	11,079



WATER STEWARDSHIP

We are focused on reducing water consumption in our operations and supply chain by adopting water-efficient technologies and promoting water recycling.

At Interloop, we focus on reducing water consumption in our operations by using dyes that require less water, and installing water-efficient equipment. Several initiatives were taken to efficiently utilize water in production facilities and reduce freshwater intake, supporting SDG 6: Clean Water and Sanitation. The initiatives include sustainable textile bleaching, water reuse in socks processing, installation of water-efficient Nanobubble technology in the wash process, & water-saving taps in canteen areas.

These initiatives resulted in a reduction of 164,726 m³ of freshwater intake.

We withdraw groundwater for consumption in our operations for production and domestic purposes. According to the WRI aqua duct tool, the area has been declared at high risk. As the water table is shallow, mineral contamination is higher in the area. The size of the water source is unknown, and the water source is not declared as a protected area, however, the community needs to depend on this source. The wastewater is adequately treated before discharging to industrial drains. We comply with ZDHC foundational level requirements and Punjab Environmental Quality Standards for wastewater discharging. The quality of discharge water is tested through internal monitoring labs, and third-party testing is conducted twice a year.

During the year, 1% water was recycled and reused. Interloop is investing in initiatives to increase the recycling and reuse of process water.

NANO BUBBLE TECHNOLOGY

Interloop uses the Nano-Bubble Technology to efficiently manage water use in the wash process and reduce its water footprint. The Technology reduces water consumption by 95%, chemical consumption by 71%, and energy consumption by 50%, with zero liquid discharge. So far, 32 E-flow machines have been installed in different processing units across the company.

SUSTAINABLE TEXTILE BLEACHING

Interloop is upgrading its processing machines with multiple fills and drain systems under a textile bleaching project. The technology allows reusing bleached water and chemicals for multiple processing cycles, significantly reducing our environmental impact.

WATER STEWARDSHIP

Interloop has partnered with WWF for AWS certification, focusing on a behavioral shift towards water conservation and community-level impact. To reinforce our commitment to water conservation, we have installed a water recycling plant at the Interloop Apparel Park with a 20% recycling capacity.

Additionally, we have established a dedicated wastewater treatment and recycling plant with a capacity of 10m3/hour. This facility is designed to handle 100% of the wet processing wastewater generated by Hosiery Plant 5.

WATER WITHDRAWAL BY SOURCE

Water withdrawal by source in ML/year	2023	2022	2021	2020	2019
Ground Water					
Freshwater (≤1,000 mg/L Total Dissolved Solids)	3,963	4,068	3,584	2,376	2,667
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-	-
Total Water Withdrawal	3,963	4,068	3,584	2,376	2,667

The water withdrawal is measured through flow meters. Until 2020, water withdrawal and consumption figures only relate to the Hosiery function.

WATER CONSUMPTION

Water consumption in ML/year	2023	2022	2021	2020	2019
Water Consumption	928	1,071	1,434	746	895

WATER DISCHARGE

Water discharge by destination in ML/year	2023	2022	2021	2020	2019
Surface Water					
Freshwater (≤1,000 mg/L Total Dissolved Solids)	-	-	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	3,035	2,997	2,150	1,630	1,772
Total Water Discharged	3,035	2,997	2,150	1,630	1,772



SUSTAINABLE AND TRACEABLE MATERIALS

Together with our supply chain partners, we're building transparent systems, embracing regenerative practices, and ensuring traceability from farm to floor.

Interloop is a vertically integrated setup. We produce and procure cotton yarns, synthetic yarns, and regenerated and recycled yarns, which are processed using dyes and chemicals to produce socks and tights. Additionally, we procure and produce fabric for knitwear, activewear and denim business.

Our priority raw materials are yarns, being produced by using natural and synthetic fibre. The priority raw materials are determined by dividing the quantity of each material by the total raw material consumed (yarns & chemicals) during the year.

Interloop sources 100% raw materials from third-party certified suppliers, evaluated through a rigorous supplier evaluation process. We comply with environmental and social sustainability standards, including Oeko Tex Standard 100, BCI, GOTS, and GRS, directly supporting SDG 12: Responsible Consumption and Production. We are focused on increasing the quantity of sustainable and certified materials (BCI Cotton, Organic Cotton, and Recycled Yarns) to decrease the impact of our products.



Moreover, we are supporting many social initiatives in education, sports, health, and literary and cultural activities within Pakistan where our major suppliers are based, and also encourage them to engage in social activities. Refer to page 54-60 for further details.



RAW MATERIAL CONSUMPTION

Material	Unit	2023	2022	2021	2020	2019
Raw Material - Yarn	Ton	48,860	71,983	58,191	44,551	19,309
Raw Material - Dyes and Chemicals	Ton	13,353	9,677	9,651	6,107	9,811
Packaging Material	Ton	3,745	7,742	6,660	4,565	3,830

During FY 2023, we used 60% renewable and 40% non-renewable materials compared to FY 2022 where 59% was renewable while 41% was non-renewable.

RECYCLED INPUT MATERIAL

2023	2022	2021	2020	2019
3%	4.10%	2.12%	3.60%	4.52%

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

THIRD-PARTY CERTIFIED RAW MATERIALS AS PER ENVIRONMENTAL & SOCIAL STANDARDS

STANDARD	MATERIAL	UOM*	2023	2022	2021	2020	2019
OEKO TEX	-	%	100	100	100	100	100
BCI	BCI Cotton	%	55.65	56.67	39.93	37.13	33.49
	Organic Cotton	%	2.56	8.55	4.40	4.07	2.37
	Recycled Cotton	%	0.481	0.0027	0.0024	0.0005	4.44
GRS	Recycled Nylon	%	0.003	0.02	0.03	-	0.02
	Recycled Polyester	%	1.24	1.97	2.09	3.58	0.06
SUSTAINABLE COTTON PROGRAM**	-	%	7.85	2.48	2.23	4.29	0.5
*PERCENTAGE FROM TOTAL MATERIAL CONSUMED **PRIMARK SUSTAINABLE COTTON PROGRAM							

TRACEABILITY

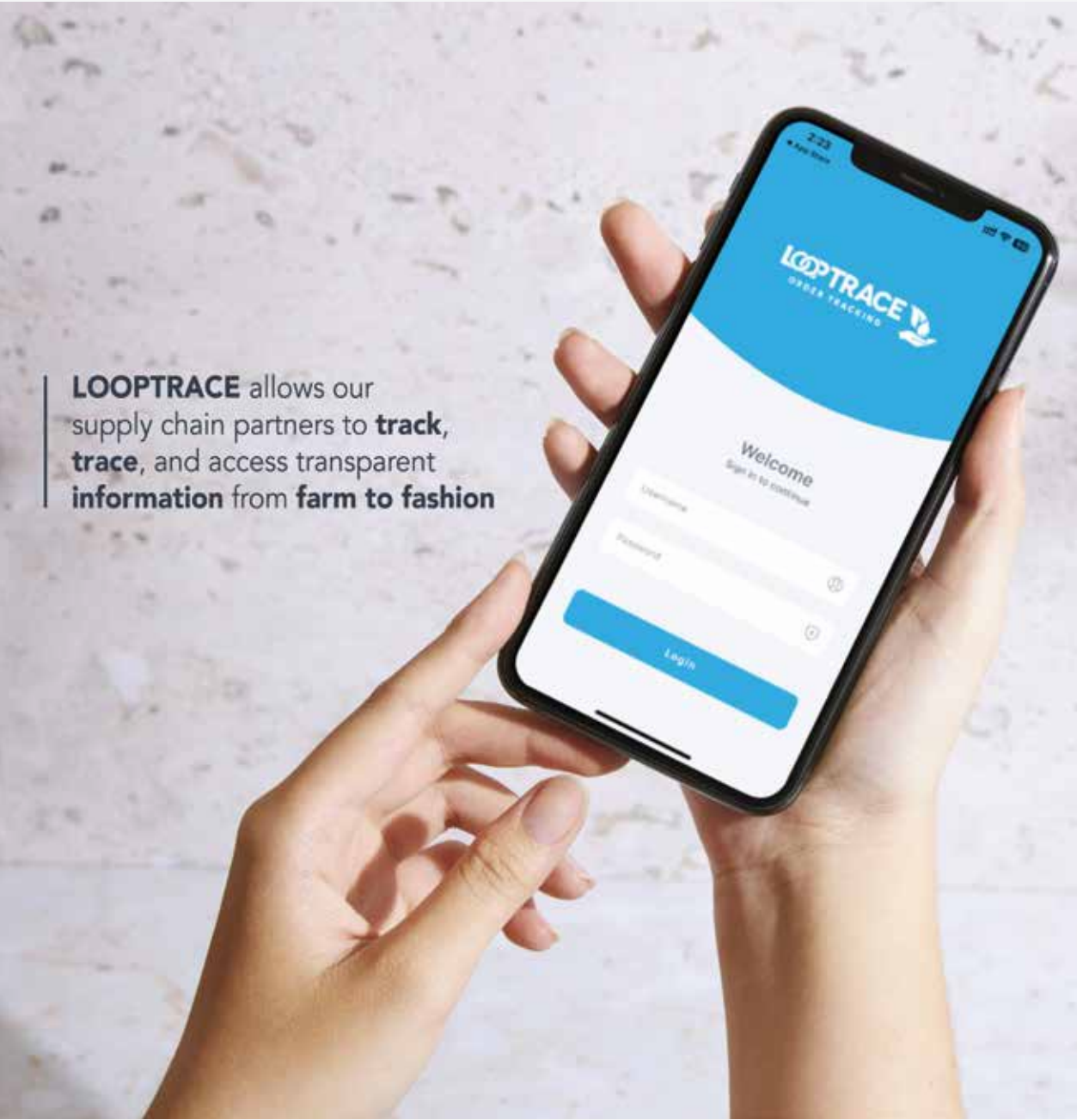
Our leadership position and continuous success in the competitive market result from our commitment to ethical and sustainable practices in all spheres of our operations, transparent business practices and reporting our impacts to stakeholders.

LOOPTRACE

We are expanding our commitment with Looptrace to enhance transparency in the cotton supply chain. The digital platform meticulously tracks the cotton journey, providing unprecedented access to raw material data. Looptrace acts as a digital custody chain, tracing the path from farm to fashion. This extends to a comprehensive product passport with integrated logistics.

The Cotton Traceability Solution ensures end-to-end traceability to Pakistani cotton farms via unique identifiers, CoC documents, and seamless production integration. QR code tagging enables forward and cascade traceability across diverse manufacturing processes.


Upholding data integrity through local partnerships, farmer training, and audits, Looptrace connects with over 58,000 farmers, showcasing a commitment to transparent and ethical sourcing practices while seamlessly integrating technology for a responsible future in cotton supply chains.



Creating a transparent and secure **organic cotton supply chain** in Pakistan, aiming to **improve** both **farmer livelihoods** and our **environmental impact**.

In-conversion Year 2 (IC2) certified.

Scaling 1,000 farmers with 5,000 acres to **2,000 farmers** and **10,000 acres** by **2025-26**.





INTERLOOP ORGANIC KAPAS

We have launched Interloop Organic Kapas; a project to develop the local organic cotton supplychain, improving availability and traceability of organic cotton. Interloop Organic Kapas will support regenerative farming practices and improve farming communities' livelihoods, including capacity building, health and nutrition, and equal opportunities for women cotton pickers.

The project has been launched in southern rain-fed areas of the Punjab region in collaboration with our local implementation partner, Lok Sanjh. So far, 1000 farmers with 5,000 acres have been registered in the project, and the plan is to increase this number gradually to 2000 farmers and 10,000 acres by 2025-26.

Moreover, we have entered In-Conversion Year 2 (IC2), solidifying our commitment to transitioning partner farmers to organic cotton successfully. This certification highlights cotton's potential for positive impact.

We are also launching Interloop Regen Kapas in 2024. Our plan focuses on improving soil fertility, minimizing environmental impact, establishing resilient farming systems, and enhancing livelihoods. This initiative will help position Pakistan as a global leader in sustainable cotton farming.

LOOMSHAKE

LOOMSHAKE stands out as a pioneering solution, ingeniously repurposing banana waste into environmentally friendly yarn. Through its innovative process, 1 ton of fibers is extracted from every 10 tons of banana waste. Following transportation and specialized treatment at Interloop Spinning facilities, these fibers undergo a meticulous refinement process, reducing their size from 200-250 microns to approximately 80 microns.

To enhance versatility and performance, the refined fibers are expertly blended with cotton (equivalent to 30mm) in an 80:20 ratio. This meticulous crafting results in yarn counts of 16 single and 18 single, ideally suited for denim and hosiery applications.

Certified by ISCC Plus for traceability and sustainability, Interloop, in collaboration with Simply Suzette launched the Unpeeled Collection, telling a farm-to-fashion story using LOOMSHAKE and LOOPTRACE technology.

Celebrating the regenerative capacities of our planet. Giving additional income streams to banana farmers, working to grow and regenerate our resources.

Successful application in hosiery, denim, and knitted apparel with lightweight nature and breathability.



Turning banana waste to fibre with LOOMSHAKE™

80:20 Blend of Cotton & Banana Fibres

ISCC Plus certified, ensuring product traceability, transparency in chain of custody, and sustainability throughout its supply chain.



WASTE & CIRCULARITY

Developing circular products and enhancing our recycling initiatives, we are transforming waste into valuable textiles, while our disposal practices aim to eliminate landfill contributions and hazardous chemical discharge.

OUR ACTIONS

CHEMICAL MANAGEMENT & GREEN CHEMISTRY INPUTS

Our approach is dedicated to adhering to declarations across all MRSLs, RSLs, and government regulations concerning our chemical and dye suppliers.

To evaluate and mitigate potential risks and hazards, we categorize our materials and chemicals based on their characteristics and associated hazards. Our workforce undergoes training for proper handling of chemicals. Our chemical management policies and practices follow hazard and risk-based approaches and remain consistently applicable across all operations. We use ZDHC registered chemicals in our input chemistry, verifying through the ZDHC and Screen Chemistry portal. We prioritize ZDHC Level 3 chemicals and conduct bi-annual wastewater testing.

Our ZDHC Program aims to eliminate priority chemicals by implementing best practices, designing an efficient chemical management system, complying with the ZDHC/MRSL list, and using certified raw materials. The program achieved our 100% green chemistry input target with ZDHC Supplier to Zero certified facilities.

We test finished products against customer RSL and ZDHC standards. Adhering to the globally accepted AFIRM RSL, which aligns with customer and

government regulations, we communicate RSLs, CMS policy, and regulatory requirements to stakeholders. Compliance is ensured through yearly evaluations of Tier 1 and Tier 2 supplies, and in cases of noncompliance, a root cause analysis is conducted with collaborative improvements agreed upon with suppliers.

WASTE WATER TREATMENT

Our ZDHC Program aims to eliminate the use of priority chemicals by following best chemical practices, designing an efficient chemical management system, ensuring compliance with the ZDHC/MRSL list of chemical substances, and incorporating certified raw materials. The program has successfully achieved our 100% green chemistry input target, certifying all facilities as ZDHC Supplier to Zero.

WASTE MANAGEMENT

Improper disposal of hazardous waste poses health risks and groundwater contamination. To mitigate this, we rigorously segregate and dispose of waste to prevent chemical leaks into landfills. Our waste reduction goals prioritize equipment maintenance, actively addressing environmental impacts. Centralized storage at all plants temporarily holds waste before discharge, sale, or treatment, managed by a dedicated workforce. We mandate supply chain partners to adhere to waste management regulations and international best practices. For more details, refer to page 66 on our supply chain practices.

WASTE BY COMPOSITION IN METRIC (T)

Year	Waste Type	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
2023	Hazardous	37	Nil	37
	Non-Hazardous	13,223	Nil	13,223
	Total Waste	13,260	Nil	13,260
2022	Hazardous	37	Nil	37
	Non-Hazardous	10,648	Nil	10,648
	Total Waste	10,685	Nil	10,685
2021	Hazardous	18	Nil	18
	Non-Hazardous	8,261	Nil	8,261
	Total Waste	8,279	Nil	8,279

PLASTIC FREE JULY CAMPAIGN

Plastic Free July, a global movement aimed at reducing plastic pollution, encourages individuals to participate in cleaner environments. Throughout July, Interloop conducted activities focusing on addressing plastic waste, identifying key areas with polyethylene waste accumulation. The Sustainability team hosted #NoPlasticTalks sessions in collaboration with environmental partners such as WWF to enhance awareness and devise action plans. Efforts to minimize waste, including the elimination of PET bottles and Styrofoam, are ongoing at Interloop facilities in alignment with our Vision 2025. After the Plastic-Free July initiative, Interloop witnessed a significant decrease in single-use plastic usage throughout the year, eliminating 80% of single-use plastic at Interloop facilities.

WASTE DIVERTED TO DISPOSAL-BY-DISPOSAL OPERATION IN METRIC TONS (T)

Hazardous Waste					
Year	Disposal Location	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfills	Total
2023	Onsite	Nil	Nil	Nil	Nil
	Offsite	Nil	37	Nil	37
2022	Onsite	Nil	Nil	Nil	Nil
	Offsite	Nil	37	Nil	37
2021	Onsite	Nil	Nil	Nil	Nil
	Offsite	Nil	18	Nil	18

Non-Hazardous Waste						
Year	Disposal Location	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfills	Other Disposal Operations - Sales to Third Parties	Total
2023	Onsite	Nil	Nil	Nil	13,223	13,223
	Offsite	Nil	Nil	Nil	Nil	Nil
2022	Onsite	Nil	Nil	Nil	10,648	10,648
	Offsite	Nil	Nil	Nil	Nil	Nil
2021	Onsite	Nil	Nil	Nil	8,261	8,261
	Offsite	Nil	Nil	Nil	Nil	Nil

The non-hazardous waste consists of metal, plastic, and textile waste. The waste is sold to third parties, most of which is used as recycled or renewed material. The hazardous waste produced from operational activities primarily consists of silastic, dye cartons, chemical drums, sludge, and medical waste and is disposed of through approved contractors. The contractors confirm the disposal methods for hazardous waste. Standard Operating Procedures for disposal of hazardous waste provide guidelines regarding handling, transportation, storage, and disposal of hazardous waste generated at all Interloop plants are followed throughout the process. Our hazardous waste is wholly incinerated under controlled conditions by EPA-approved vendors.

CIRCULARITY

Circularity is emerging as one of the solutions to curb consumption and excessive use of resources as well as waste generation. It pursues new techniques designs, and uses products while considering the concept of planetary boundaries.

CRADLE-TO-CRADLE CERTIFICATION

Cradle-to-Cradle Certification is a globally recognized measure of safer, more sustainable products made for the circular economy, issued after rigorous scanning of product circularity, material health, and responsible manufacturing practices within the facility.

Our C2C certified Socks fulfils all five sustainability areas of C2C, including material health and reuse, renewable energy and carbon management, water stewardship, and social fairness. Non-biodegradable materials like Polyester, Nylon, and Spandex have been substituted by sustainable materials and further processed by C2C-certified dyes & chemicals to make the product biodegradable. Being a responsible family clothing supplier aligned with international trends, Interloop has been awarded Cradle to Cradle Certified® (C2C) Gold level.

JEANS REDESIGN

Interloop is among the 60-plus leading brands, manufacturers, and fabric mills globally that are part of the Make Fashion Circular - a Jeans Redesign initiative by the Ellen MacArthur Foundation. Along with laser technologies, Interloop has used

70% less water and greener processes to produce circular jeans, reducing manual and hazardous inputs. Circular jeans can withstand a minimum of 30 home laundries while meeting the brands' quality standards. By employing circular economy principles, Jeans Redesign ensures positive impacts on the environment, society, and the health of industry workers. As an active member of the Jeans Redesign initiative, Interloop is committed to producing the most consciously and sustainably created denim from its LEED Platinum Certified factory, with a passion for circularity.



WASTE RECYCLING

We cautiously deal with all the materials that enter into manufacturing operations. The materials which become waste are collected and recycled to reduce the material footprint of our operations. In addition, we also process post-consumer waste as input material for products. Refer to page 28 for details on the use of recycled materials.

PRE-CONSUMER WASTE

Pre-consumer waste is collected during end product manufacturing process of denim, knitted apparel and socks, and converted into fibrous form using the Rag Opening Machines. The yarn can be produced using these pre-consumer waste opened fibers as per required ratios from 10% to 40%.

POST-CONSUMER WASTE

Post-consumers waste is collected from used garments, including denim, knitted apparel, and socks, and transformed into fibrous form using Rag Opening Machines. It is then industrialized into recycled yarns with different ratios as per requirement from 20% to 40%. The synthetic recycled polyester is being produced from PET bottles and oceanic waste materials. This RC polyester is post-consumer and is being produced 100% in yarn and also blended with cotton.



PEOPLE

As a team of purpose-driven innovators, we are pushing boundaries with resilience and collaboration. We are agents of positive change. We live inclusivity, breaking barriers with our diverse strengths to innovate and grow together.

PEOPLE IMPACTS 2023

~30,000

People provided with decent work and employment opportunities

650+

Young women and men equipped with higher education

15,000

People reached through literary & cultural activities

100,000+

Patients provided with free healthcare services

3,000+

Women working at Interloop

4,000+

Local talent promoted through sports events

5,000+

Children provided with quality education at 34 TCF schools

5,000

Specialty-abled children provided with equal access to education



DIVERSE, ENGAGED AND INCLUSIVE WORKFORCE

We embrace the power of Diversity, Equity, and Inclusion (DE&I) as core values that shape our culture. By fostering a diverse and inclusive workplace, we are unleashing the potential of our people and driving positive change in our industry and beyond.

RESPECTING AND PROMOTING HUMAN RIGHTS

Our policies and procedures put great emphasis on respecting human rights in our operations, supply chain and communities.



Interloop places great emphasis on respecting human rights not only within its operations but also in its sphere of influence. We believe in fair treatment of labour and have no forced, compulsory, or child labour practices at our plants. Our top priority is to comply with applicable employment and human rights-related laws and honour our commitment to international charters on human rights. As a policy, we ensure that similar labour practices prevail at our supplier organizations. Compliance is ensured through third-party audits, and non-compliances identified are discussed with suppliers to rectify these and avoid such instances.

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 practice. Worker's Management Council is actively working at all Interloop plants. During the year, 92% 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.

GRIEVANCE HANDLING

SOPs for grievance handling are in place and Management Representatives (MR) are deputed at all plants to handle complaints regarding work, working environment, welfare, discipline, etc.

”

MRs frequently visit shop floors and offices and encourage employees to identify potential barriers to a conducive working environment.



HEALTH AND SAFETY

Our health and safety approach is preventive in nature and focused on the safety of people, operations, and manufacturing facilities. A robust health and safety framework ensures minimizing any adverse happenings.

OUR APPROACH AND PERFORMANCE

Interloop has a diligent occupational health and safety management system that covers all employees, operations and facilities. Our approach towards health and safety is preventive and focused on enhancing the occupational health and safety culture, minimizing occupational incidents, illnesses, and significant adverse happenings across the company, including offices, operational sites & manufacturing facilities. The system is based on legal and social attributes and stringent customer safety requirements and is in line with ISO 45001 standards. We engage with our supply chain partners to ensure they adhere to the health and safety of their workforce. Refer to page 66 to read more about our supply chain management approach.

RESPONSIBILITY

A dedicated corporate EHS department commands the teams at all plants. The corporate department does all policy-making and communications, while individual plant-level teams deal with their execution and day-to-day operational matters. Interloop has a dedicated budget to manage the health and safety requirements in line with the authorized limits of floor line managers and plant

heads. All significant spending, including additional workers, material, and monetary resources, are forecasted and submitted to the Board of Directors for consideration and approval.

HAZARD IDENTIFICATION AND RISK ASSESSMENT

We enlist all probable hazards and possible impacts according to intensity and probability to prioritize hazards that should be addressed on priority. The control measures are incorporated as per the standard hierarchy, including elimination, isolation, substitution, engineering controls, administrative controls, and use of PPEs. The systematic risk assessment ensures control measures’ effectiveness and incorporates revisions as per changes in the workforce, processes, occupancy, infrastructure, or occurrence of any incident. Hazard identification, risk assessment, and control measures involve all stakeholders. The process is replicated at all other operational sites and areas to avoid similar events. The effectiveness of the hazard identification and risk assessment process is ensured through multiple KPIs/SOPs. We review risk assessments annually if there is no change in conditions.



WORKERS’ PARTICIPATION AND CONSULTATION

Worker participation and consultation on occupational health and safety are ensured through multiple forums, including but not limited to the EHS Committee and Worker Management Council. At individual levels, all materialized resources like telephone extensions, emails, suggestion boxes, helplines, hotlines, etc., are available and open for all stakeholders for self-reporting and communication of hazards and unwanted occurrences. Even near misses are reported, and the workforce is appreciated and acknowledged against reporting any valid constraint.

A digital platform, “Ideation Factory”, is also available to employees for suggesting ideas for improving the health and safety of employees, workers, and operations. Workable ideas are discussed and executed. Accurate representation at management and non-management levels is ensured in monthly EHS Committee meetings at all plants. Executive and Non-executive committee members from all functions are responsible for identifying areas of improvement concerning EHS, which are then enlisted by the Secretary and assigned by the Chairperson

to respective members for execution, along with allocating material and non-material resources.

Workers' safety is a top priority at Interloop. Workers can remove themselves without fear of reprisals from work situations that could cause injury or ill health and report the case to the immediate supervisor. After reviewing the situation, quick action is taken to reduce or eliminate the potential exposure. Workers can also file grievances through suggestion boxes installed at prominent locations at each facility.

SAFETY TRAINING

Our specialized training and awareness programs communicate all aspects of occupational health and safety framework. Targeted groups are trained to equip them with knowledge of work-related hazards and controls, and annual KPIs are set and regularly reviewed at the plants and corporate levels. Safety-related days and weeks are also celebrated at plants to create awareness across the workforce.

PROMOTION OF WORKERS’ HEALTH

State-of-the-art medical facilities are operational at all plants to facilitate all employees. Male paramedics are available 24/7, while female paramedics are available during the general shift to address occupational & non-occupational health-related issues. Multiple awareness sessions and campaigns about AIDS, Hepatitis, Breast Cancer, etc., and regular vaccination camps are organized for all employees.

MONITORING AND REVIEWING

The performance of the EHS framework is monitored through KPIs, which are assessed regularly through internal and external audits. Top management reviews reports and takes necessary actions as and where required. Subject to any changes in the national and/or international laws and customers’ Codes of Conduct, adjustments are made in the company’s central EHS policies and procedures.



RATE OF RECORDABLE INJURY

	Interloop	Contractor
Rate Of Record-able Injury	0.05	Nil

During this year, 13 work-related injuries were recorded, and the workers were provided medical care. When an accident occurs, an initial report is filed, followed by thorough investigation and follow-ups. Interloop includes first aid injuries and fatalities in the injury rate. The lost day means scheduled workdays, and the lost day count begins the day after the incident. Throughout 2023, no work-related fatalities, high-consequence injuries, or ill health incidents leading to fatalities transpired for workers and contractors, despite a total of 57,340,317 man-hours worked. All workers, including contractors, were considered in the calculation of work-related injuries and ill health, and there were no exclusions.

The work-related hazards that pose a risk of high-consequence injury include working at heights, moving & rotating parts, electrical safety, general workplace hazards including but not limited to slip trips and falls, working with chemicals, trolleys, and powered motor vehicles. All these and similar hazards are addressed based on “Who and How might be harmed.” The probability and consequences of such occurrences are calculated to incorporate a practical set of control measures.

DE&I

At Interloop, we truly believe that promoting gender diversity will provide innovation and flexibility, improve decision making, and deliver superior business results.

As part of our People strategy under Vision 2025 to increase our workforce diversity to 30%, we will be increasing the percentage of women in executive & non-executive teams at all levels, including non-traditional roles, over the next few years.

WOMEN IN LEADERSHIP

Expanding representation at all levels with a focus on women in leadership roles.

44%



Company Board

25%



Management Committee

33%



Marketing Leadership

50%



Graduate Intake

RECONNECT PROGRAM

Through the Reconnect Program, women staff members who have completed 3 years of service with the company and have to leave their jobs due to family requirements can reconnect with their careers after having a break. Six women have re-joined Interloop under this reconnect program since FY 2018.

PARENTAL LEAVES

Interloop has introduced an updated Parental Leave Policy for all eligible employees. Both male and female employees are entitled to parental leaves. Male executives are entitled to utilize up to seven days leave with full pay upon welcoming a new addition to their family, which they can avail twice during their tenure with the company. Similarly, female employees, in addition to their entitled leaves, can take an extra four weeks' leave at half pay due to their or their newborn's health issues. In 2023, 25 out of 771 eligible women workers took parental leave, and 25 women workers returned to work during the year. Out of these, 23 stayed employed for more than 12 months.

The return to work after parental leave is 100%.

DAY CARE CENTERS

To provide peace of mind to working mothers, world-class daycare centers are in place at all Interloop plants for executive and non-executive

women employees. 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 the development of these children through curricular and extracurricular activities. A company doctor performs periodic checkups of these children to ensure that they stay in good health.

GRADUATE TRAINEE ENGINEERS & MANAGEMENT TRAINEE OFFICERS PROGRAMS

This year interloop inducted the inaugural batch of GTEs (Graduate Trainee Engineers), a distinct initiative tailored for engineering students, while our Management Trainee Officers (MTO) Program caters fresh graduates with relevant educational background, for various operational and strategic roles. This year we have hired 24 Trainees Including 8 Women and 16 Men.



220 WOMEN

With STEM degrees including 44 related to textile



100%

Women return to work rate after parental leave

At Interloop, diversity, equity, and inclusion (DE&I) are essential practices we nurture within our organization, and these are intrinsic elements of our People thrust under Vision 2025. We lead the change by setting clear DE&I goals and implementing policies and initiatives that support creating an inclusive culture.

We focus on creating economic prospects for women, enabling them to contribute financially at home and to the economy. As we aspire to create gender balance in employment, we understand the importance of an inclusive culture for women and other diverse groups.

GENDER SENSITIZATION

Our teams are working persistently to instil gender sensitization in the organization through different communication platforms. Our Strategic HR team has designed and conducted companywide awareness sessions and focus groups on the importance of DE&I. Trainings for our executives and front-line staff are conducted by external and internal trainers under a standard program. This will serve as a stepping stone for making Interloop an employer of choice, especially for women.

Our 21 employees are now diversity & inclusion certified trainers from Carnelian – Pakistan's largest training consulting firm, and are conducting trainings for their peers.

ANTI-DISCRIMINATION & HARASSMENT

Interloop Limited is an equal opportunity employer and is committed to promoting diversity in all areas of employment by providing an inclusive

environment where everyone feels valued and respected, irrespective of their race, gender, marital status, age, disability, religion, belief, colour, and ethnic origin.

Interloop aims to provide its employees with a safe and supportive work environment that is free of discrimination and harassment, especially for women and other minorities. We have an Equality and Diversity policy that aims to proactively tackle discrimination or harassment of any kind. The policy directives are carried out by an Equality and Diversity Committee sponsored by our Management Committee to address any cases of discrimination and harassment. A well-defined sexual harassment procedure is an extension of this policy and is governed by a Sexual Harassment Committee that deals with such complaints and ensures swift and fair action.

To further strengthen our system, we have appointed women Management Representatives (MR) at each plant who regularly visit factory floors and serve as a one-point contact for reporting harassment, gathering facts, and reporting to the relevant committees.

In tandem with our anti-discrimination efforts, Interloop actively participated in the "16 Days of Activism Against Gender-Based Violence"

campaign. As part of the Champions of Change Coalition, we organized walks across all plants from December 7-9, 2022. This global initiative raises awareness and combats violence, especially towards women, advocating for the elimination of all forms of violence against every gender.

INCLUSIVE AT ALL LEVELS

At Interloop, we champion equality and inclusivity across all levels of our diverse workforce, transcending gender and social boundaries. We unite our people, regardless of role or rank, ensuring a level playing field marked by shared respect and value.





MALE CHAMPIONS OF CHANGE

Men of power and influence stand beside women leaders and form a high-profile coalition to lead and be accountable for change in gender equality issues, in their organizations and communities.

We have led our industry by setting ambitious goals to promote diversity, equity, and inclusion. In 2021, Interloop CEO Navid Fazil, joined the Champions of Change Coalition, intending to advance gender equity and a significant and sustainable increase in the representation of women in leadership. Currently, the Interloop Board has a 44% gender ratio and our Management Committee has a 25% representation of women.

We conducted CEO Listen & Learn sessions with 65% of our women in senior and 62% in middle leadership tiers. The sessions focused on engaging with women at Interloop to gain different perspectives on the issues and identify practical and constructive initiatives for improving inclusion and advancing their careers.

We also identified an initial tier of men in leadership roles who pledged to be Champions of Change and work alongside women to accelerate gender equity within Interloop. These leaders have undergone intensive training on gender, inclusion

and equitable systems and will focus on hiring and promoting more women in leadership roles.

Our focus has been on creating conditions and culture that promote equity by driving change to ingrained systems of inequality. We rolled out an extensive training program on gender sensitization, and conscious and unconscious biases, training over a thousand individuals to cover all our people by 2025.

TALENT DEVELOPMENT PROGRAMS

Our Human Resource Department conducts regular Training Needs Analysis to identify the development needs of employees and prepares comprehensive development programs to equip our people with knowledge and skills for long-term employability and career growth.

The executives are trained on technical, managerial, and leadership skills through well-designed customized and open enrollment programs conducted by local and foreign trainers. Non-executives are trained in technical, operational, and leadership skills at the in-house Technical Training School (TTS).

TRAINING HOURS PER EMPLOYEE

Number of employees	29,748
Training hours	248,613
Average hours of training	8.36

TRAINING HOURS PER EMPLOYEE BY GENDER

Category	No. of Employees	Man-Hours	Avg. Training Hours
Male	26,699	164,719	6.17
Female	3,049	83,894	27.52

During the year, we devoted 35,645 hours compared to 28,359 hours on human rights policies concerning human rights aspects related to business including non-discrimination, diversity and equal opportunity, child labor, and forced and compulsory labor. 100% of security personnel were also provided refresher sessions on human rights policies. All employees received performance and career development reviews during the year.

ELEVATE – TALENT DEVELOPMENT PROGRAM

Elevate is about providing opportunities to the people of Interloop to Unlock Possibilities of personal, professional and career growth in the organization as part of an integrated talent management framework. It is based on inclusivity for development that is focused on strengths and awareness of derailers. As part of Elevate, people at Interloop will be engaged in an interactive and multi-level development center so

that they can be developed and nurtured through focused, relevant, and shared development journeys. The initiative is governed by a multi-layered mechanism that allows for objectivity and sustainability of the outcomes and initiative.

TRAINING HOURS PER EMPLOYEE-BY-EMPLOYEE CATEGORY		
Executive	Employees	2,217
	Man-Hours	48,602
	Average Training Hours	21.93
Non-Executive	Employees	27,531
	Man-Hours	200,011
	Average Training Hours	7.26

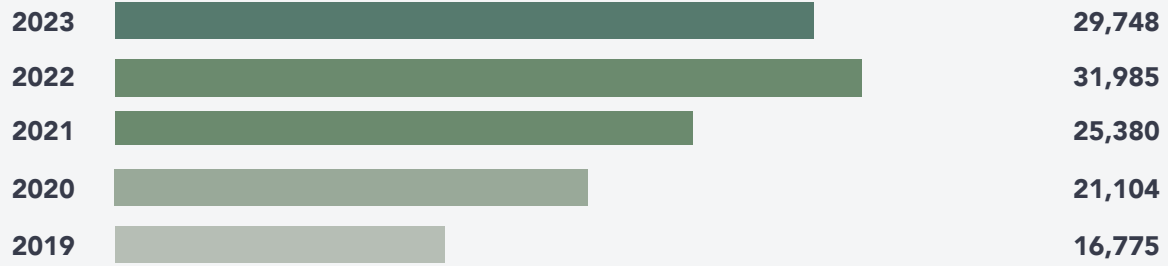


WORKFORCE REPRESENTATION

Interloop is an equal-opportunity employer 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, colour, or nationality. It's a ~30,000 strong team with diverse talent from over 15 nationalities across various locations. Interloop also engages 1,011 contractual workers for providing transport and food services at its plants. Interloop aims to provide all employees with a safe and supportive work environment, free from discrimination and harassment, and equal opportunities to grow, learn, and develop based on merit. The company's policies, procedures, and practices have been formulated to instill a culture of encouraging and supporting women, transgender, and differently-abled employees equally.



DETAILS OF WORKFORCE



WORKFORCE BY EMPLOYMENT TYPE BROKEN BY GENDER

Employment Type	Male	Female	Total
Full Time	26,699	3,049	29,748
Part Time			
Total	26,699	3,049	29,748

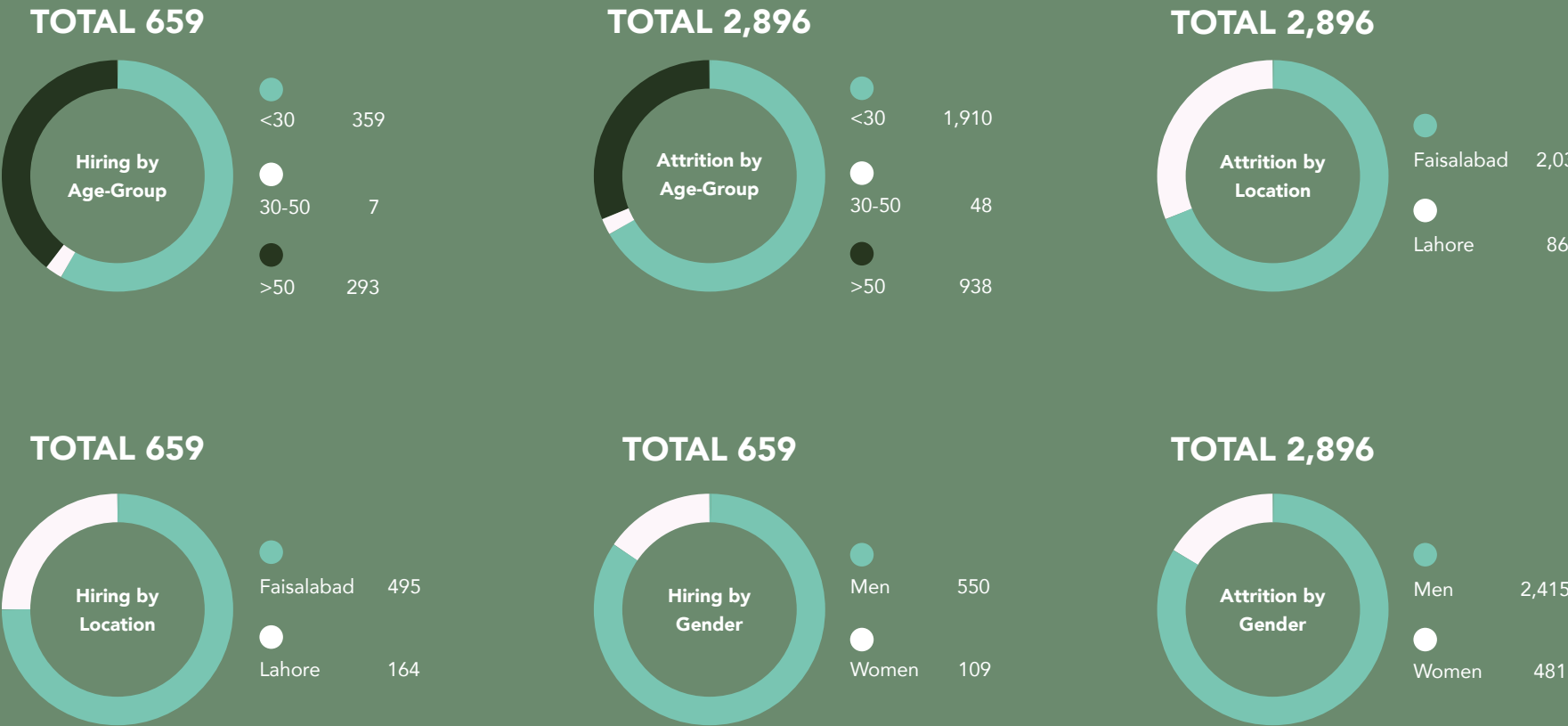
WORKFORCE BY EMPLOYMENT CONTRACT BROKEN BY REGION

Region	Permanent	Temporary (Contracttual)	Total
Faisalabad	22,782	42	22,824
Lahore	6,923	1	6,924
Total	29,705	43	29,748

WORKFORCE BY EMPLOYMENT CONTRACT BROKEN BY GENDER

Employment Contract	Male	Female	Total
Permanent	26,659	3,046	29,705
Temporary Contractual	40	3	43
Total	26,699	3,049	29,748

HIRING AND ATTRITION



There was no major variation in the workforce during the year. The hiring and attrition rates during FY23 were 2 % and 10 %, against 37% and 18% in FY22, respectively. At Interloop, 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 belongs to the local community. During the year, out of the total new senior management employees, 50% were hired from the local community i.e., Faisalabad and Lahore. Moreover, while hiring workers, preference is given to the people from the local community.



IMPROVE WELL-BEING

We aim to prioritize the physical and mental well-being of our people, fostering healthier lives, productive work, and positive contributions to our communities.

EMPLOYEE WELFARE

EMOTIONAL WELL-BEING

Interloop, in collaboration with Saaya Health, has introduced Qadam Hum Qadam; an initiative highlighting the emotional well-being of our people. Trained counselors are available online for confidential discussions, providing complimentary counseling services. A substantial number of employees have already registered and availed this invaluable service. This initiative reaffirms our commitment to prioritizing mental well-being at the workplace, ensuring a supportive environment for all team members.

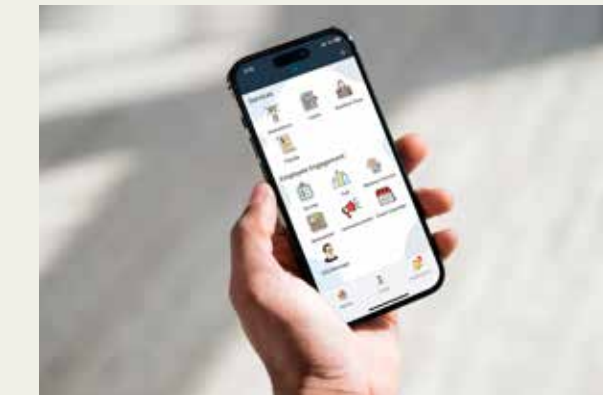


HR SERVICES

LoopHR, introduced by Interloop in June 2022, is a self-service HR application designed for both executive and non-executive employees. It provides a practical solution for managing attendance, leaves, and outdoor duties on the go, aligning with the company's paperless initiative.

In addition to standard HR functions, LoopHR serves as an 'ideation factory,' allowing employees to contribute ideas and participate in surveys and polls. The CEO message feature enables transparent and timely communication, fostering better connectivity between leadership and the workforce.

LoopHR's features also encompass organization announcements, surveys, incident reporting to the EHS department, and critical alerts. It has an inbuilt module for educational videos and employee skill assessments. This versatile tool facilitates efficient communication, promotes safety, and supports continuous learning.



TALENT SCHOLARSHIP FOR EMPLOYEES' CHILDREN

Interloop encourages employees to motivate their children to acquire undergraduate degrees and flourish into promising careers. The company offers 10 Talent Scholarships every year to meritorious children of its employees for Bachelor's Degree Programs.

RESIDENTIAL FACILITIES

To facilitate non-resident men and women executives & non-executives, Interloop provides top-class residential facilities, including hostels and upscale apartments within company premises, as well as in the city (Faisalabad & Lahore) as per space availability. The residential facility at our premises also houses a well-equipped sports club & sports arenas to facilitate physical well-being of our people. Moreover, a residential colony & sports facilities are being developed at our new Apparel park to house additional 3,000 executive & non-executive team members.

CORPORATE SOCIAL EVENTS

Enhancing employee engagement and recognizing their services, Interloop organizes various social events throughout the year, including the Annual Dinner, Managers' Dinner, International Women's Day, Long Service Awards, Christmas celebrations, etc.

COMPANY-WIDE SPORTS ACTIVITIES

To promote the physical well-being of our people, the company has developed an executive club, table tennis, squash, badminton, and basketball courts, football grounds, fitness gyms, and organizes various sports tournaments annually for all employees.



COMPENSATION AND BENEFITS

We offer market-based remuneration 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 that salaries are disbursed to all employees directly through their bank accounts. All male and female employees hired for respective positions receive similar remuneration and benefits.

Interloop provides multiple employee welfare schemes, including gratuity, provident fund, health care including health insurance, group life insurance offering death, accidental, and disability benefits, scholarships for employees' children, special welfare assistance for non-executives, free pick and drop, subsidized meals, etc. These benefits are not provided to contractual employees.

EMPLOYEES' STOCK OPTION SCHEME

Interloop introduced the "Interloop Limited Employees' Stock Option Scheme, 2016" (Scheme), offering Company Shares to its eligible Executive Employees under the Public Companies (Employees Stock Option Scheme) Rules, 2001, transforming them from Stakeholders to Shareholders. Initially, the scope of the scheme covered only eligible Executive Employees. After listing on the Pakistan Stock Exchange in 2019, Interloop revamped the scheme following the applicable laws and

regulations and extended the scope, covering all Non-executive Employees as well. Accordingly, the current year grant of options under the scheme was made to all the company employees. The scheme is flexible, voluntary, and focused on the long-term growth and prosperity of the employees.

SPECIAL WELFARE FUND FOR NON-EXECUTIVES

Interloop, recognizing the importance of supporting its non-executive employees, has taken a proactive step by establishing an additional welfare fund dedicated to their well-being. This fund serves as a safety net, providing assistance for various life events and unexpected needs. Whether it be contributing towards marriages, offering scholarships for employees' children, providing financial aid during critical illnesses or in the unfortunate event of death, or addressing any sudden requirements that may arise, the company ensures that its non-executive staff are supported through various stages of their lives.

AMAZON'S BENEFITS FOR BUSINESS AND WORKERS PROGRAM

In 2020, we joined the Benefits for Business & Workers Program with Amazon and Impact, aiming at enhancing employee well-being and satisfaction, work-life balance, quality, and profitability through HR interventions.

We have completed 4 training modules out of 8 and started implementing initiatives including absenteeism & employee migration, simplified leave approval procedure, rules of thumb, prohibition of discrimination/harassment & abuse at the workplace, company code of conduct, etc. We have also introduced Buddy Concept to mentor and provide workplace information about HR services, health & safety, and company benefits for employees. The exit interview system has been made more significant through constructive employee feedback.

Refresher training and awareness sessions for management have been conducted to boost staff's knowledge about workplace safety and ethical behaviour. With participation in this program, Interloop is bridging the gap between various stakeholders to develop robust, long-term, holistic solutions.



FAIR TRADE CERTIFICATION

Promoting sustainable livelihoods for our workers has always been our foremost priority. 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 our top priority.

In 2020, our Hosiery Division II received the Fair-Trade USA certification, becoming the First Sock Facility in the world to be FTUSA certified. The Fair-Trade Certified seal assures that your clothing has been made according to rigorous standards that promote sustainable livelihoods and safe working conditions, protect the environment, and have robust and transparent supply chains. For every Fair-Trade Certified product sold, additional funds go back to factory workers who decide how to utilize them towards community improvements. Our Fair-Trade Certified program has generated over \$769,560 in community development funds, with approximately 8,000 employees benefiting from every disbursement activity.



TRANSFORM LIVES

Transforming lives through breaking barriers and empowering young minds for a brighter future that uplifts individuals and communities alike.

EDUCATION

We believe that educating children and youth is one of the most effective ways to transform the society. Our initiatives in this area support SDG-4: Ensure inclusive, equitable, quality education and promote lifelong learning for all.

PRIMARY & SECONDARY EDUCATION

In May 2009, Interloop Welfare Trust partnered with The Citizens Foundation (the largest non-profit organization in Pakistan, providing quality education of the less privileged) and established 34 school units (19 primary, 10 secondary & 5 higher secondary; separate campuses for boys and girls). These schools are managed by women staff and provide quality formal education to 5,000 less privileged children,



50% girls, in an environment that encourages intellectual, moral, and spiritual growth. Interloop also supports lifetime operational cost of these schools through an endowment and direct funds.

TCF RAHBAR PROGRAM

Since 2012, Interloop executives have been volunteering for the TCF Rahbar Program. Twice a year, they mentor class 8 & 9 students about developing a positive mindset and making better career choices. So far, 183 Interloop executives have mentored 788 students at TCF Interloop Schools.

HIGHER EDUCATION

We are proud to have exceeded our target of 500 and have provided 650 young men and women access to higher & technical education through annual scholarships across various institutions. Some main programs include:

- ▶ Since May 2013, we have been providing 8 perpetual scholarships to financially challenged Bachelor's Degree students under the National Outreach Program through our Endowment Fund at LUMS.
- ▶ Since May 2015, we have instituted 460 Scholarships for deserving women Bachelor's Degree students at the Government College Women University Faisalabad (GCWUF).
- ▶ 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 International University, and is also sponsoring the Graduate Research Fellowship at NTU to encourage research in Textiles at MS Level. In Sep 2019, Interloop established a Need-based Scholarship Program to support 12 financially challenged undergraduate students for a full degree program.

- ▶ We introduced 20 full-degree scholarships at the University of Agriculture Faisalabad in Sep 2017 and Govt. College University Faisalabad in 2021.
- ▶ Interloop is sponsoring 10 Female Students at the Pakistan Knitwear Training Institute through Interloop Scholarship Program for technical education & trainings. JICA, UNESCO and multiple International institutes are also collaborating partners of PKTI.



COMMUNITY WELFARE

SPORTS

We believe in nurturing talent by promoting sports, competitiveness, and healthy entertainment for the youth, community, and society.

CRICKET FOR A CAUSE & SUPPORTING YOUNG TALENT

Interloop has been sponsoring Interloop Premier League T-20 Cricket Tournaments annually to encourage young players from the grassroots for National and A-Teams since 2012. We have provided financial support to Pakistan's fastest and youngest athlete, Sahab-e-Asra, for pursuing her dreams in sports. We are also supporting her training to participate in the Olympics.

INTERNATIONAL & DOMESTIC BLIND CRICKET

We have sponsored International and domestic Blind Cricket since 2014, the Pakistan Cricket Team for the Blind Cricket World Cup in 2014 and 2018, the Women Blind Cricket Team Coaching Camp in 2018 and the world's First International Women Blind Cricket Series in 2019. We also sponsored the Pakistan Men's Blind Cricket Team in an International Cricket Series between Pakistan, India & Bangladesh in 2021, and won the gold award at the international Blind Sports Federation (IBSA) World Games in 2023 by defeating India.

SPORTS FOR THE SPECIALLY-ABLED

We sponsored the Pakistan Disabled Cricket Team for the T-20 World Series in England and the Pakistan Wheel Chair Cricket team for the Asia Cup in 2019 & 2023. We also supported 3 Pakistani athletes at the Special Olympics 2019, held in Dubai, and donated special purpose-built wheelchairs for the players in July-Aug 2022.

NATIONAL CHAMPIONS LEAGUE

Interloop sponsored the cricket National Champions League & Pakistan One Day Cup.

SPORTS ACADEMIES FOR YOUTH

We are working to develop sports academies and sponsoring school, college & university-level activities to build a better & healthier nation.

ALL PAKISTAN OPEN GOLF CHAMPIONSHIP

Interloop has been sponsoring the All-Pakistan Interloop Open Golf Championship annually since 2015, organized by the Lyallpur Golf N' Country Club, Faisalabad to nurture the sports talent in multiple disciplines.

REHABILITATION FOR ANIMALS

In commitment to animal welfare, Interloop proudly supports the Ayesha Chundrigar Foundation and the Tahira Animal Welfare Foundation (TAWF). We sponsored the Ayesha Chundrigar Foundation (ACF) Sunset Picnic in 2023 at the Karachi Parsi Institute, raising awareness about animal well-being. The

event featured a prominent donkey petting zoo, garnering widespread support. Rescued animals were a focal point, providing attendees with the chance to interact and cultivate empathy.

Interloop also actively supports TAWF in Faisalabad, focusing on the survival of stray dogs through the TNVR process, preventing societal issues. TAWF is dedicated to rescue and adoption services for donkeys and cats. Such initiatives aim to normalize discussions on animal care, contributing to a compassionate society and underlining our commitment to a harmonious coexistence, reinforcing the importance of treating all beings with love and care.



HEALTH CARE

MOBILE HEALTH CLINICS

We have partnered with Lok Sanjh Foundation, implementation partner of Better Cotton Initiative (BCI) in Pakistan, to finance mobile health services for marginalized rural communities in cotton growing areas of 3 Districts including areas of Toba Tek Singh and Fort Abbas. Since February 2019, three mobile health clinics are serving approx. 40,000+ rural community members annually, especially farmers, women workers, and women cotton pickers. These mobile health clinics also took part in the relief and rehabilitation of the 2023 flood affectees in these areas.

FREE TREATMENT FOR DESERVING PATIENTS

We provided free healthcare services to approximately 100,000+ deserving patients at various hospitals across Pakistan. In 2023, we provided financial support to multiple hospitals in Faisalabad for essential medical equipment.

SUPPORTING THE SPECIALLY ABLED

We support the treatment and development of the specially-abled by partnering with Syeda Khatoone-Jannat Trust Hospital & Special Education Center, Roshni Homes Trust, Al Faisal & Bashir Nabeena Center, Vocational Training Institute for specially-abled children, Government Hearing Impaired Schools, and Child Protection & Welfare Bureau, etc.

ALZHEIMER SOCKS

Interloop has teamed up with Interloop Europe to produce Alzheimer Socks since 2015, creating awareness about Alzheimer's disease. Till now, 2.2 million euros have been raised for research on diagnostics and treatment, and donated to Alzheimercentrum, Amsterdam.

FLOOD RELIEF

Helping fellow countrymen in need after the devastating floods recorded last year, the Interloop Flood Relief Fund has collected over PKR 190 million through company funds, its employees, sponsors, and friends. PKR 121.7 million worth of relief goods have been delivered while more are in process.

HELPING RAISE FUNDS FOR CHILDREN WITH CHD

As a Gold Sponsor, we actively supported fundraising through Mending Kids' Hearts Aga Khan University Golf Tournament. Our commitment revolves around aiding children battling congenital heart disease by raising vital funds. The tournament which has enabled life-saving surgeries for over 3,000 children since its inception in 2016, drew corporate donors who collectively raised PKR 18.5 million this year. Notably, 70% of CHD patients at AKUH lack the financial means for essential medical care. These contributions aim to create new financial streams, ensuring support for deserving patients undergoing complex surgical procedures.





LITERARY ACTIVITIES

Playing our role in creating learning opportunities and character development of society, Interloop sponsors various cultural and literary events throughout the year.

FAISALABAD LITERARY FESTIVAL

Since 2014, we have hosted the Faisalabad Literary Festival annually as the primary sponsor. People from all walks of life, including families and youth, get the opportunity to interact first-hand with eminent intellectuals from across the country, who gather to inspire people with their popular works of literature, poetry, performing arts, and culture.

CREATIVE LEARNING PROJECT

Interloop funded a creative learning project in Hafizabad through the Ali Institute of Education to enhance the speaking, writing & listening skills of deserving 14,000 students and 300 staff members at 52 schools on ASER standards.

LYALLPUR PUNJABI LITERARY FESTIVAL

The Lyallpur Punjabi Literary Festival, known as Lyallpur Punjabi Sulaikh Mela, is an annual event celebrating Punjab's rich cultural heritage and literary traditions for the past seven years. This year,

Interloop sponsored the festival for the second consecutive year, bringing together writers, poets, artists, and intellectuals from all over the country to discuss and debate various topics related to Punjabi literature, art, culture, history, human rights, entrepreneurship, and media. This year, the festival was dedicated to the great Punjabi poet and philosopher Waris Shah, remembering him on his 300th birthday. The festival also included performances by traditional musicians and dancers and art and craft exhibitions. We support this unique platform for promoting the Punjabi language and rediscovering and promoting the literary and cultural traditions of Punjabi people and for fostering a sense of community and shared identity among them.



FREE MEALS PROGRAM EXPANDS TO FAISALABAD

The key to transforming lives and empowering future generations is to focus on building a more inclusive, equitable and healthy society where everyone has the opportunity to reach their full potential.

We are passionate about creating better lives for our people and communities, and collaboration with Allah Walay Trust is one such partnership that takes us closer to fulfilling our community goals.

Free meals are arranged for students of government and private schools in lesser privileged areas to create a positive impact on children's health, resulting in better academic performance, and physical and emotional

well-being. The School Khana (Meal) Program was launched at government primary school, Hassan Da Kot, Lahore, with 231 students receiving wholesome meals during their lunch hours.

Free meals can help students have access to healthy and balanced food during the day, improving their learning capacity, concentration, and activity level. The lunch menu at school is planned carefully, keeping in mind students' dietary requirements, and ensuring good quality.

The collaboration extends beyond distribution of meals, with a focus on tracking essential physical metrics of students, such as BMI, eyesight,

and school attendance. Tangible results indicate significant enhancements in these metrics, highlighting the effectiveness of this program.

Building on this success, this impactful initiative has been extended to seven schools under Allah Walay Trust, including six schools in Faisalabad; four government and two TCF schools, and one government school in Lahore. Over 1500 children are now benefiting from this program.

Through such partnerships, we are focusing on empowering the future generations with targeted interventions, reducing poverty, improving economic development, and addressing social inequality.



ACCESSIBILITY AND INCLUSIVITY FOR ALL

Interloop has partnered with ConnectHear to support accessibility and inclusivity for the deaf community through sign language solutions and support services.

The virtual sign language interpretation application, interpretation services, and sensitivity training for persons with hearing disabilities by ConnectHear have been positively received, culminating in a recent 1st Prize win at the TiE Global Summit. In-line with our commitment to social responsibility, Interloop proudly supports ConnectHear's efforts to promote inclusivity

by providing meaningful support, thus contributing to sustainable socio-economic development.

Recognizing the importance of sign language in effective communication, our partnership aims to endorse initiatives that promote equal opportunities for everyone. The ConnectHear app exemplifies this collaboration, offering people with hearing disabilities, access to interpretation services for various essential interactions, such as banking, shopping, transportation, and communication with loved ones. This innovative solution enhances

accessibility and greatly improves the lives of these individuals, fostering a more inclusive and equitable society.



WOMEN ON WHEELS

The Women on Wheels initiative is geared towards empowering women by providing them with the essential skills and means to safely ride motorcycles, increasing their mobility and independence.

Mobility challenges and gender norms limit women from entering and being retained in the formal workforce. Against the backdrop of structural and cultural barriers, Interloop has stepped up to address mobility challenges and advance women's independent mobility.

Interloop launched Women on Wheels (WOW) program in Faisalabad around one and a half year ago, with the aim to disrupt socio-economic barriers to mobility that

inhibit women from going to colleges, universities, offices or seeking other economic opportunities. The Faisalabad edition of WOW was initiated by Interloop, in collaboration with Salman Sufi Foundation as training partners and supported by Government College Women University Faisalabad (GCWUF).

This program is expected to empower 2000 women, from Interloop, The Citizens' Foundation (TCF), GC Woman University Faisalabad students, and general public helping them reclaim public spaces and contribute safely to the society without fear of violence, harassment and backlash. The

program includes motorbike training along with road safety and anti-harassment workshops, and prepares women for driving license testing. It also incorporates provision of subsidized bikes and access to microloans to facilitate purchase of motorcycles for women acquiring permanent driving licenses, helping them become financially and mobility independent.

Committed to train
2000
Women



PROSPERITY

Our integrated business planning process fuels Interloop’s ESG performance, bringing us closer to our Vision 2025. Our strategic goals aim to drive sustainable growth that benefits our partners, people, and communities.

ECONOMIC IMPACTS 2023



2022

2023

USD 482
MILLION
ECONOMIC VALUE GENERATED
EQUIVALENT TO
PKR 92,118
MILLION

USD 456
MILLION
ECONOMIC VALUE GENERATED
EQUIVALENT TO
PKR 120,499
MILLION

Enhancing Economic Returns

Our Performance

Interloop’s financial performance maintained an upward trajectory and exhibited tremendous economic results. The revenues for the year were **PKR 120,499 million compared to PKR 92,118 million in FY22, showing a 31% increase.**

The net profit increased considerably to PKR 20,171 million compared to 12,359 million in FY22, showing a 63% increase. See pages 90-95 for detailed financial position and performance information in the Annual Report 2023. During the year, Interloop produced 50.07 million dozen of socks and tights, 4.23 million pieces of denim, 25.76 million Lbs (converted to 20/s) of yarn, and processed 4.48 million kgs of dyed yarn. There were no significant changes in the organisational structure and supply chain during the year. The plant capacity of activewear and apparel division is indeterminable due to multi-product plans involving varying manufacturing processes and running length of order lots. We are aware of the risks and opportunities posed by climate change, and are working to manage the risks and capitalize on the opportunities. However, currently, we do not have the system to determine financial implications of these risks and opportunities. Interloop receives several government incentives, such as Duty Drawback and Taxes (DLTL), subsidies on gas and electricity, Long-Term Finance Facility (LTFF), Export Finance Scheme (EFS), and Export Refinance Scheme (ERF-II). The government offers these incentives to textile exporters to reduce costs, increase competitiveness, and provide funding for export activities.



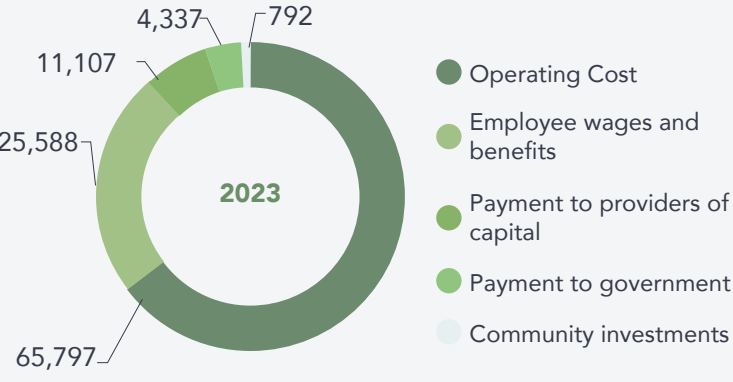
Direct Economic Value Generated and Distributed

	2023	2022	2021	2020	2019
PKR IN MILLION					
ECONOMIC VALUE GENERATED					
Revenues*	120,499	92,118	55,933	36,945	37,524
ECONOMIC VALUE DISTRIBUTED					
Operating Cost	65,797	54,071	33,762	22,981	22,755
Employee Wages and Benefits	25,588	19,165	12,327	9,523	7,898
Payment to Providers of Capital	11,107	6,071	3,326	2,007	3,591
Payment to Government	4,337	3,819	2,149	1,290	544
Community Investments	792	490	330	175	350
ECONOMIC VALUE RETAINED					
	12,878	8,502	4,039	969	2,386

Defined Benefit Plans

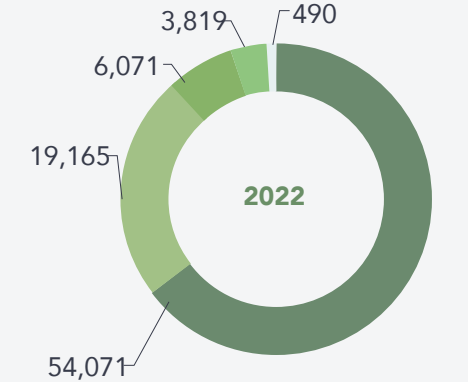
Interloop offers market-competitive salaries and benefits to its workforce and regularly monitors the remuneration for relevance and compliance. Apart from salaries, Interloop offers defined benefits in the form of gratuity to its employees, where no contribution is required from employees. It does not maintain a separate fund for gratuity, and the liability for the defined benefit plan is calculated based on actuarial valuation. Interloop also offers contributory benefits through provident funds to its employees. A separate fund is maintained where Interloop contributes 7.5% while employees contribute 7.5% to 12.5% of basic salaries. Participation in the contributory benefit plan is voluntary. The liability for the defined benefit plan was PKR 7,876 million in FY23 compared to PKR 4,890 million in FY22.

ECONOMIC VALUE DISTRIBUTED FY23
(PKR IN MILLION)



*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.

ECONOMIC VALUE DISTRIBUTED FY22
(PKR IN MILLION)





SUPPLY CHAIN

Suppliers are our growth partners, helping us achieve our production targets and meet customers' requirements regarding sustainable products and ethical supply chain practices. We understand the need to promote sustainability to manage our supply chain impacts.

OUR APPROACH AND PERFORMANCE

Our supply chain management strategy is focused on overcoming disruptions, ensuring continuity of operations, fulfilling the increasing demand of products, and achieving our vision to Become a Fully Family Clothing Partner of Choice. Interloop's Procurement & Supplies department is responsible for ensuring timely availability of top-quality materials as per requirements. Our procurement strategy and policies focus on quality and cost-effectiveness, and 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. It clearly defines the desired course of action and factors to be considered while making procurement decisions. It requires the suppliers to comply with international standards related to product specification and quality. The procurement strategy and supplier code of conduct also consider the existence of policies and procedures at our suppliers' sites for managing health and safety, labour, and human rights-related issues. Awareness sessions are conducted with business partners on social and environmental compliance, sustainability, chemical management, and the Higg Index.

Our special consideration of the sustainability criteria while inducting suppliers and our approach to conduct periodic audits help ensure compliance and manage impacts within the supply chain. During the year, 100% of new suppliers were screened for environmental and societal impacts.

As part of our supply chain management strategy, we assessed 28 (11 Tier 1 and 17 Tier 2) existing suppliers for their environmental impact. Of these, 18 (8 Tier 1 and 10 Tier 2) suppliers had negative environmental impacts, including

emissions, waste, and water. We worked with these suppliers to agree on improvements to address these issues, and no supplier was terminated due to the assessment. Our 12 suppliers, 6 Tier 1 and 6 Tier 2, complied with the relevant wastewater discharge regulations. In addition, we are proud to mention that two of our Tier 1 suppliers, representing 18% of our Tier 1 suppliers, are certified against the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM).

We assessed 28 (11 Tier 1 and 17 Tier 2) of our existing suppliers for their social impact and found 24 (10 Tier 1 and 14 Tier 2) of them negatively impacting their workers' health and safety, had weak emergency preparedness, and had issues with overtime and non-payment of minimum wages. We worked with each supplier to agree on improvements to address these issues. No supplier was terminated as a result of the assessment. We secure declarations from overseas vendors, and local vendors are verified to ensure vendors are not procuring from countries with the risk of child labour and forced and compulsory labour. All our Tier 1 and Tier 2 suppliers are audited against Pakistan's Labour laws and SA 8000 either by our internal auditor or third-party auditors.

To drive operational efficiencies and better resource allocation through digitalization, we use Inspectorio Sight. This quality management software gives complete visibility of the complex supply chain by providing digital performance analytics for all manufacturing facilities and helping to comply with the ever-evolving regulations while maintaining stability and continuity.

As a fully integrated hosiery, denim, and apparel

manufacturer, cotton spans it all, so we have introduced Looptrace. This proprietary solution aims to provide end-to-end traceability for cotton-derived products, from their origin at the farm to throughout production. The Looptrace platform allows supply chain stakeholders to track, trace and access transparent raw material information, helping Interloop and its partners meet shared sustainability goals.

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 comprises 1,100 suppliers, of which 774 are active suppliers spanning more than 20 countries. The suppliers in Pakistan (Yarn suppliers) are mainly labour-intensive, while suppliers abroad (parts, machines, and plants) are 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. The equipment, materials, and services unavailable in Pakistan or do not meet the end customer requirements are procured from abroad. During the year, we procured around PKR 50.44 billion worth of material and services, - compared to PKR 43.75 billion in the year FY22, of which 71% was from local and 29% from global suppliers.

Our Vision 2025

To Become a Full Family Clothing
Partner of Choice

HOW WE'LL DO IT



PEOPLE

A diverse, inclusive and engaged workforce
creating a high performing organization



DIGITAL TRANSFORMATION

Drive efficiencies through digitalization
and provide transparency to our customers
with real time information



AGILE MANUFACTURING

Drive an agile organization retaining our
competitive position as a responsive high
quality manufacturer



INTERLOOP

\$700M

REVENUE BY FY 2026

Transforming into a full family clothing business will
build further credibility with our customers

2.5x

REVENUE THROUGH
VALUE ADDED SERVICES

Providing value added services creating
strong lasting partnerships

25%

LOWER CARBON FOOTPRINT
AND RESOURCE CONSUMPTION

Lead the way in responsible manufacturing meeting highest
standards of environmental and social performance

FUTURE OUTLOOK

Our external environment and future scenario are critical factors impacting our delivery on the expectations of our stakeholders. We are committed to actively adjusting ourselves in the wake of future disruptions and capitalizing on favourable factors to achieve our long-term targets.

Despite global challenges ranging from rising inflation, post-pandemic demand-supply imbalances, international political conflicts, to domestic vows including currency devaluation, rising inflation and input costs, increasing policy rates, devastating floods, etc., Interloop continued to deliver exceptional performance owing to our ethical and sustainable business practices.

To ensure business continuity and shared value for our stakeholders, we launched our Vision 2025, To Become a Full Family Clothing Partner of Choice; our strategy from July 2021 through to June 2026. Guided by a Customer First approach, our strategic focus has been on offering multicategory products, delivered with exceptional customer service, and which are manufactured responsibly, meeting the highest standards of social and environmental performance.

Our long-term ESG goals include exploring carbon markets, growing our LEED footprint, enhancing operational efficiency, switching to low-emission-intensive fuel and ramping up renewable energy.

We are also mapping our supply chain and collaborating to develop a collective roadmap, ensuring emissions reduction across scopes.

We recognise that sustainability is a journey that requires collective action. As members of the United Nations Global Compact, we actively contribute to advancing sustainable development, labour standards, and environmental consciousness through collaboration with our value chain partners. We value stakeholders' input and commit to continue engaging with them for relevant insights, and will keep working towards leading with Purpose to Impact.



ABOUT THE REPORT

This is Interloop's fifth Sustainability Report and has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards. The Sustainability Accounting Standards Board's (SASB) Apparel, Accessories, and Footwear Sustainability Accounting Standard was used to describe environmental and social risks associated with sourcing priority raw materials. The report demonstrates Interloop's contributions towards the United Nations' Sustainable Development Goals through its operational activities and community development initiatives.

SCOPE AND BOUNDARY

The report contains information about Interloop Limited's operations from July 01, 2022, to June 30, 2023, including Hosiery, Denim, Apparel, Activewear and Yarns business segments and their impacts, but does not cover the information on the impacts of its associate/affiliate companies.

Moreover, the information on impacts within the supply chain is also not included due to the non-availability of reliable data.

REPORT CONTENT

The report content has been derived by considering the impacts of our operations, engagement with important stakeholder groups and the requirements of GRI Sustainability Reporting Standards. More details about consultation and determination of material topics are available on pages 73-74 of this report. The sustainability report was published in March, 2024.



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 estimates have been mentioned clearly at respective places. The sustainability report is part of Interloop Limited's annual reporting process.

ASSURANCE

The Corporate Sustainability Department and the Management Committee review the report annually. However, Interloop is interested in getting an independent review on future sustainability reports.

The GRI Index is available on page 78 of this report. The report is available in printed and PDF (e-copy) forms. PDF form is the most updated version, and can be accessed at www.interloop-pk.com.

Stakeholders' input on the report helps to keep our reporting relevant for our stakeholders' decision-making requirements. The sustainability team can be reached at the following address:

Muhammad Fauz Ul Azeem
GM Corporate Sustainability & Chemical Management
Phone: +92-41-4360400
Email: sustainability@interloop.com.pk





STAKEHOLDERS' ENGAGEMENT

Our Mission of becoming an agent of positive change for the stakeholders and community manifests our stakeholder-centric focus while pursuing an ethical and sustainable business.

We engage with our stakeholders to collect their input for determining material topics, devising strategies for responding to their concerns and creating and delivering value.

We identify, map, and prioritize stakeholders based on their relationship with Interloop, ability to impact or vulnerability due to our activities and operations,

proximity, and willingness to engage. The stakeholders are engaged throughout the year through relevant departments for discussing issues pertinent to the stakeholders and Interloop.



Our primary stakeholders include shareholders, customers, suppliers, employees, government, local communities, and analysts.

STAKEHOLDERS	ENGAGEMENT METHOD	ENGAGEMENT FREQUENCY	TOPICS IDENTIFIED BY STAKEHOLDERS	OUR RESPONSE
Shareholders/ Investors	AGM/EOGM/ Corporate Affairs Department	Ongoing	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, investment in production capacity & expansion, investing in environmentally friendly technologies and CSR program management
Analysts	Briefing, Reports, Corporate Affairs Department	Ongoing/ Occasional	Investments/Expansions, environmental initiatives, and CSR actions	Production capacity & expansion, pursuing environment friendly initiatives, regular CSR investments for the betterment of local communities
Customers	Customer Surveys, Customer Feedback, Marketing Department	Ongoing	New Products/Designs, quality, impacts on the environment and society	Continuous innovation and up-gradation and enhanced focus on quality, 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, Employees Surveys	Ongoing	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	Business opportunities, environmentally friendly material and guidance on new material requirements and assessment of suppliers for environmental and social impacts	Business developments leading to increased opportunities, exploring environmentally friendly materials and training/guidance to suppliers on new requirements
Regulators/ Government	Reports, Consultative Sessions, Corporate Affairs Department	Ongoing/ Occasional	Compliance with laws and regulations	Compliance with laws and regulations in all business activities
Local Community	Meetings, Employee Engagement	Ongoing	Intervention in the field of health, education especially sports, 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.



MATERIALITY ASSESSMENT

OUR APPROACH

We identify possible issues representing the actual and potential negative and positive impacts of our operations and business relationships through our enterprise risk assessment, stakeholders’ consultation, grievance mechanisms, and issues pertaining to our industry.

We assess the significance of the negative and positive impacts based on likelihood, scope, scale and severity of impacts. The analysis results in significant impacts grouped into possible material topics which are finalized in consultation with the senior management and experts,

taking into account the significance of impacts and effect on value creation potential. These material matters form the basis for development of sustainability strategies and programs to mitigate the negative impacts, and boost activities that create value.



There was no change in the list of material topics for 2023 except deletion of compliance with laws.

MATERIAL TOPICS	IMPACTS MAKING IT MATERIAL
Economic Performance	Important for business continuity, returns to investors and contribution to the economy and society
Market Presence	Job creation for local communities resulting in economic development around the plant sites
Procurement Practices	Creation of business opportunities for local vendors, economic development, reliable supply chain
Materials Sourcing & Usage	Consumption of limited material resources and impacts in the supply chain
Energy	Impact on climate change due to the consumption of fossil fuels and opportunities for energy production from renewable sources
Emissions	Leads to climate change resulting in severe weather patterns and raw material availability
Water	Affects the availability of freshwater leading to water scarcity and health and safety impacts of water discharge
Waste	Affects climate, health and safety of employees and communities through generation and disposal of both hazardous and non-hazardous waste
Employment & Labor Practices	Providing jobs for economic development, compliance with applicable laws, customer charters and international conventions
Anti-Corruption	Affects competitiveness and leads to misuse of power resulting in poverty. Compliance with laws and international charters
Human Rights	Risks to reputation and license to operate in case of non-compliance of basic human rights defined in international charters and conventions
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.
Health & Safety	Health and safety of employees impacting productivity, compliance with applicable laws as well as customers’ requirements
Training and Education	Enhances the productive potential of the workforce, cost savings, and improvement of product & service quality
Security Practices	Compliance with human rights laws and international charters and customers’ requirements
Supply Chain Impacts	Negative supply chain impacts in the areas of environment, labour, and human rights

OUR MANAGEMENT APPROACH

Our proactive management approach aligns with Article 15 of the Rio Declaration and focuses on timely identification of issues and taking appropriate measures to manage their impacts. It guides us to prevent the potential negative impacts of our operations and where any negative impacts occur, to manage, mitigate, and cooperate in the remediation of these impacts. It also guides us to manage and enhance the positive impacts of our operational activities and business relationships. Our management approach is evaluated by comparing the outcomes with the planned results, and adjustments are made where required.

PLANET

Our environment policy guides all businesses to manage the environmental impacts and comply with our commitments, applicable laws, and customers’ code of conduct.

The corporate sustainability department evaluates environmental sustainability initiatives, tracks impacts, and sets targets. EHS representatives at each plant ensure compliance with applicable laws and customer requirements. 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, and ISO-17043. Regular trainings are carried out at all plants to appraise the knowledge and skills of the workforce. The performance against targets is regularly monitored throughout the year, and appropriate measures are taken if required.

An environmental grievance handling mechanism exists across the company and affected parties can file complaints. Employees are encouraged

to share ideas and suggestions for system improvement during regular training and awareness sessions. Various platforms like the Worker Management Council (WMC), EHS Committee, Focus Group Meetings, etc, are available to discuss and generate solutions for these problems. The grievances can also be channeled through dedicated Management Representatives (MR) available at each plant, and suggestion boxes are installed at prominent locations. Manager Health & Safety at each plant is responsible for dealing with complaints. The complaints requiring new policies, procedures, and investments are forwarded to corporate EHS for review and appropriate actions. No noncompliance with environmental laws, regulations, and customers’ requirements occurred during the reporting year.

The planet management approach covers material topics of material sourcing and usage, energy, emissions, water, and waste.



PEOPLE

Our HR policies are focused on onboarding talented professionals, grooming them through training, and providing them with an enabling workplace to develop them as a valuable asset. Interloop's policies encourage hiring from the local community to increase the economic benefit and understand community needs. Performance-based career growth and job rotation are integral parts of the HR system. The Chief Human Resource Officer heads the HR function, and the Support Services Managers at respective plants are responsible for implementing HR policies.

Our policies and practices to abide by laws and international charters ensure that human rights are respected in all activities. Our code of conduct and shared values require all team members to act empathetically and uphold the rights of co-workers, communities, and other related parties. SOPs for grievance handling are in place. Management Representatives (MR) are deputed at all plants to handle complaints regarding work, working environment, welfare, discipline, and code of conduct violations. MRs frequently visit shop floors and offices and encourage employees to identify potential barriers to a conducive working environment. All people-related aspects

are monitored at the plant level and reported at the corporate level. The Human Resource & Remuneration Committee of the Board reviews the relevant policies and recommends a suitable course of action to the Board.

The people management approach covers material topics of employment & labour practices, market presence, health and safety, training and education, human rights, and security practices.

COMMUNITIES

We have defined development goals and programs to deliver inclusive growth at all our operational sites. Community engagement, need assessment, and impact analysis inform our policies and procedures at all operations locations. We have long-term KPIs and a very organised CSR management system. A CSR spending target is fixed and executed every year. The Head of CSR is responsible for implementing programs and reports to the CEO. In-line with Interloop's mission ‘to be an agent of positive change', our operations and interventions in education, sports, health, literary activities and disaster relief are focused on creating a positive impact and the more significant benefits for the society and the community. Our operations had no significant adverse impacts on the communities except environmental impacts, which are actively managed to reduce the overall footprint. The grievance handling mechanism for the local community impacts is in place and managed as per defined procedures. The CEO reviews policy implementation for further deliberation at the Board level. Interloop Welfare

Trust is another important CSR function for the engagement & betterment of the community.



PROSPERITY

Economic performance at Interloop is guided by our mission and values and the targets set by the Management. The Board defines the targets for the company’s economic performance, and the CEO and the Management Team are responsible for underlying activities to achieve these targets. We have zero tolerance for corruption in our operations and relationships with our business partners. The internal audit department audits all activities and reports to the Board Audit Committee and corrective actions are taken if required. During the year, all operations were assessed for risks related to corruption and no incidence was recorded at Interloop. No formal anti-corruption training was provided during the year. However, regular refresher sessions on the code of conduct are carried out throughout the year. A grievance-handling mechanism exists in the form of a whistleblower policy for reporting violations of the code of conduct and laws. The Board Audit and Risk Committee reviews the grievances filed and recommends a viable course of action to the Board. Economic performance is reviewed at quarterly Board meetings, and corrective measures are taken as per requirement. No noncompliance with laws and regulations in the social and economic areas occurred during the year.

The prosperity management approach covers economic performance and anti-corruption.



To learn about our materiality process and material topics, please refer to page 73-74.

MEMBERSHIPS AND SUSTAINABILITY INITIATIVES SUPPORTED

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

ENVIRONMENTAL CERTIFICATIONS



OTHERS



* Hosiery Plant 2 & 4 ** Denim Plant *** Hosiery Plant 2 & 4

SOCIAL CERTIFICATIONS



CHEMICAL MANAGEMENT PORTALS



We are member of various industry associations but do not hold any management positions. No substantial funding is offered to these organizations except membership fees and sponsorships for events/seminars.

MEMBERSHIPS



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.

Statement of use	Interloop has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No sector standard is available for our sector.

OMISSION					
GRI STANDARD/OTHER SOURCES	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	6			
	2-2 Entities included in the organization's sustainability reporting	70			
	2-3 Reporting period, frequency and contact point	70			
	2-4 Restatements of information	70			
	2-5 External assurance	70			
	2-6 Activities, value chain and other business relationships	6-7			
	2-7 Employees	47			
	2-8 Workers who are not employees	47			
	2-9 Governance structure and composition	13			
	2-10 Nomination and selection of the highest governance body	13			
	2-11 Chair of the highest governance body	13			
	2-12 Role of the highest governance body in overseeing the management of impacts	13			
	2-13 Delegation of responsibility for managing impacts	13,15			
	2-14 Role of the highest governance body in sustainability reporting	15			
	2-15 Conflicts of interest	14			
	2-16 Communication of critical concerns	14	b	Confidentiality Constraint	
	2-17 Collective knowledge of the highest governance body	14,15			
	2-18 Evaluation of the performance of the highest governance body	13,15			
	2-19 Remuneration policies	14			
	2-20 Process to determine remuneration	14			
	2-21 Annual total compensation ratio	-	a, b, c	Confidentiality Constraint	Sensitive Information

	2-22 Statement on sustainable development strategy	4
	2-23 Policy commitments	12,18
	2-24 Embedding policy commitments	12
	2-25 Processes to remediate negative impacts	12
	2-26 Mechanisms for seeking advice and raising concerns	12
	2-27 Compliance with laws and regulations	75,76
	2-28 Membership associations	77
	2-29 Approach to stakeholder engagement	71,72
	2-30 Collective bargaining agreements	40
MATERIAL TOPICS		
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	73
	3-2 List of material topics	74
ECONOMIC PERFORMANCE		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	76
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	64
	201-2 Financial implications and other risks and opportunities due to climate change	63
	201-3 Defined benefit plan obligations and other retirement plans	64
	201-4 Financial assistance received from government	63
MARKET PRESENCE		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75,76
GRI 202: MARKET PRESENCE 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	51
	202-2 Proportion of senior management hired from the local community	48
	203-2 Significant indirect economic impacts	54-60
PROCUREMENT PRACTICES		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	66
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	66

ANTI-CORRUPTION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	76			
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	76			
	205-2 Communication and training about anti-corruption policies and procedures	76			
	205-3 Confirmed incidents of corruption and actions taken	76			
MATERIALS SOURCING & USAGE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75			
APPAREL, ACCESSORIES & FOOTWEAR: 2018 (SASB)	CG-AA-440a.1. Description of environmental and social risks associated with sourcing priority raw materials	28			
	CG-AA-440a.2. Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	29			
MATERIALS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75			
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	28			
	301-2 Recycled input materials used	28			
	301-3 Reclaimed products and their packaging materials	-	a-b	Information Unavailable	
EMISSIONS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75			
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	23			
	305-2 Energy indirect (Scope 2) GHG emissions	23			
	305-3 Other indirect (Scope 3) GHG emissions	23			
	305-4 GHG emissions intensity	-	a-d	Information Unavailable	
	305-5 Reduction of GHG emissions	23			
	305-6 Emissions of ozone-depleting substances (ODS)	-		Not Applicable	Interloop is not engaged in ODS production, export, or transport ozone business
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	a-c	Information Unavailable	
ENERGY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75			

GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	24			
	302-2 Energy consumption outside of the organization	-	a-c	Information Unavailable	
	302-3 Energy intensity	-	a-d	Information Unavailable	
	302-4 Reduction of energy consumption	24			
	302-5 Reduction in energy requirements of products and services	-		Not Applicable	Interloop products do not consume energy in use phase
WATER					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75			
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	26			
	303-2 Management of water discharge-related impacts	26,34			
	303-3 Water withdrawal	26			
	303-4 Water discharge	26			
	303-5 Water consumption	26			
WASTE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75			
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	34			
	306-2 Management of significant waste-related impacts	34			
	306-3 Waste generated	34			
	306-4 Waste diverted from disposal	34			
	306-5 Waste directed to disposal	35			
SUPPLY CHAIN IMPACTS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	66			
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	66			
	308-2 Negative environmental impacts in the supply chain and actions taken	66			
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	66			
	414-2 Negative social impacts in the supply chain and actions taken	66			

EMPLOYMENT AND LABOR PRACTICES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75-76			
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	48			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	51			
	401-3 Parental leave	43			
	405-2 Ratio of basic salary and remuneration of women to men	51			
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	40	a-b	Information Unavailable	
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	40			
HEALTH AND SAFETY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75-76			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	41			
	403-2 Hazard identification, risk assessment, and incident investigation	41			
	403-3 Occupational health services	41-42			
	403-4 Worker participation, consultation, and communication on occupational health and safety	41			
	403-5 Worker training on occupational health and safety	41			
	403-6 Promotion of worker health	42			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	41-42, 66			
	403-8 Workers covered by an occupational health and safety management system	41			
	403-9 Work-related injuries	42			
	403-10 Work-related ill health	42			
TRAINING AND EDUCATION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75-76			


















GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	46
	404-2 Programs for upgrading employee skills and transition assistance	46
	404-3 Percentage of employees receiving regular performance and career development reviews	46
HUMAN RIGHTS		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	75-76
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	40,66
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	40,66
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	46
LOCAL COMMUNITIES		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	76
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	54-60
	413-2 Operations with significant actual and potential negative impacts on local communities	76

UNGC COP



PRINCIPLE	STATEMENT	PAGE	GRI STANDARDS DISCLOSURE
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	54-60, 76	413-1, 413-2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	54-60, 66	413-1, 414-1, 414-2
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	40	2-30, 407-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	40, 66	409-1
Principle 5	Businesses should uphold the effective abolition of child labor.	40, 66	408-1
Principle 6	Businesses should uphold elimination of discrimination in respect of employment and occupation.	40, 43, 46, 47, 48, 51	2-7, 2-8, 202-1, 202-2, 401-1, 401-3, 404-1, 404-3, 406-1
Principle 7	Businesses should support a precautionary approach to environmental challenges.	23, 24, 26, 28, 63	201-2, 301-1, 302-1, 303-3, 305-1, 305-2, 305-3, 305-6, 305-7
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	23, 24, 26, 28, 34, 66, 75, 76	2-27, 301-1, 301-2, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1
Principle 9	Businesses should encourage the development and diffusion of environmental-friendly technologies.	23, 24	302-4, 305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	12, 18, 76	2-23, 2-26, 205-1, 205-2

SUSTAINABLE DEVELOPMENT GOALS INDEX

SDGs		PAGE NO	GRI STANDARDS DISCLOSURE	SDGs		PAGE NO	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	51, 76	202-1, 413-2		Reduce inequality within and among countries	54-60, 76	413-1, 413-2
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	54-60, 64, 76	201-1, 413-1, 413-2		Make cities inclusive, safe, resilient, and sustainable	-	Not Applicable
	Ensure healthy lives and promote well-being for all at all ages	23, 34, 41-42	305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10		Ensure sustainable consumption and production patterns	23, 24, 28, 34, 66	204-1, 301-1, 301-2, 301-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4
	Ensure inclusive and quality education for all and promote lifelong learning	14-15, 46	2-17, 404-1		Take urgent action to combat climate change and its impacts	23, 24, 63	201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4
	Achieve gender equality and empower all women and girls	13, 40, 43, 46, 48, 51, 66	2-9, 2-10, 201-1, 202-1, 401-1, 401-3, 404-1, 404-3, 406-1, 414-1, 414-2		Conserve and sustainably use the oceans, seas, and marine resources	23, 34	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Ensure access to water and sanitation for all	26, 34	303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5		Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	23, 34	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5
	Ensure access to affordable, reliable, sustainable, and modern energy for all	24, 64	201-1, 302-1, 302-3, 302-4		Promote just, peaceful, and inclusive societies	12, 13, 14, 18, 40, 66, 75-76	2-9, 2-10, ,2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 408-1, 414-1, 414-2
	Promote inclusive and sustainable economic growth, employment, and decent work for all	24, 26, 28, 40, 41, 42, 43, 46, 47, 48, 51, 64, 66	2-7, 2-8, 2-30, 201-1, 202-1, 202-2, 301-1, 301-2, 301-3 302-1, 302-3, 302-4, 303-5, 401-1, 401-2, 401-3, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 407-1, 408-1, 409-1, 414-1, 414-2		Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable
	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	64	201-1				

GLOSSARY AND ACRONYMS

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

FEEDBACK FORM

SUSTAINABILITY REPORT 2023

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 ☐ Good ☐ Average

Your comments for adding value to the report.

Name

Designation

Organization

Contact Details

Tel

Please mail your feedback to:

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