

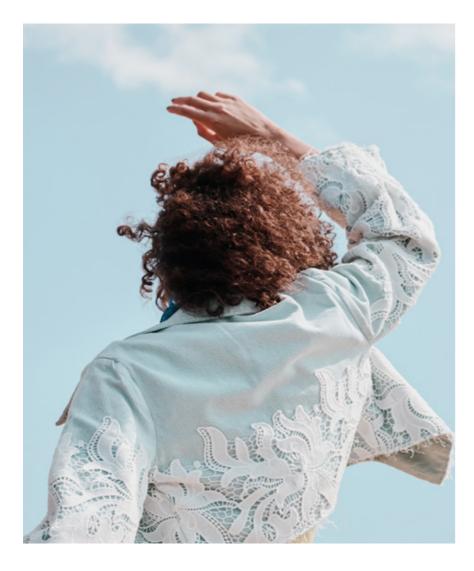
INTRODUCTION

IMPACTING PEOPLE

PROTECTING NATURE

DRIVING CHANGE

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MESSAGE FROM CEO

At Interloop, our mission is to be an agent of positive change. Every day, thousands of Interloop team members set out to create an ethical and sustainable business for all our stakeholders & our community.

This purpose-driven approach has enabled us to attract and retain exceptional industry talent. From the outset, we prioritized investing in our people through a specially designed talent development framework that emphasizes technical and behavioural skills.

Our Technical Training School has delivered over 2.13 million hours of training, including 975 trainees across diverse trades in FY 2024 alone. This progress brings us closer to our goal of upskilling 80% of our workforce in essential skills by FY 2026. Complementing this, we launched Elevate—our flagship leadership development program. This integrated talent management framework nurtures our talent pipeline, fostering leadership that drives business growth and long-term sustainability. Together, these initiatives empower our team to pursue purpose-driven, impact-led careers with equitable access to opportunity.

This equitable access to opportunity is critical in creating deep engagement within our people.

This year, we made significant progress towards an inclusive work environment creating a sense of belonging for all our team members. I am proud to highlight Humrah, our differently-abled inclusion program, which sensitized employees and delivered sign language training for supervisors. Through these efforts, we increased representation of differently-abled team members to 2%.

Interloop team's creativity and hard work have had a significant impact on the efficiency of our operations and a reduction in our environmental impact. In FY 2024, we mitigated 14,422 tons of CO₂e by converting our boilers to biomass and installing 12.6 MW of solar power. 80% of our fuel consumption derives from low-carbon sources.

I am particularly proud to share that Interloop's new apparel plant has received LEED platinum certification by the US Green Building Council, achieving a record-setting score of 94 points, the highest LEED score for a facility of this scale globally.

Our team has extended this purpose-led approach to our communities. Through our flagship local cotton initiatives, we've enabled 1,000 farmers cultivating 5,000 acres to embrace sustainable agricultural practices, strengthening Pakistan's environmental and economic resilience. In FY 2024, we achieved IC2 certification for the Interloop Organic Kapas project and successfully launched the Interloop Regenerative Kapas project, focusing on soil health and resilient farming systems.

Innovation remains a cornerstone of our progress. Looptrace, our award-winning traceability platform, has strengthened supply chain transparency by tracing cotton to its origins, onboarding synthetic suppliers, and implementing a dynamic document management system to meet evolving regulations. These advancements reflect our team's ingenuity and fuel our business's growth and resilience.

I am excited to share our team's progress but even more excited about the impact we can continue to create through creativity, hard work, and by following our purpose. I am truly grateful to our people and our partners for their contribution. Together, we are driving positive change within Interloop, our communities, and the wider industry.



Navid Fazil CEO Interloop



Interloop set its corporate targets for FY 2021 to FY 2026, focusing on People, Planet, and Prosperity. These targets reflect our long-term commitment to making a meaningful impact through environmental conservation, supporting people, driving change in communities, and promoting economic growth.

We aim to achieve these targets through strategic planning, embracing new technologies, implementing solutions, establishing corporate policies, and sharing best practices with the industry in collaboration with leading organizations.

Our approach sets us apart from our peers because we:

- Adopt advanced technologies and setobjectives with strong management methods to ensure goal achievement.
- Promote sustainable practices throughout our supply chain.
- Declare our environmental impacts and practices through the annual sustainability report.

ABOUT THIS REPORT

This is Interloop's sixth annual sustainability report, showcasing our performance against the FY 2024 targets, sustainability-related impacts, risks, opportunities, and contributions to the SDGs. For each target, the report provides context on the target, our actions and challenges, the programs underway to meet the target, and updates on the results of our efforts during the year.

The report showcases the programs that contribute to our impact and the actions that drive our progress. It is prepared in accordance with the GRI Sustainability Reporting Standards 2021 and voluntarily adopts IFRS S1 and IFRS S2.

It covers Interloop's activities from July 1, 2023, to June 30, 2024, including the impacts of our Hosiery, Denim, Apparel, Activewear, and Yarns divisions. However, it does not include information about associated/affiliate companies and supply chain partners. The report was published on March 27, 2025.

The report's data is based on actual recordings, with any unavailable data estimated and clearly stated. It does not include any restatements.



IMPACT SUMMARY

PEOPLE



Women Directors on the Board

44%



Technical Training Hours

2.13 Million+

* Net sales

** Export sales

PLANET



GHG Emissions Reduced

30,809 TONS



Water Conserved

299,173 m³

PROSPERITY



Revenue Growth

31%*

Year-on-Year



Leading Textile Exporter

\$529**

Million

PEOPLE

GOAL 2025

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

PEOPLE TARGETS 2025



INCREASE WORKFORCE DIVERSITY

30%



BOOST EMPLOYEE ENGAGEMENT

75%



TRAIN WORKFORCE ON RELEVANT & FUTURE COMPETENCIES

80%

ACHIEVEMENTS VS TARGETS 2024

IMPACT AREAS		TARGETS	ACHIEVEMENTS		
WORKFORCE DIVERSITY		15%	11.3%		Women Ratio
EMPLOYEE ENGAGEMENT		75%	65%		
	Training Sessions	63	69	110%	For Executives Only
WORKFORCE TRAINING	Man Hours	12,983	13,797	106%	For Executives Only
	IDPs*	137	81	59.1%	It is based on formal / blended learning, coaching, and mentoring.

^{*} Individual Development Plans

HIGHLIGHTS

DOMAIN	AREA	DETAILS
Organization Design	Project North Star	Our Project North Star aims to redesign our organizational structure to align with our vision of becoming the full-family clothing partner of choice. This initiative sets Interloop on a path to 2.5X growth and drives an entrepreneurial, energetic workforce. Completed in three phases, it focuses on key functions like Sales, Operations, HR, Finance, IT, Strategy & Transformation, and Procurement, creating new growth opportunities. Our continued investment in people development is crucial to meeting customer demands and achieving exceptional results.

PLANET

ENVIRONMENT & SOCIAL GOALS 2025

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

ENVIRONMENTAL TARGETS 2025



REDUCE CARBON FOOTPRINT BY

25%



DIVERT WASTE FROM LANDFILLS

100%



REDUCE WATER
CONSUMPTION BY

25%



ZDHC (SUPPLIER TO ZERO)

100%

(ASPIRATIONAL LEVEL COMPLIANT FACILITIES)



INCREASE USE OF SUSTAINABLE RAW MATERIALS UP TO

70%

ACHIEVEMENTS VS TARGETS 2024

IMPACT AREAS	TARGETS	ACHIEVEMENTS
GHG EMISSIONS (KG CO ₂ e/KG)	-15%	-15%
WATER (LITERS/KG)	-15%	-16%
SUSTAINABLE MATERIAL (% OF TOTAL MATERIAL PROCURED)	70%	68%
SOLID WASTE (DIVERSION FROM LANDFILLS	80%	80%
CHEMICAL MANAGEMENT	ZDHC (Supplier to Zero) Progressive Level Compliant Facilities	Achieved

INTRODUCTION IMPACTING PEOPLE PROTECTING NATURE DRIVING CHANGE CREATING ECONOMIC VALUE REPORTING APPROACH APPENDIX

COMMUNITY

Creating inclusive and fair opportunities for community well-being.

SOCIAL TARGETS 2025



INITIATIVES



- → 5,500+ children educated in 36 TCF schools
- → Educating and rehabilitating 5,000+ children with special abilities
- → 750+ scholarships for higher/technical education



- → 20,000+ people benefited from literary and cultural events
- → Promoting literature and culture by sponsoring Faisalabad Literary Festival for the past 11 years
- → Celebrating historical significance & cultural heritage by organizing the inaugural International Lyallpur History Conference
- → Promoting the Punjabi language and literature by sponsoring the Lyallpur Punjabi Sulekh Mela



- → Free daily meals for children at 14 schools in Faisalabad (School Khana Program)
- → Free healthcare services for 180,000 patients across Pakistan annually
- → Autism Unit in Faisalabad in coordination with the District Government, serving 30 children and aspiring for more



- → Promoting **5,000+** local talent at the grassroots level through sports events
- → Empowered 2,300+ women with free motorbike training to promote independent mobility (Women on Wheels, Faisalabad)

PROSPERITY

ECONOMIC PERFORMANCE

DIRECT ECONOMIC VALUE GENERATED	FY 2024 PKR MILLION	FY 2023 PKR MILLION
REVENUE	157,583	120,499

AWARDS AND ACCOLADES

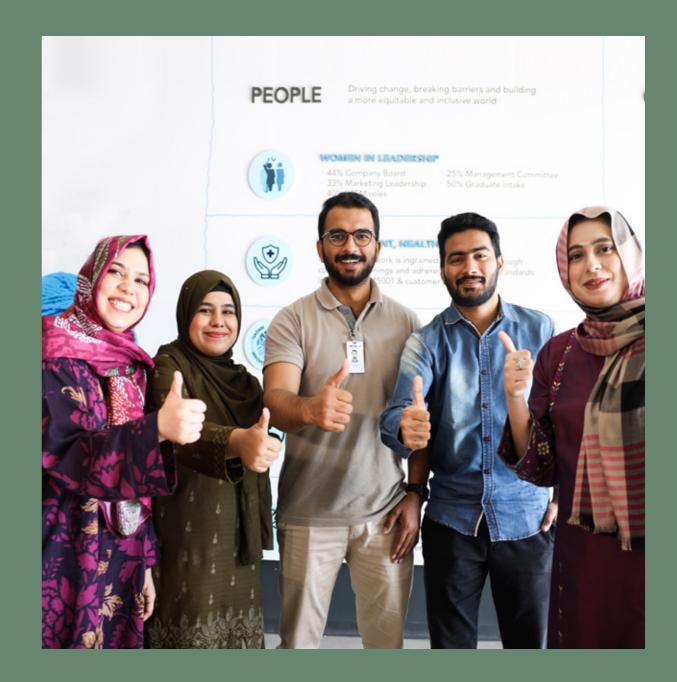






IMPACTING PEOPLE

At Interloop, we see endless possibilities ahead. Together, we are a team of purpose-driven innovators, pushing boundaries with resilience and collaboration. Rooted in our mission, we drive positive change. We embrace inclusivity, break barriers, and leverage our diverse strengths to innovate and grow together.



WHY IT MATTERS

At Interloop, we envision a more equitable world by championing inclusive leadership through our comprehensive development initiatives, transformative engagement opportunities, and competitive benefits. Our steadfast commitment to advancing the personal, professional, and holistic well-being of our people underpins every facet of our organization.

GOAL

A diverse, inclusive and engaged work force creating a high performing organization.

SDGs SUPPORTED



5. Gender Equality



8. Decent Work and Economic Growth



10. Reduced Inequalities

WHAT WE'RE DOING

We are committed to building an inclusive culture where diversity thrives and equity is the norm. Our strategy rests on five pillars—Listening & Advocacy, Policy & Process, Programs & Initiatives, Learning & Development, and Strategy & Partnering—that drive initiatives shaping our organization and benefiting our employees, communities, and suppliers.



PEOPLE IMPACTS 2024



34,696

People provided with employment opportunities



Women working at Interloop



Employees trained for professional growth



DIVERSITY, EQUITY & INCLUSION (DE&I)

We seek the best minds committed to driving progress, knowing that the most innovative ideas arise from diverse perspectives and experiences. That's why we foster a workplace that is diverse, equitable, and inclusive—where everyone feels valued, heard, and empowered to reach their full potential.

RESPECTING & PROMOTING HUMAN RIGHTS

We are committed to upholding human rights throughout our operations, supply chain, and communities, ensuring these values are integral to our policies and practices.

WORKERS' RIGHT TO FREEDOM OF ASSOCIATION

Interloop respects workers' right to freely associate, and conducts awareness sessions to reinforce this. Our Workers Management Council is active across all facilities, and 93% of employees are covered by collective bargaining agreements. We also encourage suppliers to uphold these rights, with no violations reported.

GRIEVANCE HANDLING MECHANISM

Our organization is committed to a confidential, impartial, and effective grievance resolution process. Employees can report concerns anonymously or directly through various channels, including Management Representatives (MRs), an open door policy, HR teams, worker representatives, and designated welfare officers. Employees are encouraged to address issues with their supervisors first. If further attention is needed, concerns can be escalated to HR or higher management for a structured review.

Regular updates and training sessions through thirdparty channels ensure continuous improvement in grievance management. For sensitive cases such as harassment, specialized committees comprising senior management and regional representatives oversee the resolution process to ensure fairness and transparency.

HUMRAH - DIFFERENTLY-ABLED INCLUSION PROGRAM

Through the Humrah Project, Interloop is committed to cultivating an accessible, equitable, and empowering workplace where people of all abilities can thrive, contribute, and feel valued. Phase 1, which focused on hiring individuals with disabilities, has been successfully completed. In Phase 2, we are empowering our employees with the knowledge and skills to promote a more inclusive work environment. This includes sensitization sessions, sign language training sessions, and a disability champions training.

Looking ahead, Phase 3 will involve conducting infrastructure audits to ensure full accessibility. Through the Humrah Project, we aim to go beyond legal compliance and create a truly inclusive workplace for all.

SAHULAT - ADVANCING WOMEN'S HEALTH

Our Sahulat Project empowers our women workforce by promoting menstrual hygiene & well-being. Committed to gender equity, we provide on-demand access to sanitary products and raise awareness. So far, 10 sessions have benefited 820 women employees; 714 non-executive and 106 executive staff.

Through this project, we have strategically installed 11 vending machines across our Faisalabad and Lahore facilities. These vending machines provide easy access to sanitary products, ensuring that women employees have timely access to essential hygiene items, particularly in emergencies.



MALE CHAMPIONS OF CHANGE

As a member of the Male Champions of Change Coalition, through our CEO Navid Fazil, we are advancing inclusion through workplace commitments and community programs supporting women-led initiatives. Our approach starts with leadership setting the tone, while certified DE&I trainers fostering a culture of inclusivity. We've held multiple training sessions to empower leaders at all levels for organizational transformation.

Leadership Training Programs

- Psychological Safety at the Interloop Focused on building trust and inclusivity, encouraging innovation and collaboration in a judgment-free environment.
- Telenor Women Leadership Training for Middle- Management
 Developed leadership skills for middlemanagement women, preparing them for senior roles.
- Fostering a Workplace Culture of Inclusion,
 Dignity & Emotional Intelligence
 Led by EY Ford Rhodes and hosted by Tetra Pak,
 this training aimed to promote inclusive
 workplaces and enhance emotional intelligence.



WOMEN IN LEADERSHIP









RECONNECT PROGRAM

The Reconnect Program allows women employees who have completed at least three years of service with the company and had to leave their jobs due to family obligations, to return and resume their careers after a break.

PARENTAL LEAVE UTILIZATION

Interloop's Parental Leave Policy provides all eligible men and women employees with the opportunity to take parental leave. Male executives are entitled to 7 days of fully paid leave on two occasions during their tenure, upon the arrival of a new child. Women employees, in addition to their maternity leave, can take up to four extra weeks of leave at half pay in case of health concerns related to themselves or their newborn.

In 2024, 161 out of 1,036 eligible women employees utilized parental leave, with 150 returning to work during the year. Of these, 145 remained employed for over 12 months. For male employees, 2,991 out of 18,001 eligible workers took parental leave in 2024, with 2,856 returning to work. Of those, 2,819 stayed employed for more than 12 months.

DAYCARE FACILITIES

To offer peace of mind to working mothers, Interloop provides world-class daycare centers at all its plants for both executive and non-executive women employees. Experienced caregivers ensure that children are well looked after, following structured routines for play, rest, and meals.

The centers are equipped with international-standard infrastructure, including dedicated areas for study, play, and rest. Trained teachers deliver high-quality pre-primary education and nurture the children's development through both curricular and extracurricular activities. In addition, a company doctor conducts regular health check-ups to ensure the well-being of all children.

MTO & GTE PROGRAMS

We are committed to providing equal opportunities for both men and women. Our Management Trainee Officers (MTO) Program engages fresh graduates, preparing them for operational and strategic roles. This year, we enrolled 92 MTOs, with 49% women & 51% men. Additionally, we onboarded 63 Graduate Trainee Engineers (GTEs) across Textiles & IT disciplines, with 30% women and 70% men, offering practical experience in real-world scenarios. These programs highlight our ongoing investment in young talent and commitment to a diverse workforce.

262 WOMEN with STEM degrees, including 53 related to textiles.

ANTI-HARASSMENT & ANTI-DISCRIMINATION

Our policy embodies a steadfast commitment to creating a respectful and inclusive work environment by strictly prohibiting any form of harassment, intimidation, or discrimination. It clearly defines behaviors such as bullying, hostility, and retaliation, outlining that any actions undermining an individual's dignity or breaching the company's code of conduct will be met with decisive, unbiased intervention. Through a structured and transparent complaint process—including multiple reporting channels and a dedicated Disciplinary Committee—the policy ensures that all concerns are promptly investigated and resolved, thereby protecting the rights and well-being of every member of our community.

Furthermore, the policy upholds a zero-tolerance stance toward discriminatory practices, ensuring that disciplinary actions are solely based on verified conduct and remain free from bias regarding race, gender, religion, or other personal characteristics. By instituting rigorous documentation, clear accountability, and an open, fair resolution process, we not only shield employees from adverse repercussions when they raise concerns but also promote a culture of integrity and mutual respect. This comprehensive approach reinforces our commitment to ethical practices and continuous improvement, ensuring that our workplace remains safe, supportive, and equitable for all.



LEARNING & DEVELOPMENT

Our Human Resources Department regularly conducts Training Needs Analyses to identify the developmental needs of our people. Based on these insights, they design and implement comprehensive training programs aimed at enhancing skills and knowledge, ensuring long-term employability, and promoting career growth of our workforce.

We firmly believe that continuous learning is key to personal growth and career success. To support this, we offer a diverse range of training programs designed to upskilling employees, enhancing leadership capabilities, and building a culture of innovation.

Our learning and development initiatives cover essential areas such as emotional intelligence, high-impact communication, advanced technical skills, and leadership development, ensuring employees are equipped to navigate both personal and professional challenges.

INTERLOOP'S SOCK, DENIM AND APPAREL COLLEGES

The journey began in 2020 with the launch of Sock College to enhance the knowledge of our Sales and Marketing teams on sock manufacturing. This initiative provided a deep understanding of the sock production process. In 2022, the program expanded to 42 executives, including management trainees and new hires, offering sessions led by experts. The training covered everything from raw materials to finished products, focusing on emerging trends and sustainability.

To support our multi-category growth strategy, Denim College was introduced for employees new to denim production. Guided by our leadership team and industry experts, the program covered sustainability, production techniques, and denim manufacturing processes. These sessions helped employees better understand denim production and contributed to the company's growth in this category.

Similarly, the Apparel College was launched to deepen our teams' understanding of apparel manufacturing. The program offered insights into apparel design, supply chain dynamics, and customer preferences, empowering employees across various departments. Through tailored training, the Apparel College has improved customer service, optimized product assortments, and enhanced operational efficiency.

Feedback has been overwhelmingly positive, demonstrating the value of specialized training.

Looking ahead, we are exploring more opportunities to introduce such programs, ensuring continued growth, operational excellence, and sustainability while reinforcing our leadership in the textile industry. We successfully completed the first loop of Sock, Denim, and Apparel Colleges, marking an important step to innovation and professional development of our workforce.

TRAINING HOURS PER EMPLOYEE

No. of	Training	Avg. Training
Employees	Hours	Hours
34,696	446,786	12.88

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



TRAINING HOURS PER EMPLOYEE BY GENDER

Category	No. of Employees	Man - Hours*	Avg. Training Hours
Men	30,787	160,109	5.20
Women	3,909	286,677	73.34

TRAINING HOURS PER EMPLOYEE BY EMPLOYEE CATEGORY

Category	No. of Employees	Man - Hours	Avg. Training Hours
Executive	2,376	29,703	12.50
Non-Executive	32,320	417,083	12.90

^{*} The man-hours of executives in this table represent the overall company. Trainings are provided by L&D, EHS, Quality, etc.



Elevate is designed to empower employees at Interloop by unlocking opportunities for personal, professional, and career growth within a holistic talent management framework. The program emphasizes inclusive development by harnessing individual strengths while addressing potential challenges.

Through Elevate, employees participate in an engaging, multi-tiered development center that fosters a personalized and collaborative learning experience. The initiative follows a structured, multi-dimensional approach to ensure measurable progress and sustainable growth.

We regularly conduct Training Needs Analyses to assess developmental needs and design comprehensive programs that equip our workforce with the skills and knowledge necessary for long-term success. Executives receive tailored training in technical expertise, managerial skills, and leadership development.

As part of the Elevate – Unlock Possibilities Program 2024, company facilitates trainings such as Career Conversations and the Individual Development Plan (IDP) to further enhance professional growth.



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WORKFORCE REPRESENTATION

Interloop is an equal opportunity employer. We employ 34,696 individuals representing over 15 nationalities, alongside 1,011 contractors who provide essential services such as transportation and catering.

Our policies prioritize equal opportunities for career growth and advancement, with a particular focus on empowering women, transgender individuals, and employees with disabilities. In FY 2024, we achieved a hiring rate of 25% and an attrition rate of 10%, compared to 2% and 10%, respectively, in FY 2023.

At the senior management level, hiring is based on merit, including relevant experience, skills, and education, with no geographical restrictions. However, we actively encourage local community representation, and in FY 2024, 53% of senior management hires were from Faisalabad and Lahore. Similarly, for worker-level roles, we prioritize candidates from the local community, ensuring our growth aligns with community development.

DETAILS OF WORKFORCE

2024		34,696
2023	29,748	
2022	31	,985
2021	25,38	80

WORKFORCE BY EMPLOYMENT TYPE - BROKEN BY GENDER

Employment Type	Men	Women	Total
Full Time	30,787	3,909	34,696
Part Time	-	-	-
Total	30,787	3,909	34,696

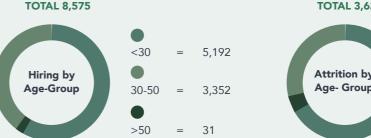
WORKFORCE BY EMPLOYMENT CONTRACT - BROKEN BY GENDER

Employment Contract	Men	Women	Total
Permanent	30,685	3,904	34,589
Temporary (Contractual)	102	5	107
Total	30,787	3,909	34,696

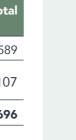
WORKFORCE BY REGION - BROKEN BY CONTRACT

Region	Permanent	Temporary (Contractal)	Total
Faisalabad	27,138	104	27,242
Lahore	7,451	3	7,454
Total	34,589	107	34,696

HIRING AND ATTRITION















TECHNICAL TRAINING SCHOOL

Interloop's commitment to employee development and sustainable organizational growth is showcased through establishment of the Technical Training School (TTS). TTS is designed to improve employee productivity, reduce variations, and enhance quality and standardization on the shop floors, strengthening the company's competitive position in both the local and international hosiery and apparel industries.

In collaboration with GIZ Pakistan and Sven Buchholz, we discussed best training practices and workforce development, aligning with shared sustainable development goals. This partnership will drive continuous improvement and innovation within the industry.

The TTS, located at Interloop Apparel Park, represents a strategic approach to enhancing workforce skills, promoting industry growth, and supporting sustainability. The focus on empowering employees through collaborative efforts is central to this strategy.

In 2024, Interloop made substantial investment in training, covering key areas such as human rights, diversity, non-discrimination, and prevention of child and forced labor.

With women being 70% of the workforce enrolled in TTS, and going through extended and comprehensive training programs, ranging from two weeks to three months, the training hours for women employees increased significantly from 27.52 to 73.34 hours YOY.



HEALTH & SAFETY

At Interloop, we firmly believe that every individual has the fundamental right to work in a safe and healthy environment.

Our approach to health and safety is proactive and centers on the protection and promotion of well-being of people, operational activities, and manufacturing facilities, ensuring compliance with legal and regulatory requirements.

We have instituted a robust and comprehensive Occupational Health and Safety (OHS) management system that encompasses all employees, operations, and facilities. This system is designed to support a culture of safety, emphasizing the prevention of occupational accidents, illnesses, and significant incidents, while maintaining a safe working environment.

Our approach aligns with relevant legal and statutory requirements, industry best practices, and stringent customer safety specifications, in full compliance with ISO 45001 standards. In addition, we actively engage with our supply chain partners to ensure their compliance with health and safety obligations concerning their workforce. Further information on our supply chain management approach can be found on page 87.

The company's manufacturing plants are monitored and managed by a dedicated corporate Environment, Health, and Safety (EHS) department, which is responsible for the formulation of policies, procedures, and strategic communications. At the operational level, plant-specific EHS teams are tasked with the implementation of these policies and the day-to-day management of health and safety protocols.

Interloop allocates adequate financial resources to ensure the continuous management and enhancement of health and safety measures, within the scope authorized by floor line managers and plant heads. All significant health and safety expenditures, including costs related to additional personnel, materials, and other resources, are forecasted and submitted for review and approval by the Board of Directors.





EMPLOYEE PARTICIPATION AND HEALTH & SAFETY CONSULTATION

Employee involvement in health, safety, and engagement is supported through multiple channels, such as the EHS Committee and the Worker Management Council. For individual concerns, employees can easily report hazards or incidents via various communication methods, including telephone, emails, suggestion boxes, helplines, and hotlines. Even near misses are reported, with employees receiving recognition for valid submissions.

To ensure comprehensive representation, monthly EHS Committee meetings are held at all plants, involving both management and non-management members. Representatives from all functional areas, including executive and non-executive committee members, collaborate to identify opportunities for improving EHS. The Secretary monitors these areas, while the Chairperson assigns tasks for implementation, ensuring proper resource allocation for each initiative.

RISK IDENTIFICATION & MITIGATION STRATEGIES CONSULTATION

Our team of experts identifies potential hazards and assesses their impacts by evaluating both the severity and likelihood of risks, helping to set priorities for mitigation. Control measures are implemented according to the standard hierarchy,

which includes elimination, isolation, substitution, engineering controls, administrative controls, and personal protective equipment (PPE).

Our risk assessment process ensures that control measures are effective and allow for adjustments in response to changes in workforce, processes, infrastructure, or incidents. Hazard identification, risk assessment, and control measures are consistently applied across all operational sites to prevent similar incidents from occurring.

The success of these processes is monitored through key performance indicators (KPIs) and standard operating procedures (SOPs). In the case of routine work, we review Risk Assessments at least annually. They are also reviewed if there are any changes in the law, other requirements, after a reportable incident occurs, or if there are changes in layout or the installation of new machinery.

At Interloop, the safety and well-being of our employees are top priorities. Employees have the right to remove themselves from any work environment that may pose a risk of injury or illness without fear of retaliation, and they are encouraged to report such concerns to their immediate supervisor. After assessing the situation, prompt action is taken to mitigate or eliminate the identified hazards. Employees can submit grievances through suggestion boxes placed prominently at all facilities.

CREATING ECONOMIC VALUE

SAFETY TRAINING & HEALTH PROMOTION INITIATIVES

We implement a robust framework to promote the health, safety, and comfort of all employees across our operations. This includes comprehensive training programs that cover all aspects of occupational health and safety, tailored to specific groups to ensure clear understanding of potential work-related hazards and preventive measures.

Key performance indicators (KPIs) are set annually and evaluated at both the plant and corporate levels. Additionally, we observe safety days and weeks at our facilities to raise awareness among our workforce.

EMPOWERING WELL-BEING, ENSURING PROTECTION

Our commitment to employee health goes beyond workplace safety, with state-of-the-art medical facilities at all plants. Men paramedics are available 24/7, while women paramedics are on duty during general shifts to address both occupational and non-occupational health issues.

We also organize multiple awareness sessions and campaigns on topics such as AIDS, Hepatitis, and Breast Cancer, along with regular vaccination camps for all employees.

MONITORING & REVIEW OF EHS PERFORMANCE

Our Environmental, Health, and Safety (EHS) framework is closely monitored through Key Performance Indicators (KPIs), regularly reviewed via internal and external audits. Senior management ensures thorough evaluations, taking corrective actions where necessary. To maintain compliance, EHS policies are updated in response to changes in laws, industry standards, or customer codes of conduct.

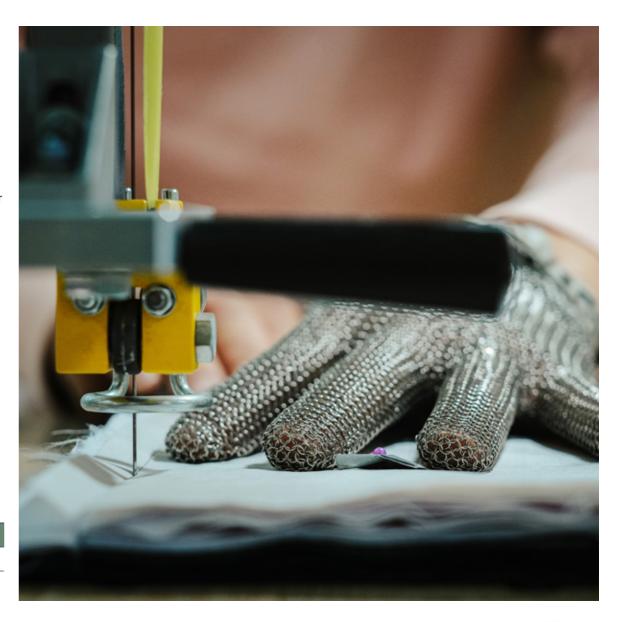
We include all workers, including contractors, in reporting work-related injuries and health issues. Key hazards include working at heights, machinery exposure, electrical risks, slips and falls, chemical handling, and vehicle operations. Each risk is carefully assessed to determine who might be affected and how, allowing us to implement effective control measures based on severity and likelihood.

RATE OF RECORDABLE INJURY

Throughout 2024, no work-related fatalities, high-consequence injuries, or ill health incidents leading to deaths transpired for workers and contractors, despite a total of 71,342,929 man-hours worked.

Interloop	Contractor
0.048	Nil

^{*} Total Recordable Injury Rate (TRIR) is calculated as per EHS standards.





EMPLOYEE ENGAGEMENT & WELL-BEING

Prioritizing employee well-being leads to healthier lives, increased productivity, and stronger contributions to our communities. By building a work culture that values well-being and engagement, we create an environment where individuals feel motivated, empowered, and recognized for their efforts.

A well-structured Performance Management System (PMS) helps employees set clear goals, receive constructive feedback, and continuously improve. Providing challenging tasks and growth opportunities encourages employees to push their limits, develop new skills, and achieve their full potential. Competitive compensation & benefits ensure financial security and job satisfaction, while a culture of appreciation & recognition reinforces employees' dedication and hard work.

Prioritizing well-being boosts engagement, productivity, and a thriving workforce.

By investing in these key areas, we not only create a more engaged and high-performing workforce but also contribute to global initiatives for good health, decent work, and reduced inequalities. A strong focus on well-being ensures employees thrive both personally and professionally, making a meaningful impact within and beyond the workplace.



QADAM HUM QADAM

At Interloop, we prioritize the mental and emotional well-being of our employees through the Qadam Hum Qadam initiative. This impactful program aims to develop a holistic approach to well-being, emphasizing that a prosperous, inclusive workplace begins with prioritizing mental health. Our goal is to ensure every employee feels supported, empowered, and equipped to overcome both personal and professional challenges.

To bring this vision to life, we have partnered with Saaya Health. Through this collaboration, we offer our employees online access to licensed therapists for confidential counselling, available in over nine languages, ensuring support is always accessible, regardless of location or personal circumstances. Saaya Health's data-driven insights also help us refine our well-being initiatives, ensuring they evolve to meet the unique needs of our workforce.

Our program's impact is evident, with 146 employees already enrolled. We've identified key stress factors, highlighting the need for more targeted resources to support work-life balance.

In partnership with Saaya Health, we are building a robust support system that respects local needs, empowering employees to prioritize their mental and emotional health—every step of the way.

GOALTALK: REVOLUTIONIZING PERFORMANCE MANAGEMENT

GoalTalk is designed to transform how performance discussions are conducted at Interloop. By facilitating continuous, real-time feedback between employees and supervisors, GoalTalk enhances transparency, promotes collaboration, and supports ongoing development.

This platform shifts away from traditional annual reviews, allowing for timely recognition and course correction, developing a more agile and responsive performance management process.

In Every Step, We Rise Together: Supporting Minds, Enriching Lives





WORKER WELL-BEING PROGRAM

Interloop, in partnership with global brands such as Levi's, Target, adidas, and Tesco, is dedicated to enhancing the well-being of its employees through a series of impactful initiatives. These programs focus on improving physical health, safety, and promoting gender equality within the workforce, ensuring that employees are supported both inside and outside the workplace.



Interloop successfully established the "Hamari Awaz Helpline" in collaboration with Target, setting up a grievance reporting system to address concerns related to safety, abuse, and wages, ensuring a more transparent and responsive workplace.



In collaboration with Marie Stopes Society, Levi's has organized free medical camps at our Denim Plant, providing workers with essential healthcare services.



In collaboration with adidas, Interloop successfully implemented the Wovo employee engagement platform, featuring pulse surveys, e-learning, and grievance handling to improve communication and employee satisfaction.



Tesco's Gender Ambition program focuses on increasing women representation in leadership roles, with the goal of reaching 30% women in leadership by 2025.

These initiatives not only prioritize the health, safety, and professional development of employees but also aim to create a more inclusive and supportive work environment.





EMPLOYEES' STOCK OPTION SCHEME

Interloop introduced the 'Interloop Limited Employees' Stock Option Scheme, 2016' (the 'Scheme'), providing eligible Executive Employees with the opportunity to acquire Company Shares in accordance with the Public Companies (Employees Stock Option Scheme) Rules, 2001, thereby effecting a transformation from being Stakeholders to becoming Shareholders.

However, subsequent to the listing of Interloop on the Pakistan Stock Exchange in 2019, the Scheme was duly revised to comply with the applicable laws and regulations, thereby expanding its scope to encompass all Non-Executive Employees. The Company has not made any fresh grant of options this year owing to the fact that it is in the process of redesigning/revamping the Scheme as per the latest requirements and trends in the industry.

PROMOTING HEALTH & TEAMWORK THROUGH SPORTS

To ensure physical well-being of our people the company has established an executive club, sports facilities (table tennis, squash, badminton, basketball, and football), fitness gyms, and organizes company-wide annual tournaments for all employees.

RECOGNITION & CORPORATE SOCIAL GATHERINGS

To enhance employee engagement and recognize their contributions, Interloop organizes a variety of events throughout the year. These include social gatherings such as the Annual Dinner, Managers' Dinner, International Women's Day, Christmas celebrations, and in-house sessions like Management Open House and Townhall meetings. These events provide opportunities for employees to connect with each other and with management, fostering open communication and the exchange of ideas. Additionally, corporate events like the Long Service Awards recognize employees for their dedication and service to the company.

SPECIAL WELFARE FUND FOR NON-EXECUTIVES

Interloop recognizes the importance of supporting its non-executive employees and has established a Special Welfare Fund to provide financial assistance in times of need. This fund acts as a safety net, offering support for a range of life events, including marriage, children's education through scholarships, financial aid during critical illness or unfortunate demise, and assistance during unforeseen personal difficulties.

By instituting this fund, Interloop ensures its non-executive workforce receives comprehensive support, helping them navigate life's challenges with greater security and peace of mind.

HOUSING & WELLNESS FACILITIES

To facilitate non-resident men and women executives and non-executives, Interloop provides top-class residential facilities, including hostels and upscale apartments, both on company premises and in the cities of Faisalabad and Lahore, as per space availability. The residential facility at our premises also features a well-equipped sports club and sports arenas to promote physical well-being of our employees. Moreover, a residential colony and additional sports facilities are being developed at our new Apparel Park to accommodate an additional 3,000 executive and non-executive team members.

SCHOLARSHIPS 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.

COMPENSATION, REWARDS, & BENEFITS

We offer market-based remuneration to all employees based on their skills and performance. Workers at all locations are paid above the minimum wages prescribed by the government.

We ensure that contractual employees working on the factory premises receive at least the minimum wage, and that salaries are disbursed directly to all employees through their bank accounts. Both men and women employees hired for respective positions receive equal remuneration and benefits. Interloop offers a range of employee welfare schemes, including gratuity, provident fund, comprehensive healthcare services (including health insurance), and group life insurance, which cover death, accidental, and disability benefits. Also, the Company offers scholarships for employees' children, special welfare assistance for non-executive staff, free transportation (pick and drop), subsidized meals, and other benefits. It is important to note that these benefits are not extended to contractual employees.



PROTECTING NATURE

Interloop is driving science-based emissions reduction across its value chain. With clean energy, efficient technologies, and green buildings, we minimize waste and lower our impact. Embracing circularity, we repurpose materials and conserve resources.



WHY IT MATTERS

Climate change is reshaping our world in unprecedented ways, impacting daily life. In Pakistan—a country with over 7,000 glaciers—rising temperatures are accelerating glacial melt, leading to severe floods, water shortages, and threats to agriculture. Extreme weather events, including intensified heatwaves and erratic monsoons are further disrupting communities and infrastructure, disproportionately impacting lowincome and marginalized groups.

At Interloop, we recognize that Climate change is not just an environmental challenge but also a human rights issue, endangering access to clean water, food security, health, and a sustainable living environment. As a responsible textile manufacturer, we are committed to sustainable practices, innovative solutions, and collaborative efforts to reduce our carbon footprint and enhance resource efficiency, building a more resilient future.

The time to act is now, and we stand ready to work with all stakeholders to protect our planet and secure a sustainable future for generations to come.

GOAL

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

SDGs SUPPORTED



6. Clean Water and Sanitation



7. Affordable and Clean Energy



8. Decent Work and Economic Growth



9. Industry, Innovation, and Infrastructure



12. Responsible Consumption and Production



13. Climate Action



14. Life Below Water



WHAT WE'RE DOING

Interloop is accelerating its decarbonization journey through the deployment of diversified renewable energy solutions, including advanced solar photovoltaic systems and high-efficiency biomass boilers. Simultaneously, strategic investments in LEED-certified buildings enhance energy efficiency, while the shift to biomass-based fuels significantly curtails reliance on fossil fuels, driving a low-carbon future.

We are firmly committed to aligning our GHG emissions with SBTi requirements as part of our broader sustainability efforts. Building on our already approved goals, our new framework drives us forward into a dynamic phase of implementation and continuous improvement. We have not only updated our GHG inventory to adhere to both SBTi and GHG Protocol standards but have also integrated advanced real-time emissions monitoring and energy efficiency initiatives across our facilities.

Since 2017, we have been transparently tracking and reporting our Scope 1 and 2 emissions, and as of 2022, we've expanded our commitment by including Scope 3 emissions, aligning with SBTi guidelines. We are also exploring further methodologies to refine our Scope 3 reporting and enhance its accuracy moving forward.

ENVIRONMENTAL IMPACTS 2024



GHG Emissions Reduced

30,809 Tons



Energy saved

8,985,610 kWh



Water Conserved

299,173 m³



Grown for 10 Years

509,429 Seedlings



Energy Used for 1 Year

819 Homes



Daily Water Consumption for 1 Year (Based on 6 Member Family)

249,394 Families

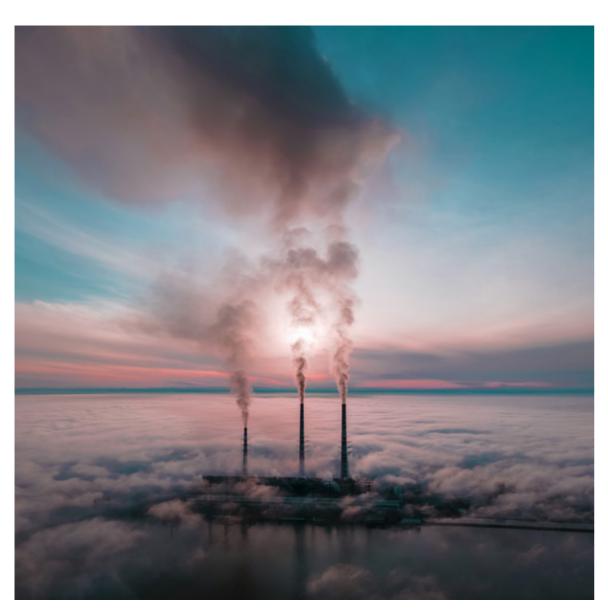
CARBON

At Interloop, we assess our corporate footprint following the Greenhouse Gas (GHG) Protocol, ensuring accurate data collection, validation, and quality assurance before finalizing our footprint and defining our science-based targets (SBTs). Our emissions reduction strategy aligns with the Paris Agreement's 1.5°C target, with a near-term commitment to achieve our goals by FY 2032. The Science Based Targets initiative (SBTi) has validated our targets, reaffirming our commitment to sustainable business practices. With FY 2022 as the baseline for all scopes, we aim to achieve a 51% absolute reduction in Scope 1 and 2 GHG emissions and a 30% absolute reduction in Scope 3 GHG emissions by FY 2032.

Our Scope 3 target covers purchased goods and services, capital goods, fuel and energy-related activities (not included in scope 1 or 2), upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, the end-of-life impact of sold products, as well as downstream transportation and distribution, processing of sold products, and, where applicable, intermediate goods.

Our commitment to sustainable energy, emissions reduction, and climate action is reflected in our ongoing initiatives, including the adoption of biomass fuel, solar power, and energy-efficient infrastructure. We continue to invest in clean energy and process improvements to achieve our science-based climate goals.





GHG EMISSIONS

Greenhouse gas (GHG) emissions primarily stem from various operational processes at our facilities. These emissions are carefully managed in accordance with the Punjab Environmental Quality Standards (PEQs). Moreover, our Science-Based Targets, approved in 2023, provide a strategic framework for monitoring and reducing emissions.

Since 2022, we've been relentlessly pursuing our GHG emissions targets, consistently driving down our carbon footprint. To combat these emissions, we're embracing cleaner technologies, ramping up renewable energy adoption, building ecofriendly infrastructure, and fine-tuning operational efficiency, paving the way for a greener, more sustainable future.

EMISSIONS REPORTING

We actively track and report Scope 1 and Scope 2 emissions, which are been monitored since 2017, while Scope 3 emissions have been comprehensively calculated since 2022 in accordance with the Science Based Targets initiative (SBTi) guidelines. Our CO₂e emissions are calculated by accounting for gaseous emissions from all point and non-point sources including all stationary and mobile sources.

We do not generate any biogenic emissions. Emission factors are sourced from the International Energy Agency (IEA) Report 2019 and the Intergovernmental Panel on Climate Change (IPCC) 6th Assessment Report, ensuring adherence to globally recognized standards.

EMISSION REDUCTION INITIATIVES

Heat Recovery System at our Filament Yarn Dye House minimises CO₂e emissions by 140 tonnes annually through the heat exchange process used to heat freshwater in dyeing. Additionally, our Waste Heat Recovery (WHR) boilers contributed 21% of total steam generation.

Reduction in GHG Emission (MT)	2024	2023	2022	2021
Reduction (MT)	30,809	29,029	25,158	21,295

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

ENERGY CONSUMPTION AND REDUCTION

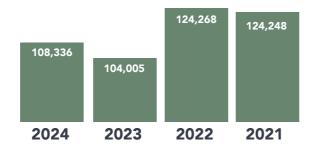
Our operations use natural gas, diesel, furnace oil, and biomass for electricity and steam generation. We also purchase electricity from the Lahore and Faisalabad Electric Supply Companies. Our total energy consumption has increased during the year due to increased production.

The energy consumption from renewable sources increased significantly due to increased solar installed capacity and the use of biomass for thermal energy generation.

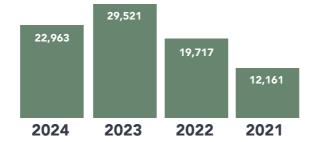
We are dedicated to reducing energy usage by embracing modern energy-efficient technologies, utilising cleaner energy sources, developing green buildings, and optimizing operations management. Our energy-saving initiatives encompass the installation of skylights, motion sensors in the finishing and yarn store, inverters for ETP suction blowers, speed control for suction fans, highly efficient boarding machines, cooling tower automation, inverters for air handling units, preference for R-407 & R-410 refrigerants, and hot water chillers.

Renewable energy share in total energy consumption increased to 23% from 14%

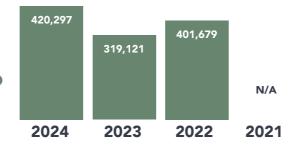
GHG EMISSIONS - SCOPE I (MT)



GHG EMISSIONS - SCOPE II (MT)



GHG EMISSIONS - SCOPE III (MT)





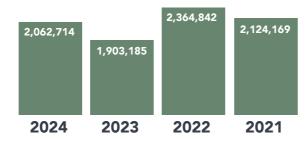
RENEWABLE ENERGY

We are actively transitioning towards renewable energy to keep ourselves aligned with our commitment to achieve Science Based Targets by 2032. Interloop operates installed solar capacity of 12.7 MW as of FY 2024, showcasing our commitment to renewable energy and sustainability. We are commissioning an additional 4.6 MW, bringing our solar installed capacity to 17.3 MW by FY 2025.

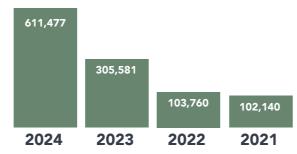
32,348 GJ of energy saved through energy-efficient technologies



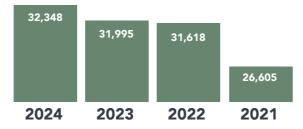
ENERGY CONSUMPTION - NON-RENEWABLE (GJ)



ENERGY CONSUMPTION - RENEWABLE (GJ)



ENERGY SAVINGS (GJ)





LEED-CERTIFIED FACILITIES

As Interloop continues to expand its footprint, sustainability and efficiency remain integral to our growth strategy. Each new facility reflects our commitment to raising the bar in responsible manufacturing.

Our latest achievement, the LEED Platinum certification for Apparel Plant 2 in 2024 underscores this dedication. This follows a series of milestones, including LEED Platinum certification for our Denim Plant in 2020 and LEED Gold certifications for Hosiery Plants 5 and 4 in 2022 and 2018, respectively.

These accomplishments are more than accolades—they represent our holistic approach to reducing emissions, maximizing operational efficiency, and conserving resources, ensuring that sustainability is embedded in every aspect of our operations.

Apparel Plant - 2

LEED PLATINUM



Denim Plant

LEED PLATINUM



Hosiery Plant - 4

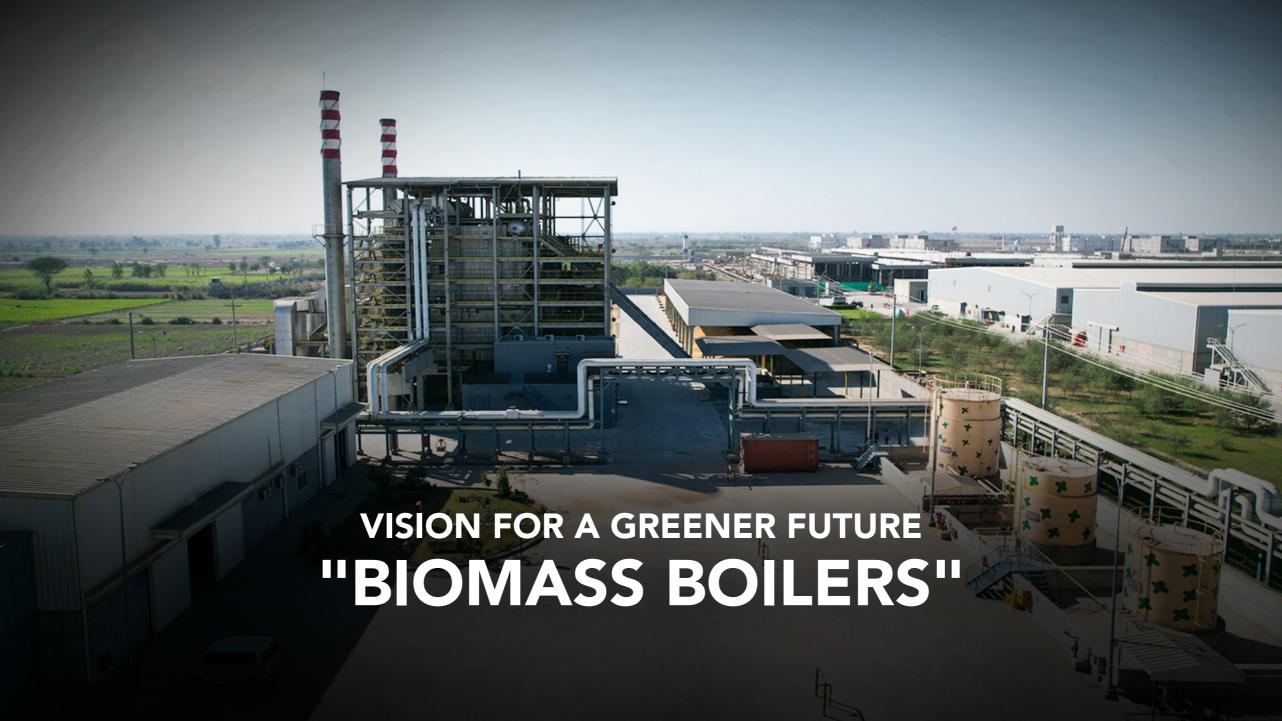
LEED GOLD



Hosiery Plant - 5

LEED GOLD





We took a bold step towards sustainability with the launch of our 55 TPH (tonnes per hour) Biomass Boilers project. Inaugurated in 2024, this initiative marks a significant milestone in the company's ongoing efforts to reduce its environmental impact and embrace cleaner, renewable energy sources.

COMMITMENT TO ENVIRONMENTAL RESPONSIBILITY

Our pledge to environmental stewardship is deeply embedded in our operations, and the Biomass Boilers plant represents the company's most ambitious venture yet in the pursuit of a greener future. The project is designed to significantly reduce carbon emissions with cleaner, more sustainable energy sources.

The new biomass boilers use renewable fuels such as corn cobs, wood chips, and sesame, ensuring a sustainable and eco-friendly energy source for the company's operations. These fuels are not only abundant and renewable, but also contribute to reducing the waste that would otherwise end up in landfills or be burned openly, generating excessive GHG emissions.

ADVANCED TECHNOLOGY FOR EFFICIENCY & SUSTAINABILITY

At the heart of the Biomass Boilers plant are two state-of-the-art boilers, each with a capacity of 27.5 TPH. This cutting-edge systems is capable of generating process steam with exceptional efficiency, playing a vital role in the company's manufacturing processes. Through this project, we

aim to reduce our GHG emissions by up to 50,000 tons annually, making a significant contribution to the fight against climate change.

The fully automated boilers use advanced Programmable Logic Controller (PLC) technology to optimize energy usage, reduce inefficiencies, and maximize both environmental and economic benefits. This automation ensures peak efficiency, minimizes downtime, and reduces human error.



Biomass % in Energy Mix increased to 60%



15% reduction in overall steam cost per ton



50% improvement in steam emission factor



Job opportunities for farmers and fuel handling persons

CARBON DISCLOSURE PROJECT (CDP)

Since registering with the Carbon Disclosure Project in 2020, we have consistently submitted our annual climate change assessments from 2020 onwards. This year, we dedicated strong efforts and made significant improvements in our climate disclosure. Progress in governance, risk and opportunity disclosures, industrial collaboration, policy restructuring, and overall reductions in our Scope 1 & 2 emissions have greatly contributed to enhancing our climate disclosure score.

Recognizing the threats to water security posed by climate change, we also completed our water security disclosure this year. Alongside our focus on reducing carbon footprints, we are placing equal emphasis on water conservation in the areas mentioned above, which has helped us achieve a commendable score in this domain as well.



CDP 2024 Score: Climate: B Water Security: B

UN FASHION INDUSTRY CHARTER FOR CLIMATE ACTION

In 2021, we joined the UN Fashion Industry Charter for Climate Action, pledging to achieve carbon neutrality by 2050, in alignment with the Race to Zero campaign.

WATER

We manage water as a shared resource with the community and take initiatives to reduce freshwater intake and minimize consumption. This is achieved by adopting new technologies, techniques, and efficiency measures, including water reuse in sock processing, procuring state-of-the-art equipment and installing a water-recycling project at Apparel Park.

Our operations depend on groundwater for both production and domestic purposes. According to the Water Resources Institute's AquaDuct Tool, our operating region is classified as high-risk. Furthermore, water quality has deteriorated due to the shallow water table and increased mineral contamination. The exact size of the water source is yet to be determined, and it is not designated as a protected area. However, the local community heavily depends on this resource.

Wastewater is treated thoroughly before being discharged into industrial drains. We comply with the Zero Discharge of Hazardous Chemicals (ZDHC) foundational level requirements and the Punjab Environmental Quality Standards for wastewater discharge. The quality of discharged water is monitored through internal laboratories and with third-party evaluations conducted twice a year. During the year, 1% water was recycled and reused. We are actively investing in initiatives to increase the recycling and reuse of processed water.



NANO-BUBBLE TECHNOLOGY

Interloop utilizes 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 across various processing units within the company.

SUSTAINABLE TEXTILE BLEACHING

We are upgrading our processing machines with multiple fill-and-drain systems under a textile bleaching project. The technology enables the reuse of bleached water and chemicals for multiple processing cycles, significantly reducing our water footprint.





WATER WITHDRAWAL

Water withdrawal by source in ML/year	2024	2023	2022	2021
Ground water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	4,256	3,963	4,068	3,584
Other water (>1,000 mg/L Total Dissolved Solids)	-	-	-	-
Total water withdrawal	4,256	3,963	4,068	3,584

^{*} The water withdrawal is measured through flow meters.

WATER CONSUMPTION

Water consumption in ML/year	2024	2023	2022	2021
Water consumption	823	928	1,071	1,434

WATER DISCHARGE

Water discharge by destination in ML/year	2024	2023	2022	2021
Surface water				
Freshwater (≤1,000 mg/L Total Dissolved Solids)	_	-	-	-
Other water (>1,000 mg/L Total Dissolved Solids)	3,433	3,035	2,997	2,150
Total water discharge	3,433	3,035	2,997	2,150



Interloop earned the Alliance for Water
Stewardship (AWS) Gold-Level Certification for
our manufacturing facilities in Lahore. Our denim
and hosiery plants have implemented water
conservation practices aligned with the AWS
Standard, which covers all types of water use—
including surface, groundwater, and recycled water.

We've reduced our water footprint through innovative solutions like Nanobubble Technology, which improves production efficiency while reducing consumption. Additionally, we've extended our water stewardship efforts by establishing a drinking water plant at the Social Security Hospital and supporting the Water, Sanitation, and Hygiene (WASH) program at nearby Rosa Girls' School.

Interloop has established a robust internal water governance system to ensure effective water stewardship. The Corporate EHS Department Head regularly monitors water-related regulations, while plant EHS leads oversee their implementation at each respective site.

We have set a total of 30 targets across key areas including water governance, sustainable water balance, water quality, WASH, and other Important Water-Related Areas (IWRA). Out of these, 28 targets have been successfully completed in FY 2024, with the remaining two are scheduled for completion in FY 2025 alongside the introduction of new goals. The two targets focus on two key initiatives: finalizing our water stewardship policy and implementing the maintenance and restoration of the water supply system at Mosque Chiragh.

PERFORMANCE REVIEW

SHARED WATER CHALLENGES	OPPORTUNITIES	STAKEHOLDERS	PRIORITY RANKING & REASON	INTERLOOP INITIATIVES
Water quality degradation caused by chemical runoff	Rationalizing chemical usage by adopting fewer chemicals and environmentally friendly alternatives	Neighboring industries	High Priority: Maintaining water quality is critical	Switching to environmentally friendly chemicals and treating water before discharge
Changes in hydrological patterns	Conducting a detailed hydrological study to better understand these patterns	Neighboring industries	High Priority: Maintaining water quality is essential	Conducting a hydrological study
Lack of access to safe drinking water	Installing filtration plants to provide the community with safe drinking water	TMA, Community	High Priority: Ensuring human health is vital	Installing filtration plants at the Social Security Hospital for the community
Inadequate sanitation facilities in schools, hospitals, and communities	Providing adequate washroom facilities in schools and hospitals; engaging with TMA or government representatives to improve conditions	Governance Bodies, TMA	High Priority: Crucial for human health and well-being	Maintaining WASH (Water, Sanitation, and Hygiene) facilities in girls' schools
Untreated wastewater discharged into domestic drains by industries	Improving governance to address untreated wastewater through regulation enforcement, proper waste treatment, and raising awareness of responsible wastewater management	All stakeholders of the catchment area	High Priority: Compliance with legal requirements is mandatory	Ensuring compliance with all legal obligations

^{*}TMA: Tehsil Municipal Administration

TRANSFORMING BANANA STEM WASTE INTO LOOMSHAKETM YARN

At Interloop, our approach is simple: innovate with purpose. We have developed a fully sustainable supply chain for Loomshake[™] – an innovative natural fibre produced from banana stem waste. Annually, 10 million tonnes of banana stems are discarded locally, yet this waste holds the potential to yield 1 million tonnes of high-quality textile material.

Loomshake[™] yarn, a product of Interloop's commitment to sustainability and innovation, is available in yarn counts from 6/1 to 16/1 Ne, making it versatile for use across hosiery, denim, and knitted apparel. With both ISCC Plus and OEKO-TEX 100 certifications, Loomshake[™] upholds top industry

standards and traceability, ensuring quality from farm to finished product. Successful shipments have already been made to top brands for use in hosiery and denim, respectively.

This pioneering initiative supports an additional income stream for more than 40 individuals by engaging small and medium-sized enterprises (SMEs) while maintaining a low environmental footprint. As we scale up, our goal is to expand banana waste collection to 400 acres, enabling monthly production of 10,000 kg of yarn. This expansion is set to double our current annual CO_2 emission reduction, furthering our impact in sustainable manufacturing.



MATERIALS

We're working with supply chain partners to build transparent systems, embrace regenerative practices, and ensure traceability from farm to floor. In 2024, we launched a waste-mapping program with Reverse Resources and National Textile University to track industrial, agricultural, and post-use textile waste. This system, which tracks waste types, quality, and quantity, will be fully implemented by 2025 and integrated with Interloop's in-house waste tracking mechanism to ensure traceability and transparency.



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.

We source raw materials exclusively from 100% certified third-party suppliers, rigorously evaluated for compliance with environmental and social sustainability standards like Oeko-Tex Standard 100, BCI, Regen, OCS, GOTS, FSC, and GRS. We focus on increasing the use of sustainable materials such as BCI Cotton, Organic Cotton, and Recycled Yarns to reduce our products' environmental impact.

We actively back various social initiatives in education, sports, health, and literary and cultural activities across Pakistan, the home of our leading suppliers, and motivate them to participate in these social endeavours. For more information, please see page 87.

During the year, the use of recycled* input materials increased upto 8%.

* The recycled material consists of recycled Nylon, Polyester and Recycled Cotton.

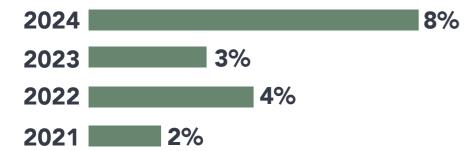


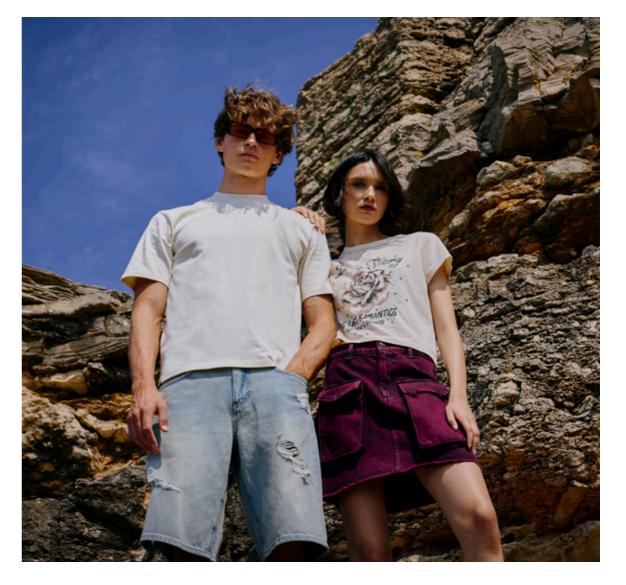
INTRODUCTION IMPACTING PEOPLE PROTECTING NATURE DRIVING CHANGE CREATING ECONOMIC VALUE REPORTING APPROACH APPENDIX

RAW MATERIAL CONSUMPTION

Material	Unit	2024	2023	2022	2021
Raw Material - Yarn	Ton	70,494	48,860	71,983	58,191
Raw Material - Dyes and Chemicals	Ton	21,901	13,353	9,677	9,651
Packaging Material	Ton	9,206	3,745	7,742	6,660

RECYCLED INPUT MATERIAL





THIRD-PARTY CERTIFIED MATERIALS ENSURING ENVIRONMENTAL AND SOCIAL ACCOUNTABILITY

Standard	Material	UOM*	2024	2023	2022	2021
Oeko-Tex	-	%	100	100	100	100
BCI	BCI Cotton	%	50.28	55.65	56.67	39.93
GOTS	Organic Cotton	%	2.7	2.56	8.55	4.40
	Recycled Cotton	%	2.0	0.481	0.0027	0.0024
GRS	Recycled Nylon	%	0.10	0.003	0.02	0.3
	Recycled Polyester	%	5.4	1.24	1.97	2.09
Sustainable Material Programs**	-	%	6.9	7.85	2.48	2.23

^{*} Percentage of total yarn consumed





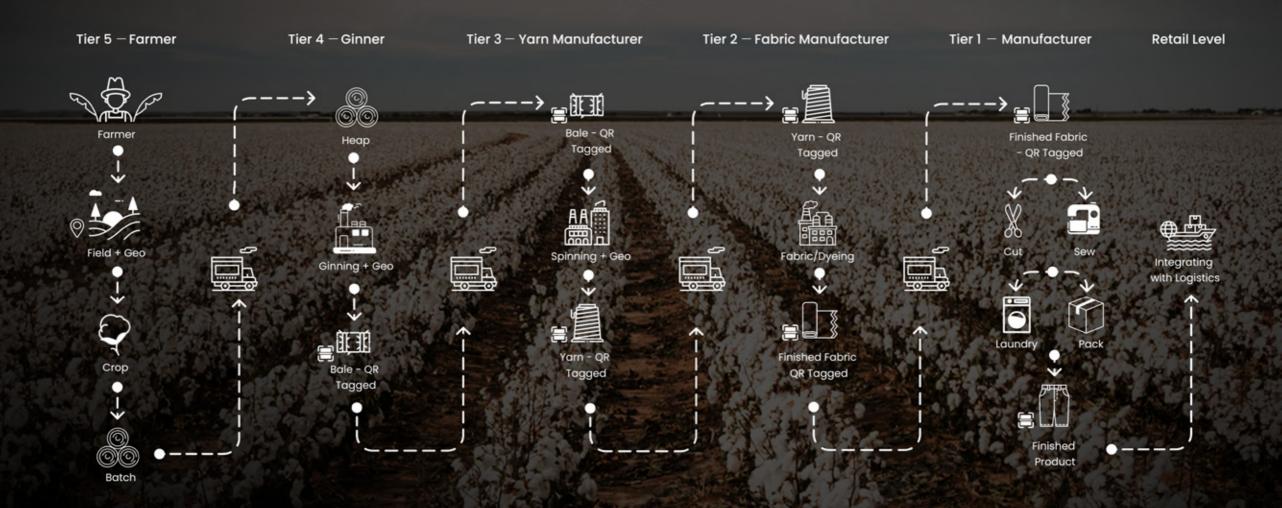






^{**} ISCC, FSC, and PSCP sustainable material programs

LOOPTRACE - FARM TO FASHION

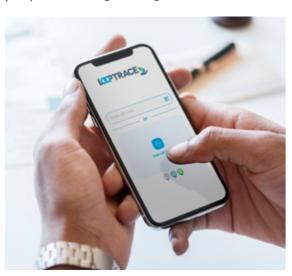


TRACEABILITY

Our leadership position and continued success in a competitive market are driven by our steadfast commitment to ethical and sustainable practices across all operations, transparent business conduct, and thorough reporting of impacts to stakeholders.

LOOPTRACE - FARM TO FASHION

We have strengthened 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 serves as a digital custody chain, tracing the path from farm to fashion, extending to a comprehensive product passport with integrated logistics.



Farmer Portfolio and Special Projects

The farmer portfolio for Looptrace is consistently updated based on cotton sowing conditions, market trends, and Interloop's cotton procurement patterns. A key initiative, the Better Cotton Project, is currently being implemented in Bahawalnagar, with plans for gradual expansion based on the procurement schedule.

Organic and Regenerative Agriculture

There are currently 1,000 organic farmers and 1,000 regenerative agriculture farmers in Fort Abbas, with these numbers subject to certification status by the certification body.

Farmer Registration Growth

As of the latest updates, the total number of registered farmers on the Looptrace app stands at 42,000 with growth driven by current season procurement needs.

Ginners Network Expansion

The Looptrace ginners network has grown significantly, from an initial 5 ginners to a current total of 79.

Supply Chain Onboarding

Looptrace has successfully onboarded 4 spinning mills, 17 processing suppliers, and 30 imported yarn suppliers from Japan, China, Thailand, Vietnam, and Indonesia, expanding its global supply chain.

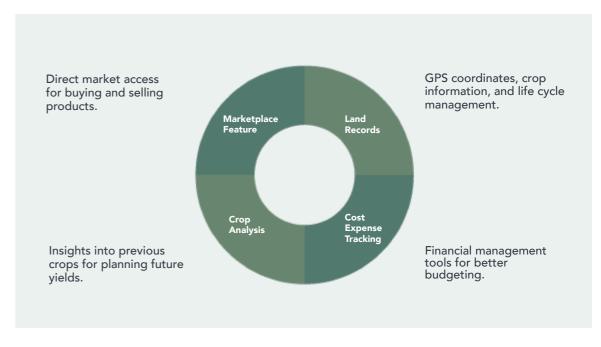
LOOPTRACE KISAAN

This application represents the tier-5 traceability level within the Looptrace system. The farmer app has entered its pilot phase, engaging farmers, including participants from the Lok Sanjh Foundation, as part of the ongoing digital empowerment initiative. Specifically, it enhances Looptrace's functionality by capturing comprehensive data on the cotton crop life cycle at the agricultural producer level, facilitating traceability to the end customer.

While Looptrace Kisaan currently focuses on cotton, it is designed to integrate with additional

traceability systems to manage the tracking of multiple crop life cycles. This app will significantly improve cotton traceability by incorporating detailed farm-level data and offering opportunities for further enhancement.

We are revolutionizing local farming with GPS mapping, crop tracking, and smart resource management.



INTERLOOP ORGANIC KAPAS

Interloop Organic Kapas project aims to develop the local organic cotton supply chain, enhancing both the availability and traceability of organic cotton. The project is making steady progress and actively supports regenerative farming practices. It also focuses on improving the livelihoods of farming communities through capacity building, health and nutrition initiatives, and the provision of equal opportunities for women cotton pickers.

Launched in the southern rain-fed areas of the Punjab region, the project is being implemented in collaboration with our local partner, Lok Sanjh.

This year, the Interloop Organic Kapas project achieved a significant milestone by obtaining the European Union (EU) Organic Standards Certification, making it the first organically certified project in Punjab.

The project currently certifies 1,000 farmers and 5,090 acres of land dedicated to organic cotton farming, producing approximately 7,000 bales.



REGENERATIVE COTTON FARMING WITH REEDS

We are actively working to establish a local regenerative cotton supply chain in Punjab, adopting a holistic farming approach to revive and enrich the agricultural landscape in Pakistan. Going beyond mitigation, our strategies include diverse cropping, crop rotation, reduced chemical inputs, social fairness, and promoting natural ecosystem functions. Partnering with 1,000 farmers across 5,000 acres along with REEDS Pakistan (Rural Education and Economic Development Society), we are committed to position Pakistan as a leader in sustainable cotton farming globally through Interloop Regen Kapas.

This initiative aims for:

- → Enhanced Soil Fertility
- → Reduced Environmental Footprint
- → Resilient Farming Systems
- → Elevated Farmer Livelihoods
- → Improved Animal Welfare
- → High-Quality, Ethically Sourced Cotton

As consumer and industry preferences increasingly gravitate towards regenerative systems, our Regen Kapas stands as a strategic, goal-oriented approach, promoting responsible and ecologically sound cotton production. We have also begun In-Conversion Year 2 (IC2), demonstrating our commitment to successfully transitioning partner farmers to organic cotton farming. This certification highlights Cotton's ability to drive positive change.



FOREST STEWARDSHIP COUNCIL CERTIFIED

We are committed to sustainability with our Forest Stewardship Council FSC™ C196875 Certification. Our plant-based fibers and yarns are sourced from responsibly managed forests that meet the highest environmental, social, and economic standards.

With our FSCTM Chain of Custody certification, every step of the journey, from sourcing to sale, is traceable, reinforcing our dedication to transparency and sustainability.

JUST STYLE EXCELLENCE AWARDS

We are honored to have won three awards at the 2024 Just Style Excellence Awards in the Business Expansion, Innovation, and Environmental categories.

These awards recognize our efforts in expanding our manufacturing capacity and efficiency, as well as introducing new product offerings with a strong focus on sustainability and traceability across our value chain.

The Just Style Excellence Awards celebrate the most significant achievements and innovations in the industry. Powered by GlobalData's business intelligence, the program offers a platform to recognize the people and companies that are driving change.



Just Style

Excellence Awards

2024





Business Expansion Textiles Innovation
Bio-Based



Environmental

Emission Targets
Sustainability Materials

Interloop is a Winner in the 2024 Just Style Excellence Awards for expanding their manufacturing capacity and efficiency, innovating with eco-friendly Loomshake™ yarn derived from banana by-products, and demonstrating leadership in integrating sustainability across its operation.



WASTE

We are committed to driving the circular economy by developing sustainable products and expanding our recycling initiatives. By converting waste into valuable textiles, we are closing the loop and improving resource efficiency. Our disposal practices focus on eliminating landfill contributions and preventing the release of hazardous chemicals into the environment, while prioritizing environmental responsibility and promoting a cleaner, more sustainable supply chain.

INNOVATING CHEMICAL SAFETY FOR A GREENER FUTURE

We classify materials and chemicals by properties and hazards to manage risks. Employees are trained in safe handling, supported by hazard-based policies applied consistently across operations. We use ZDHC-registered chemicals to ensure compliance with the ZDHC Gateway.

Our Hosiery Divisions 1 & 2 scored 100% in the Verified InCheck Level 1 Program, validating the reliability of our chemical inventory for Performance InCheck Reports. We prioritize ZDHC Level 3 chemicals, conduct biannual wastewater testing, and focus on phasing out priority chemicals via ZDHC/MRSL compliance, certified raw materials, and efficient management. This has achieved 100% green chemistry inputs, with facilities certified at Supplier to Zero Progressive level.

Final products are assessed in accordance with customer RSLs, the internationally recognized AFIRM RSL, and other relevant regulations. Compliance is verified through annual evaluations of Tier 1 and Tier 2 suppliers. In cases of noncompliance, we conduct root cause analyses and collaborate closely with suppliers to implement corrective actions.

ECO-FRIENDLY WASTEWATER TREATMENT

As part of our commitment to sustainability, we are actively working to eliminate priority chemicals through our ZDHC Program. By implementing best practices in chemical handling, establishing a robust chemical management system, adhering to the ZDHC/MRSL list, and utilizing certified raw materials, we have successfully achieved our target of 100% green chemistry input. This accomplishment has led to all our facilities being certified as ZDHC Supplier to Zero Progressive Level, demonstrating our dedication to responsible chemical management and environmental stewardship.

100% green chemistry input with facilities certified as ZDHC Supplier to Zero - Progressive Level



INTRODUCTION

IMPACTING PEOPLE



HOW WE HANDLE WASTE

We carefully manage waste disposal to prevent chemical leaks into lands, ensuring the protection of health, safety, and groundwater quality. Our waste reduction goals emphasize the importance of equipment maintenance and proactive environmental impact management.

All plants have centralized waste storage facilities where waste is temporarily held before being discharged, sold, or treated by a specialized team. Our supply chain partners must comply with waste management regulations and international best practices. For further details, see page 87 regarding our supply chain practices.

Waste materials are sold to third parties, with most being repurposed as recycled or renewed resources. Non-hazardous waste includes metal, plastic, and textiles. Hazardous waste generated from operations primarily consists of dye cartons, chemical drums, sludge, and medical waste, all of which are disposed of by approved contractors. These contractors verify proper disposal methods for hazardous waste.

Standard Operating Procedures (SOPs) for hazardous waste management outline the processes for handling, transporting, storing, and disposing of hazardous materials at all Interloop plants. All hazardous waste is incinerated under controlled conditions by vendors approved by the Environmental Protection Agency (EPA).



WASTE DIVERSION FROM LANDFILL 2025 TARGET: 100%

FY 24 80%
FY 23 70%
FY 22 70%

DRIVING SUSTAINABILITY IN FASHION

We have joined The Denim Deal, taking a significant step towards a more sustainable and circular fashion industry. As a leader in sustainable textile manufacturing, Interloop remains at the forefront of innovation, focusing on minimizing environmental impact across its supply chain.

We have made significant progress in upcycling materials such as banana agro-waste and post-consumer textiles into high-quality fabrics, ensuring valuable resources are reintegrated into the production cycle instead of being discarded.

Our commitment to sustainability is further reflected in our Cradle to Cradle® certified products, where waste is repurposed into high-quality items like sustainable socks and circular jeans.

By aligning these efforts with our SBTi-approved decarbonization targets, we are building a supply chain that is both efficient and environmentally responsible. By 2025, we aim to achieve 70% sustainable raw materials and full cotton traceability, creating a meaningful impact across our operations and partnerships.

ABOUT THE DENIM DEAL

The Denim Deal is a collaborative initiative uniting key stakeholders in the denim industry to promote the use of post-consumer recycled (PCR) cotton and advance circularity in denim production.

Initially launched in the Netherlands in 2020, the initiative brought together over 40 partners, including brands, manufacturers, collectors, and recyclers, aiming to produce 3 million denim garments containing at least 20% PCR cotton by the end of 2023.

Building on this foundation, the Denim Deal 2.0 has set an ambitious global target to collectively produce 1 billion pairs of jeans, each comprising a minimum of 20% PCR cotton, by 2030.

REVERSE RESOURCES

Reverse Resources

As part of commitment to sustainability, the company aims for 100% diversion of waste from landfills by FY 2026, a goal that aligns well with the capabilities offered by the Reverse Resources (RR) Platform. Interloop has started registering its facilities on the RR Platform for different businesses and plans to develop a custom waste-mapping program with Reverse Resource.

This initiative aims to digitize inventory across the waste supply chain, from source to recycling, creating a comprehensive system for waste traceability.



INTRODUCTION IMPACTING PEOPLE PROTECTING NATURE DRIVING CHANGE CREATING ECONOMIC VALUE REPORTING APPROACH APPENDIX



WASTE BY COMPOSITION IN METRIC (MT)

Year	Waste Type	Waste Generated	Waste Diverted from Disposal	Waste Directed to Disposal
	Hazardous	64	Nil	64
2024	Non-Hazardous	16,399	Nil	16,399
2024	Total Waste	16,463	Nil	16,463
	Hazardous	37	Nil	37
2023	Non-Hazardous	13,223	Nil	13,223
	Total Waste	13,260	Nil	13,260
	Hazardous	37	Nil	37
2022	Non-Hazardous	10,648	Nil	10,648
2022	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

INTRODUCTION IMPACTING PEOPLE PROTECTING NATURE DRIVING CHANGE CREATING ECONOMIC VALUE REPORTING APPROACH APPENDIX

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
2024	Onsite	Nil	Nil	Nil	Nil
2024	Offsite	Nil	64	Nil	64
2022	Onsite	Nil	Nil	Nil	Nil
2023	Offsite	Nil	37	Nil	37
2022	Onsite	Nil	Nil	Nil	Nil
2022	Offsite	Nil	37	Nil	37
2021	Onsite	Nil	Nil	Nil	Nil
2021	Offsite	Nil	18	Nil	18

Non-Hazardous Waste							
Year	Disposal Location	Incineration (with energy recovery)	Incineration (without energy recovery)	Landfills	Other Disposal Operations	Total	
2024	Onsite	Nil	Nil	Nil	16,399	16,399	
	Offsite	Nil	Nil	Nil	Nil	Nil	
2022	Onsite	Nil	Nil	Nil	13,233	13,233	
2023	Offsite	Nil	Nil	Nil	-	Nil	
2022	Onsite	Nil	Nil	Nil	10,648	10,648	
2022	Offsite	Nil	Nil	Nil	Nil	Nil	
2021	Onsite	Nil	Nil	Nil	Nil	Nil	
2021	Offsite	Nil	Nil	Nil	8,261	8,261	



Interloop's Socklab® has been honored with the prestigious Best Product award in the Accessories sector at the ISPO TEXTRENDS for the Fall/ Winter 2026/2027 season. This recognition reflects our commitment to driving innovation and sustainability in the textile industry.

Produced in Pakistan and led by Interloop Europe, Socklab stands as the premier Cradle to Cradle Certified™ GOLD sock brand globally. This achievement highlights our leadership in creating eco-conscious, high-performance hosiery.

Our Socklab products are meticulously designed with materials that can be infinitely recycled or safely decomposed, underscoring our goal of eliminating waste. Socklab® is set to transform the textile market while empowering consumers to make conscious choices.





SUSTAINABLE WASTE RECYCLING PRACTICES

We carefully manage all materials that enter our manufacturing processes. Waste materials are collected and recycled to minimize the environmental impact of our operations. Additionally, we process post-consumer waste as raw material for new products. For more details on how we utilize recycled materials, refer to pages 46-47.

PRE-CONSUMER WASTE MANAGEMENT

Pre-consumer waste is generated during the production of denim, knitted apparel, and socks. This waste is processed into fibers using Rag Opening Machines, which are then used to create yarns. Depending on the required specifications, the recycled content in these yarns ranges from 10% to 40%.

POST-CONSUMER WASTE RECYCLING

Post-consumer waste from used garments, including denim, knitted apparel, and socks, is processed into fibers using Rag Opening Machines. These fibers are then spun into recycled yarns, with recycled content ranging from 20% to 40%, depending on specific requirements. Furthermore, we produce recycled polyester from PET bottles and oceanic waste. This fully post-consumerderived polyester is used in yarn production and blended with cotton.

DRIVING CHANGE

Embracing our role as catalysts for progress, we are committed to developing resilient social structures within our communities, cultivating sustainability and inclusivity. Our community-driven goals center on collective growth across education, healthcare, sports, and cultural enrichment.



WHY IT MATTERS

Empowering individuals through sports, health, and education creates opportunities for lasting growth and well-being. By prioritizing these areas, we are enhancing lives while strengthening communities. Interloop remains committed to driving meaningful change for a brighter, more resilient future.

GOAL

Invest 4% of profit in community well-being

SDGs SUPPORTED



3. Good Health and Well-being



4. Quality Education



5. Gender Equality



8. Decent Work and Economic Growth

WHAT WE'RE DOING

Our initiatives are focused on providing access to primary, secondary & tertiary education, free health services for the deserving, sports tournaments at the grassroots, and literary events for promoting literature, art and culture are empowering people especially the youngsters with the skills and knowledge they need to build a better future.

COMMUNITY IMPACTS 2024



Children provided with quality education at 36 TCF schools



750+

Technical & higher education scholarships for young women & men



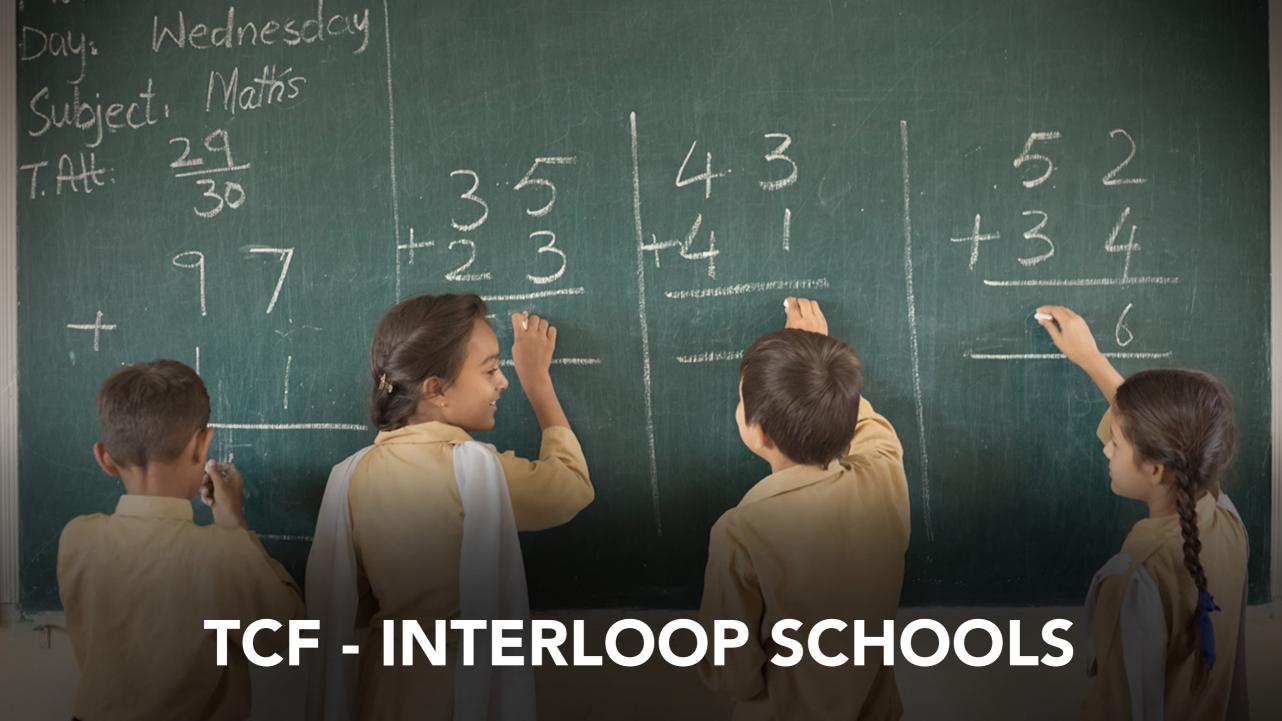
Local talent promoted through sports events



Deserving patients received free healthcare services at various hospitals



People reached through literary & cultural activities



EDUCATION

PRIMARY & SECONDARY EDUCATION

In May 2009, Interloop Welfare Trust partnered with The Citizens Foundation, Pakistan's largest non-profit organization focused on providing quality education to the less privileged, and has so far established 36 school units. These include 17 primary, 16 secondary, and 3 higher secondary schools, with separate campuses for boys and girls.

Managed by an all-women staff, these schools provide quality formal education to over 5,500 underprivileged children, 50% of whom are girls, in an environment that promotes intellectual, moral, and spiritual development. We also support the lifetime operational costs of these schools through an endowment and direct funding.

In 2024, we contributed an additional PKR 100 million to the Endowment Fund.

TCF RAHBAR PROGRAM

Interloop executives have been actively volunteering for the TCF Rahbar Program, mentoring 8th and 9th grade students twice a year. During these sessions, they guide students in developing a positive mindset and making informed career choices. To date, 189 Interloop executives have mentored over 800 students at TCF-Interloop Schools.



COMMITMENT TO HIGHER EDUCATION & SKILL DEVELOPMENT

At Interloop, we believe education is the cornerstone of a brighter future. By empowering talented individuals, we aim to create opportunities for growth, innovation, and leadership. Through a diverse range of scholarship initiatives, we've transformed the educational journeys of over 750 deserving students, supporting their aspirations in higher and technical education on an annual basis.

Our support to the National Outreach Program at LUMS ensures that financial constraints never hinder brilliance. With 21 perpetual scholarships funded through our Endowment Fund, deserving students gain access to world-class education, unlocking their potential for a promising future.

Since 2015, we have granted 566 scholarships to women pursuing bachelor's degrees at Government College Women University Faisalabad (GCWUF). This initiative reflects our dedication to promoting gender equality and empowering women through education.

Launched in 2019, our Scholarship Grant at the National Textile University (NTU), Faisalabad, opened doors to international academic experiences. Students can fund a semester at prestigious universities abroad, broadening their horizons and enhancing their skills.

We also promote cutting-edge research in textiles through our Graduate Research Fellowship at NTU and assist 31 financially challenged undergraduates with a need-based Scholarship Program.

Interloop has paved the way for academic excellence at the University of Agriculture, Faisalabad, since 2017, with 58 full-degree scholarships. The initiative extended to Government College University, Faisalabad, in 2021, ensuring continuous support for emerging talent.

At the Pakistan Knitwear Training Institute (PKTI), we sponsored 14 female students pursuing technical education. In collaboration with Japan International Cooperation Agency (JICA), UNESCO, and international institutes, PKTI equips students with industry-relevant skills to thrive in a competitive world.



IMPACTING PEOPLE

EMPOWERING DEAF COMMUNITY THROUGH ACCESSIBILITY & INNOVATION

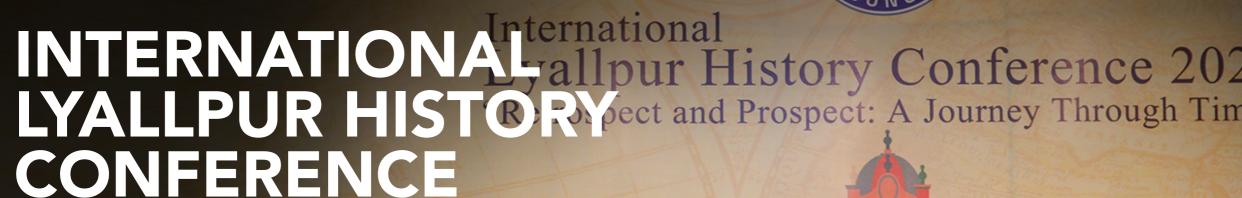
Interloop has partnered with ConnectHear to provide innovative sign language solutions that enhance accessibility and inclusivity for the deaf community. The ConnectHear app offers interpretation services for banking, shopping, transportation, and communication, fostering greater independence.

In 2024, Interloop supported ConnectHear with PKR 3 million to sustain the project and manage operational expenses. In celebration of the International Week of the Deaf 2024, a series of empowering events were held in Faisalabad, offering career guidance, essential tools, and motivation for reaching full potential. The sessions included:

- → Empowering Young Deaf Students & Parents
- → Career Development for the Deaf Community
- → Skill Development for Higher Secondary Deaf Students

Additionally, Interloop collaborates with ConnectHear and its IT team to streamline the hiring process for deaf employees and further integrate sign language solutions within the company's operations.





Lyallpur witnessed The International Lyallpur History Conference 2024; first-of-its-kind convention presented by the Lyallpur Literary Council in collaboration with Lyallpur Young Historians Club.

The event brought together a distinguished line-up of global historians, researchers, and scholars from across the globe including Dr. Anne Murphy (Canada), Dr. Anne Castaing (France), Dr. Philipp Zehmisch (Germany), Prof. Pippa Virdee (UK), Prof. Pashaura Singh (USA), Munveer Singh (USA), Dr. Pierre Alain Baud (France), as well as Dr. Yaqub Bangash, Aamir Riaz, Pervaiz Vandal, Dr. Kanwal Khalid, and Dr. Ali Usman Qasmi amongst others from Pakistan.

The congregation hosted a dynamic international discussion on the historical, cultural, & social aspects of the Lyallpur region, covering its roots, religious tolerance, & environmental dynamics.

Musadaq Zulqarnain, Chairperson of Lyallpur Literary
Council and Patron-in-Chief of International Lyallpur History
Conference, highlighted the importance of preserving regional
history & culture. He described the conference as a key
milestone in celebrating Lyallpur's rich heritage, hoping it
would inspire young researchers to engage in safeguarding its
legacy.



LITERARY ACTIVITIES

Interloop actively contributes to the growth and development of society by sponsoring a variety of cultural and literary events throughout the year, creating valuable learning opportunities and promoting character development.

FAISALABAD LITERARY FESTIVAL

We have sponsored the Faisalabad Literary Festival every year since its inception in 2014. The event brings together individuals from all backgrounds, including families and young people, giving them the opportunity to engage directly with renowned intellectuals from across the country. These distinguished figures share their expertise and creative works in literature, poetry, performing arts, and culture, inspiring and enriching the community.

The 11th Faisalabad Literary Festival (FLF), organized by the Lyallpur Literary Council also opened with an inspiring inaugural session followed by multiple discussion sessions by the literati. As a Gold Sponsor, Interloop played a key role in supporting the event, reinforcing its commitment to fostering intellectual growth and critical thinking.





LYALLPUR PUNJABI LITERARY FESTIVAL

Lyallpur Punjabi Literary Festival, also known as Lyallpur Punjabi Sulekh Mela, was organized by the Lyallpur Literary Council and became a significant celebration of Punjab's literary and cultural traditions.

The festival brought together writers, poets, artists, and intellectuals from all over the country, who engaged in lively discussions on a wide range of topics, including Punjabi literature, art, culture, history, human rights, entrepreneurship, and media. The event also sparked important discussions on topics such as the impact of artificial intelligence, and the need to protect cultural heritage.

The event showcased lively art and craft exhibitions along with numerous book stalls, celebrating Punjab's literary heritage while cultivating a deep sense of community and cultural pride.





IMPACTING PEOPLE

CREATING ECONOMIC VALUE

WOMEN ON WHEELS

Women on Wheels initiative is designed to empower women by equipping them with the essential skills and resources to safely ride motorcycles, boosting their mobility and independence.

Mobility challenges and gender norms often limit women's participation in the formal workforce. Against the backdrop of structural and cultural barriers, we have taken steps to address mobility issues and accelerate women's independence on the road.

We revved up the Women on Wheels (WOW) program in Faisalabad with the aim of breaking down the socio-economic barriers to mobility that prevent women from attending colleges, universities, offices, or pursuing other economic opportunities.

Faisalabad edition of WOW was launched by Interloop in collaboration with the Salman Sufi Foundation as training partners and supported by the Government College Women University Faisalabad (GCWUF). Initially designed to empower 2,000 women, the program's reach expanded to 2,300+ as more women continued to join, including employees from Interloop, women from GC Women University Faisalabad, The Citizen's Foundation and from the general public.

This initiative empowers women to reclaim public spaces and participate in the society safely, free from violence, harassment, or social backlash.

The program includes motorcycle training, road safety education, anti-harassment workshops, and preparation for driving license testing.

It also provides subsidized motorcycles and access to microloans, enabling women to purchase their own bikes once they obtain permanent driving licenses, paving the way for both financial and mobility independence.

Trained 2,300+ women through Women on Wheels Program.

THE PROGRAM INCLUDES



Motorcycle **Training**



Anti-Harassment Workshops



Road Safety Education



Driving License Testing





SPORTS

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

INTERLOOP PREMIER LEAGUE 2024

Interloop has been sponsoring the Interloop Premier League T-20 Cricket Tournament annually since 2012, with the aim of identifying and nurturing young cricket talent at the grassroots level. By providing a competitive platform for emerging players, the tournament helps aspiring cricketers progress toward national and A-team selections, strengthening the future of Pakistan's cricketing landscape.

The 11th Interloop Premier League 2024 concluded at Boharranwali Ground, Faisalabad, with an exciting final between Lyallpur Interloop Team and Saeed Ajmal Cricket Academy. Featuring 16 teams with mostly under-25 players, the tournament showcased promising young athletes and was broadcast live on a sports TV channel, further amplifying their exposure and opportunities in professional cricket.





2ND EDITION OF PAKISTAN CHAMPIONS LEAGUE (PCL)

We sponsored the 2nd Interloop Pakistan Champions League 2024 (PCL), championing adaptive sports for individuals with special needs and reaffirming our commitment to inclusivity and community empowerment through sports. Organized by the Pakistan Wheelchair Cricket Council (PWCC), the tournament commenced on May 13th at Iqbal Stadium, Faisalabad, featuring 80 talented players across 6 teams. This edition was a landmark for PWCC & wheelchair cricket in Pakistan, debuting professional broadcasting and live streaming to expand the sport's reach. This sponsorship underscores our commitment to empowering talent beyond physical limitations.

BLIND CRICKET T20 WORLD CUP

The Blind Cricket T20 World Cup 2024, organized by the Pakistan Blind Cricket Council (PBCC) and sponsored by Interloop, marked a historic moment for the nation's blind cricket team.

The 4th edition of the Blind T20 World Cup 2024 featured teams from Pakistan, Sri Lanka, Bangladesh, South Africa, Nepal, and Afghanistan. Interloop, a proud supporter of blind cricket since 2014, has long been dedicated to backing incredible athletes in the sport. The tournament concluded with a thrilling final at Multan Cricket Stadium, where Pakistan defeated Bangladesh to win their first-ever Blind T20 World Cup title.

CREATING ECONOMIC VALUE



INTERLOOP 2ND WOMEN T20 CRICKET CHAMPIONSHIP

We organized the 2nd Women's Cricket Championship, which culminated in a thrilling final between teams from Multan and Faisalabad, with Faisalabad emerging as the champion. Held at Iqbal Stadium, the event brought together players from various clubs and families, with local media covering the match. Interloop team also participated, showcasing their cricket skills and promoting healthy activity.

SPONSORING EMPLOYEES FOR GLOBAL TAEKWONDO **CHAMPIONSHIPS**

We are pleased to support employees who strive for excellence in all aspects of life. Two of our outstanding team members, Mazhar Ali Khan and Jabran Khan, made us proud by showcasing their skills on the global Taekwondo stage.

Mazhar, an engineer by profession and a Taekwondo champion by passion, represented Pakistan at the MBW International Taekwondo Championship in Malaysia, and the 7th Heroes International Taekwondo Championship in Thailand, where he won Gold Medals in both events.

Jabran, also sponsored by us, competed in the Taekwondo Championship in Bangkok, where he earned a Gold Medal.

EMPOWERING WOMEN IN FOOTBALL

We sponsored Kayanat Bokhari (Kaya), a Dutch-Pakistani professional footballer and advocate for women's sports, as she embarked on her impactful journey to Pakistan. Through our partnership with the Football Factory and Legacy Women's Football Club, we remained committed to promoting gender parity in sports and empowering women to reach their full potential.

Kaya's visit included her participation in the prestigious National Women's Football Club Championship and organization of training and mentorship programs aimed at nurturing young female football talent across the country.



INTERLOOP & KAF PARTNER FOR SPORTS IN UNDERSERVED COMMUNITIES

Interloop and Karishma Ali Foundation (KAF) entered into a strategic partnership aimed at empowering young girls through sports. Formalized through a two-year MoU, the partnership is supporting KAF's impactful sports programs in marginalized communities, including Chitral, Gilgit, and Quetta.

This collaboration is providing opportunities for 1,000 female athletes to engage in football, table tennis, and volleyball, promoting leadership, resilience, and climate advocacy. It also highlights environmental activism through KAF's "Play for the Planet" project, empowering rural women to combat climate change through sports.

In addition to sports training, the partnership emphasizes mental health support and education on gender-based violence, further contributing to the holistic development of young girls in these regions.



ALZHEIMER SOCKS 2024: FASHION WITH A HEART

Alzheimer's disease is a heartbreaking condition that affects not only those who live with it but also their families and caregivers, causing profound emotional and physical challenges.

On World Alzheimer's Day, September 18, the 9th edition of Alzheimer Socks was launched, designed by renowned fashion designer David Laport and produced by Interloop Limited. This year's socks feature a subtle but powerful design — two different patterns to symbolize the daily confusion faced by those living with Alzheimer's disease and dementia.

The campaign, 'Lost to Alzheimer's', highlights the heartbreaking reality of dementia: people with the disease often get lost in familiar places, their memories slipping away. Each pair of socks sold directly supports the Alzheimer Center, Amsterdam.

Interloop Limited teamed up with Interloop Europe to make this project a success, creating it with love and dedication. This project has already raised vital funds for scientific research into Alzheimer's and other dementias.

All funds raised by selling these socks go to funding early detection, personalized treatments, and prevention — all steps toward a future without dementia. Up till now, the Alzheimer Foundation has raised well over 3 million euros net.



HEALTH

MOBILE HEALTH CLINICS

We have partnered with Lok Sanjh Foundation, the implementation partner of the Better Cotton Initiative (BCI) in Pakistan, to fund mobile health services for marginalized rural communities in cotton-growing areas, including Toba Tek Singh and Fort Abbas. Each Mobile Health Clinic (MHC) operates at an annual cost of PKR 4.2 million and is staffed by qualified MBBS doctors. These clinics conduct regular visits, enabling early disease detection and timely treatment, particularly

for common health issues such as respiratory infections, gastrointestinal diseases, and skin conditions.

Since June 2023, three mobile health clinics have been serving approximately 38,000 rural community members annually, including farmers, women workers, and women cotton pickers. These services play a crucial role in improving healthcare access for underserved communities, ensuring they receive essential medical attention when needed.



CONTRIBUTING TO THE FIGHT AGAINST CHD IN CHILDREN

As a Gold Sponsor, we contributed PKR 3 million to raise awareness & funds for the treatment of children with congenital heart disease (CHD). Our commitment focuses on supporting children battling CHD. Notably, 70% of CHD patients at AKUH lack the financial means for essential medical care. Our contributions help establish new financial streams, ensuring that deserving patients receive the support they need to undergo complex surgical procedures.

FREE TREATMENT FOR DESERVING PATIENTS

We provided free healthcare services to over 180,000 deserving patients at various hospitals across Pakistan. In 2024, we also extended financial support to multiple hospitals in Pakistan for the procurement of essential medical equipment.

SUPPORTING INDIVIDUALS WITH SPECIAL NEEDS

We collaborated with Syeda Khatoone-Jannat Trust Hospital & Special Education Center, Roshni Homes Trust, Al Faisal & Bashir Nabeena Center, the Vocational Training Institute for Children with Disabilities, Government Hearing Impaired Schools, the Child Protection & Welfare Bureau, and other organizations to assist in the treatment and development of individuals with special needs.

GOLF FOR A CAUSE

We proudly sponsored The Health Foundation (THF)'s inaugural fundraising golf tournament at Karachi Golf Club. The event encouraged women's participation and promoted health awareness. Among the notable participants was Pakistan's legendary fast bowler, Waqar Younis. This event also marked a milestone with Interloop sponsoring the first all-women's team in a Pakistani golf tournament, where they competed admirably against male players.

The Health Foundation (THF) is a non-profit dedicated to raising awareness, preventing, and treating Hepatitis B and C in Pakistan.





IMPACTING PEOPLE

FREE MEALS PROGRAM

CREATING ECONOMIC VALUE

Transforming lives starts with creating a more inclusive, equitable, and healthy society where everyone can reach their full potential. Our partnership with Allah Walay Trust works towards this goal by promoting children's health through free meals in underprivileged areas.

We provide nutritious meals to students in both government and private schools, improving their academic performance and well-being. These meals are planned to meet students' dietary needs with high-quality food, thus enhancing their energy, focus and learning.

The significant improvements in these metrics highlight the program's effectiveness. Following its success, the initiative has expanded to 14 schools under the Allah Walay Trust: 13 in Faisalabad government schools and one in Lahore, benefiting around 2,500 children.

SUPPORTING CHILDREN **AFFECTED BY AUTISM**

Children with autism often face challenges such as limited social interaction, repetitive behaviors, resistance to change, and developmental delays. In collaboration with the District Government, Interloop has established a dedicated Autism Unit for children in Faisalabad.

Currently serving 30 children, the unit is committed to expanding to meet the community's needs. It provides early assessments and personalized interventions, aiming to improve children's quality of life by equipping them with the skills and confidence to thrive in the future.



TAWF - A HOME FOR THE **FORGOTTEN**

Interloop partnered with the Tahira Animal Welfare Foundation (TAWF) to promote kindness to animals and improve community well-being in Faisalabad. TAWF's mission includes rescuing and rehabilitating free-roaming animals such as dogs, cats, donkeys, and horses. Their successful Trap-Neuter-Vaccinate-Return (TNVR) program is helping reduce the stray population and improve public health.

Building on this success, we are extending our continuous support initiative and funding the Animal Rescue Project (ARC). This partnership aims to create rabies-free communities, and contribute to a more compassionate and sustainable future.

Together, Interloop and TAWF are working to build a society where both humans and animals can thrive.

FLOOD RELIEF

Interloop Flood Relief Fund raised over PKR 190 million to assist fellow countrymen affected by the devastating floods. This contribution comes from company funds, employees, sponsors, and friends. Relief goods worth PKR 154,213,946 have already been delivered, with more in progress.



CREATING ECONOMIC VALUE

CREATING ECONOMIC VALUE

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.



WHY IT MATTERS

At Interloop, creating economic value is essential for driving strong returns that fuel our long-term growth and sustainability. By focusing on value creation, we reinvest in innovation, expand our capabilities, and maintain a competitive edge in an ever-evolving market. We engage and reward our suppliers through mutually beneficial partnerships, strengthening our supply chain and nurturing collaboration for greater efficiency. This approach ensures that we deliver lasting value to our employees, communities, and shareholders, making a positive impact across our broader ecosystem.

GOAL

We aim to become a \$700 million full family clothing business by FY 2026, strengthening customer credibility and building enduring partnerships.

SDGs SUPPORTED



8. Decent Work and Economic Growth



9. Industry, Innovation, and Infrastructure



12. Responsible Consumption and Production

WHAT WE'RE DOING

By following our growth-led strategy centered on a customer-first approach, we position Interloop as the preferred Full Family Clothing Partner of Choice. We emphasize delivering responsibly manufactured, multi-category products that meet the highest environmental and social performance standards. Our goal is to maintain leadership in hosiery while strengthening the credibility of our denim, knitted apparel, and seamless activewear businesses, catering to customers of all ages, genders, and abilities.

ECONOMIC RETURNS

Our financial performance continued its upward trajectory, delivering strong economic results. Driven by demand stabilization and targeted initiatives, Interloop's net sales surged to Rs. 156,129 million, reflecting a 31% increase from Rs. 119,200 million in the previous year.

Net profit fell significantly to PKR 15,771 million, down from PKR 20,172 million in FY 2023, marking a 22% decline. For a comprehensive financial performance and position overview, refer to pages 90-95 in the Company's Annual Report 2024. Throughout the year, we produced 59.96 million dozen socks and tights, 6.12 million denim pieces, 28.73 million lbs (converted to 20/s) of yarn, and processed 4.93 million kgs of dyed yarn.

The plant capacity of the Activewear and Apparel divisions is indeterminable due to the multi-product

plans involving varying manufacturing processes and the length of order lots. We are aware of the risks and opportunities posed by climate change and are working to manage these risks and capitalize on the opportunities.

Through Project North Star, we have redesigned our organizational structure to align with our vision of becoming the preferred full-family clothing partner of choice. This initiative guides Interloop towards its goal of growth, positioning us as a leading global multi-category clothing manufacturer while developing an entrepreneurial, high-energy workforce.

Completed in three phases (Wave 1, 2, and 3), the project restructured key functions including Sales, Operations, HR, Finance, IT, and Procurement, unlocking new growth opportunities. Investing in people development remains central to meeting customer demands and driving exceptional results.

We fully acknowledge the diverse risks and significant opportunities posed by climate change. In response to this global challenge, we are taking proactive measures to effectively manage these risks while identifying and pursuing opportunities that could benefit our organization. Please refer to the pages 94-97 for more details on climate and sustainability-related risks and opportunities.

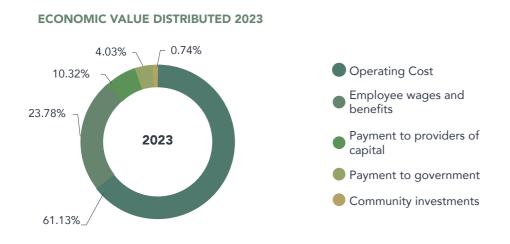
While we continue to make progress in addressing these challenges, we are actively working towards implementing a more robust system to better assess the financial implications of climate change, along with its associated risks and opportunities.



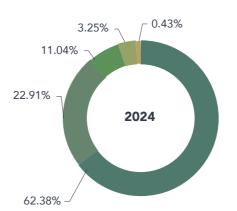
Interloop benefits from various government incentives, a Long-Term Finance Facility (LTFF), an Export Finance Scheme (EFS), and an Export Refinance Scheme (ERF-II). The government incentivizes textile exporters to cut costs, enhance competitiveness, and support export financing.

INTRODUCTION	IMPACTING PEOPLE	PROTECTING NATURE	DRIVING CHANGE	CREATING ECONOMIC VALUE	REPORTING APPROACH	APPENDIX

	2024	2023	2022	2021
		RUPEES IN MILLION		
Economic Value Generated				
Revenue	157,583	120,499	92,118	55,933
Economic Value Distributed				
Operating Cost	92,679	65,797	54,071	33,762
Employee Wages and Benefits	34,041	25,588	19,165	12,327
Payment to Providers of Capital	16,402	11,107	6,071	3,326
Payment to Government	4,824	4,337	3,819	2,149
Community Investments	633	792	490	330
Economic Value Retained	9,004	12,878	8,502	4,039







DEFINED BENEFIT PLANS

We offer market-competitive salaries and benefits to our employees, regularly assessing remuneration for relevance and compliance. In addition to salaries and benefits, the company provides defined benefits in the form of gratuity, which requires no employee contributions. We do not maintain a separate gratuity fund; instead, its liability for the defined benefit plan is determined through actuarial valuation. The company also offers contributory benefits via provident funds, with Interloop contributing 7.5% of basic salaries & employees contributing between 7.5% and 12.5%. Participation in this plan is optional. As of FY 2024, the liability for the defined benefit plan stood at PKR 10,695 million, up from PKR 7,876 million in FY 2023.

COMPANY PROFILE

Interloop, headquartered in Pakistan, is a vertically integrated full-family clothing company that manufactures hosiery, denim, knitted apparel, and seamless activewear products for top international brands and retailers, aiming to become a Partner of Choice.

As the largest listed textile company on the Pakistan Stock Exchange by market capitalization and the only textile company from Pakistan included in the Morgan Stanley Frontier Market Index (MSCI), Interloop is also the country's leading textile exporter.

It employs 34,000+ highly motivated and engaged individuals from 15 nationalities, operating across a global network spanning 6 countries. Its extensive industrial infrastructure includes state-of-the-art manufacturing facilities in Pakistan, an associate manufacturing company in Sri Lanka, a manufacturing facility and sourcing office in China, and marketing services offices in the USA, Europe, and Japan.

Renowned globally for its manufacturing excellence, we are also a pioneer in environmental sustainability & a leader in social change. Interloop is on a digital transformation journey. Along with continuous improvement and development in its ERP landscape, it has developed an MES software layer under project foglight with a combination of machine to machine integration and use of loT devices to capture real time data from the production floor.

Furthermore, a number of artificial intelligence based use cases have been deployed for swift product development and improved quality. A few AI/ML based solutions are in pilot phase for optimized production scheduling, computer vision based quality and GenAI based informational bots. IT Governance is crucial for an enterprise as it ensures that IT Investments support business goals. An IT Governance department has been established with an IT PMO and IT Security Governance to ensure that critical infrastructure assets and data are secure.

Committed to the Race to Zero initiative, it prioritizes a circular economy approach and is Pakistan's first manufacturing organization in the Large Enterprise category to have its Science-Based Targets approved. With multiple LEED-certified facilities, Fair Trade certification, and membership in the United Nations Global Compact, Interloop remains dedicated to sustainable development.

Pakistan's only textile company on the Morgan Stanley Frontier Market Index (MSCI)



* Annual production capacity in Million

To learn further about our capabilities, machinery, processes, production, and future capacity enhancements, refer to pages 14-18 of the Annual Report 2024.

Our Vision 2025

To Become a Full Family Clothing Partner of Choice

HOW WE'LL DO IT



PEOPLE

A diverse, inclusive and engaged workfor 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



\$700M

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

REVENUE BY FY 2026

2.5x
REVENUE THROUGH
VALUE ADDED SERVICES

Providing value added services creating strong lasting partnership

25%
LOWER CARBON FOOTPRIN
AND RESOURCE CONSUMPTION

INTERLOP

Lead the way in responsible manufacturing meeting highes standards of environmental and social performanc



MISSION

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

CORE VALUES



INTEGRITY



APPENDIX

CARE



ACCOUNTABILITY



RESPECT



EXCELLENCE

BUSINESS MODEL

Manufactured Capital

Vertically integrated manufacturing with hi-tech facilities in Pakistan, Sri Lanka, and China.

Economical Value Generated

- Total Sales: PKR'B 156.13 - Earning Per Shares: PKR 11.25
- Return on Equity: 29.46%

Human Capital

34,000+ diverse, inclusive and engaged workforce creating a high-performing organization.

Hosiery

Denim

Apparel

Activewear

Yarn

Intellectual Capital

- Expert teams with cutting-edge skills and innovation driven mindsets.
- Empowering a dynamic and adaptive organization to maintain leadership as a high-quality, responsive manufacturer.



Economic Value Distribution

- Operating Cost
- Employee Wages/Benefits
- Payment to Providers of Capital
- Payment to Government
- Investments in Community

Social & Relationship Capital

- International and regional presence with a robust manufacturing and sales network.
- Strong customer-centric partnerships built on trust and loyalty.
- People and planet focused initiatives for managing sustainability in business and the environment, both nationally and internationally.

Multi-Category Solution Provider

- Wide product range.
- Strengthen core functions: Sales, Merchandizing, HR, Finance, IT, Strategy, Yarns, & Procurement.
- Offer diverse products with flexible order sizes.
- Prioritize excellence in quality and innovation.

INTRODUCTION

IMPACTING PEOPLE

CUSTOMERS

Some of our top clients across Europe, USA and Asia

































BESTSELLER'

PRIMARK°



We hosted our 1ST Partners in Success Awards 2024, celebrating the exceptional contributions of our suppliers and partners. With the theme "Together in Excellence, Stronger in Partnership", the event highlighted the vital role these partnerships play in our continued success.

Awards were presented across categories including Sustainability, Manufacturing, Agility, Innovation, Traceability, People, Quality, and Collaboration.

Platinum, Gold, and Silver awards recognized the top 3 companies in each category for their dedication and innovation, contributing to our operational success.



ENGAGING & REWARDING SUPPLIERS

Our suppliers are key growth partners, helping us meet production targets and responding to the demand for sustainable products. Committed to ethical supply chain practices, we promote sustainability to minimize negative impacts, build customer trust, and strengthen brand loyalty. This approach positions us as leaders in corporate responsibility.

OUR APPROACH & PERFORMANCE

Our supply chain management strategy aims to address disruptions, ensure operational continuity, meet rising product demand, and realize our goal of becoming the full family clothing partner of choice. Interloop's Procurement & Supplies department delivers high-quality materials promptly to meet our needs. Our procurement approach and policies emphasise quality, cost-effectiveness, and positive change for the stakeholders by committing to ethical and sustainable practices.

Our Green Purchasing strategy is designed to reduce our environmental footprint by highlighting essential actions and considerations for smart procurement choices. We require our suppliers to comply with international product quality and specifications standards. Moreover, our procurement approach and supplier code of conduct emphasise health and safety, ethical labour practices, and the protection of human rights

within our suppliers' operations. To reinforce these commitments, we organise awareness sessions with our business partners, focusing on the significance of social and environmental accountability, sustainability efforts, effective chemical management, and adherence to the Higg Index.

We prioritize sustainability criteria when onboarding suppliers, and our regular audits ensure compliance and minimize impacts across the supply chain. We screened all 42 new suppliers for their environmental and social impacts. As part of our supply chain management strategy, we also evaluated 42 existing suppliers (17 from Tier 1 and 25 from beyond Tier 1) for their environmental impact. No adverse environmental effects were found. Ninety-one percent of our Tier 1 and 2 suppliers met the applicable wastewater discharge regulations. Of our suppliers, 11 (27.5%) are certified under the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM), including 6 from Tier 1 and 5 from lower tiers.

Similarly, we audited 42 of our current suppliers (17 from Tier 1 and 25 beyond Tier 1) according to Pakistan's labor laws and SA 8000, using either our internal auditors or third-party auditors. Our findings revealed that 14 suppliers were adversely affecting their workers' health and safety, showing insufficient emergency preparedness and facing issues related to overtime and non-payment of minimum wages. We collaborated with these suppliers to develop improvement plans to

address these challenges. No suppliers were removed following this assessment. We obtain declarations from overseas vendors and verify local vendors to ensure they are not sourcing from regions at risk for child labor or forced labor.

As a fully integrated hosiery, denim, and apparel manufacturer, cotton is at the heart of our operations. To enhance transparency, we have introduced Looptrace—a proprietary solution that provides end-to-end traceability for cotton-derived products, from their origin on the farm through to 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:

- → Fibers (raw material), Fabric, Hosiery yarns (Cotton Yarns, Man-Made Yarns, Regenerated and Recycled Yarns)
- → Dyes & Chemicals which meet Oeko-Tex requirements and other international certifications
- → Accessories and Packaging
- → Machinery & Spares
- → Services General (repair & maintenance, construction, etc.)

Our supply chain comprises 1,172 suppliers, of which 884 are active suppliers spanning more than 21 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 FY 2024, we made payments totaling approximately PKR 72.11 billion against the procurement of materials and services, of which 77% was sourced from local suppliers and 23% from global suppliers.

REPORTING APPROACH

Our integrated business planning framework drives robust ESG performance, propelling us toward achieving the ambitious goals of Vision 2025. Our strategic agenda is centered on delivering sustainable growth that creates tangible, long-term value for all stakeholders, including shareholders, partners, employees, and communities.



IMPACTING PEOPLE

WHY IT MATTERS

Strong governance and ESG oversight are key to sustainable business and long-term value. The Company Board ensures accountability and transparency, with a clear differentiation of Chairperson and CEO roles. Specialized committees, like the ESG Committee, enhance sustainability oversight.

GOAL

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

SDGs SUPPORTED



5. Gender Equality



8. Decent Work and Economic Growth



9. Industry, Innovation, and Infrastructure



12. Responsible Consumption and Production



13. Climate Action



16. Peace, Justice, and Strong Institutions



17. Partnerships for the Goals

WHAT WE'RE DOING

The Board of Directors, elected every three years, is the highest governance authority at Interloop. It comprises nine members: three executives, two non-executives, and four independent directors. The Chairperson and CEO roles are held by separate people, with the Chairperson elected from among the Directors. Non-executive and independent directors have no monetary relationship with Interloop, except for directorship fees. The Board includes 5 men and 4 women members with diverse expertise in engineering, finance, and related fields.

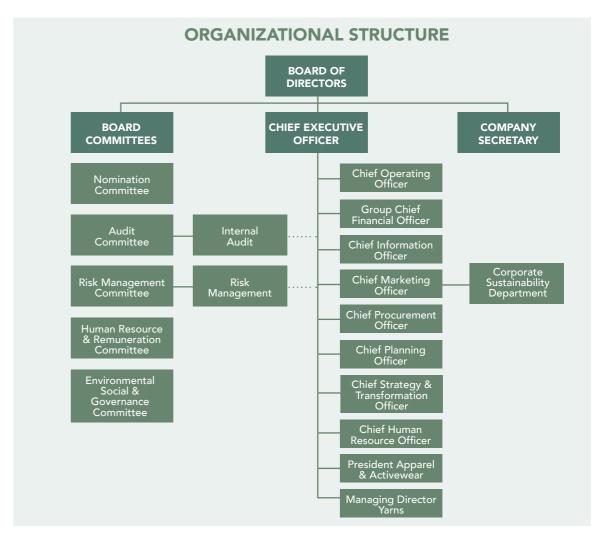
To ensure effective governance, the Board has established key committees, including the Audit Committee, Human Resource & Remuneration Committee, Risk Management Committee, Nomination Committee, and ESG Committee. These committees have clear objectives and support the Board in decision-making. For details on the Management and Board Committees, refer to pages 24–27 of the Annual Report 2024.

To strengthen expertise in sustainable development, the Board and top management stay updated on ESG trends, participate in sustainability-focused events, and engage in related initiatives. Interloop also conducts training sessions and workshops for company executives in order to promote continuous learning and informed decision-making.

The Nomination Committee reviews and recommends changes to the Board's structure,

emphasizing diversity in gender, ethnicity, skills, and expertise, per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The CEO oversees sustainability initiatives, ensuring daily operations align with long-term sustainability goals.



GOVERNANCE & ESG OVERSIGHT

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, reporting directly to the Board. These outcomes help integrate a comprehensive understanding of impacts into strategic decisions, enhancing the organization's ability to identify and mitigate risks effectively. The Board regularly reviews the efficacy of these processes in Board Meetings to ensure effective management of impacts and responsiveness to changing contexts and emerging challenges.

The evaluation of the Board's oversight role and its effectiveness is an ongoing process, appraised by the Board itself. A comprehensive evaluation mechanism, developed in accordance with the Code of Corporate Governance Regulations, 2019, and global best practices, is in place. Based on self-evaluation, the Board plans and implements appropriate actions to enhance its effectiveness.

POLICIES AND PROCESS TO DETERMINE REMUNERATION

The remuneration policies for the highest governance body are developed in accordance with the Code of Corporate Governance, with no Director participating in the determination of his/her own compensation. Non-Executive Directors are only compensated with fees for attending Board meetings, with no additional emoluments paid.

The Human Resource and Remuneration Committee (HR & R Committee) is tasked with creating, reviewing, and refining the remuneration policies, ensuring they reflect current industry standards, business practices, and align with the objectives for managing impacts.

The Board approves the remuneration policies, confirming they are in line with the organization's strategic direction. No external consultants were engaged in determining remuneration during the year.

CONFLICT OF INTEREST AND CRITICAL CONCERNS

Our code of conduct is a vital part of our governance structure, guiding ethical business practices, relationships with our business partners, and the expected conduct from our people.

We have strict 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. Also, these arrangements and transactions are clearly highlighted and presented for approval by shareholders during the Company's general meetings.

Interloop has established grievance-handling mechanisms and other processes that enable stakeholders to raise concerns regarding the organization's potential and actual negative impacts. Any critical concerns raised by stakeholders, covering issues related to ethics, compliance, environmental impact, social responsibility, and other significant areas, are promptly communicated to the Board through the 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 line with policies and applicable regulations, ensuring all responses are ethical, timely, and aimed at resolving the concerns satisfactorily.

TORS OF ESG COMMITTEE

- **1.** Oversee the implementation of company's ESG strategy;
- **2.** Review the results and performance of the company against key ESG metrics;
- Consider emerging ESG issues to understand their materiality with regard to our long-term value creation;
- 4. Oversee the delivery of environmental sustainability initiatives and commitments, including performance, challenges and opportunities;
- 5. Oversee the implementation of our social sustainability initiatives or commitments, including performance, challenges and opportunities, with a view to their effectiveness in delivering social impact;
- **6.** Review and endorse to the Board the Company's Governance Management Framework.

ESG MANAGEMENT

The ESG Committee is tasked with advising the Board on all ESG-related matters. While the overall responsibility for managing sustainability impacts lies with the Chief Executive Officer, the Head of Corporate Sustainability & Chemical Management is specifically responsible for overseeing environmental impacts. The corporate sustainability department supports the ESG Committee by helping define long-term goals and strategies, assisting businesses with target setting, baseline calculations, and identifying potential sustainability projects related to environmental impacts. Moreover, the department develops new policies, recommends actions, and monitors performance.

The CEO Secretariat and CSR department also collaborate with the ESG Committee to shape strategies and set targets for social and economic impacts. Specific responsibilities are delegated to various teams across the organization, ensuring a comprehensive approach to sustainability.

Regular reporting mechanisms are in place, involving senior executives, the corporate sustainability department, the ESG Committee, and other designated team members. Sustainability performance is reviewed quarterly at the business vertical level, bi-annually at the corporate level, and annually at the Board level. The responsibility for reviewing and approving material topics and the annual sustainability report has been assigned to the Chief Marketing Officer, who reports to the CEO and presents findings for further deliberation by the ESG Committee.

OUR STRATEGY

Rooted in our company's mission and fully embraced by our dedicated teams, our sustainability strategy is deeply embedded in our business planning, processes, policies, and practices. Across all our operations, we focus on effectively managing our impacts in key sustainability areas, including reducing our environmental footprint, safeguarding the well-being of our people and communities, upholding labour and human rights, and promoting sustainable practices throughout our supply chain. This approach allows us to continuously grow our business while creating shared value and driving positive change for all our stakeholders.

Our five-year environmental and social targets, aligned with Vision 2025, and our approved science-based targets reflect our long-term strategic priorities. As an industry leader, we recognize the significant influence we have in driving positive change, and we remain committed to advancing sustainability practices that contribute meaningfully to global sustainability challenges. Furthermore, we are actively mapping our supply chain and collaborating to develop a unified roadmap, ensuring emissions reduction across all scopes.

POLICY COMMITMENTS

Our code of conduct and policies require conducting due diligence at the outset to identify potential negative impacts and develop appropriate strategies to mitigate them. The CEO approves all policy commitments applicable to our operations, employees, and supply chain partners.

To promote sustainable practices, employees and supply chain partners are informed about policies and updates through various channels, including the internal employee portal (eloop), mobile application LoopHR, emails, and business meetings. Our commitment to responsible business conduct, as well as the respect and promotion of human rights, forms the foundation for developing and revising our relevant policies.

Managers are responsible for implementing and ensuring that our activities align with approved policies, procedures, and commitments. We also organize regular sessions for employees and supply chain partners to ensure the effective integration of these policies and procedures into day-to-day operations.

Compliance with policies and procedures is ensured through internal audits, external reviews, and certifications, all of which are discussed in the management approaches for material topics.

MITIGATING ADVERSE IMPACTS

Our proactive approach, supported by risk assessments, enables the early identification of potential negative impacts from our activities and the implementation of appropriate measures to prevent them.

However, in cases where negative impacts are unavoidable, plans are developed based on the severity and scale of the impacts to address them within our operations and supply chain. Affected stakeholders can submit complaints through our grievance reporting mechanisms, which include LoopHR and suggestion/complaint boxes located at each business site. The complaints are reviewed by the respective teams for resolution, and the outcomes are communicated to the concerned parties.

RISK MANAGEMENT

Risk management at Interloop involves the systematic identification, assessment, mitigation, and reporting of risks integrated into the company's processes and systems. We recognize that effective risk management is forward-focused, emphasizing proactive measures to minimize both the probability of risk occurrence and its potential impact, rather than reacting to issues after they arise.

The Risk Management Committee (RMC) supports the Board in developing and overseeing the implementation of the Risk Management framework. Furthermore, the RMC is tasked with evaluating strategic and operational controls to ensure that appropriate mitigation measures are in place.

Our Risk Management Policy is structured around the "Three Lines of Defense" model, which clearly defines the roles of the Board, RMC, Senior Management, and the Risk Management Department (RMD).

To ensure the effective execution of the Risk Management Policy and associated mitigation strategies, the Board has established a dedicated Risk Management Department (RMD). The RMD is responsible for supporting the development, implementation, and continuous enhancement of risk management practices, including the establishment of internal controls across all levels. Furthermore, the RMD works collaboratively with other departments to identify and assess

risks within their respective areas and implement suitable mitigation strategies. Similarly, cybersecurity risks are among the key challenges globally. As technology advances, organizations become increasingly vulnerable to cyberattacks on company and customer data. To address these risks, we have implemented Information Security Policies and an Information Security Procedure Manual in compliance with ISO 27001:2022. Our Information Security Management System (ISMS) has been audited and approved by our customers.

For further details on our risk governance framework, please refer to pages 66-67 of the Annual Report 2024.

IDENTIFYING MATERIAL SUSTAINABILITY RELATED IMPACTS, RISKS & OPPORTUNITIES

We assessed the sustainability-related impacts, risks, and opportunities by reviewing stakeholder interests, Interloop's risk register, feedback from grievance mechanisms, industry-specific sustainability challenges, and external factors affecting our future, along with its significant environmental, economic, and social consequences.

We considered the IFRS S1 & IFRS S2 requirements for identifying sustainability-related risks and opportunities and reviewed the SASB Apparel, Accessories & Footwear Sustainability Accounting Standard (VERSION 2023-12).

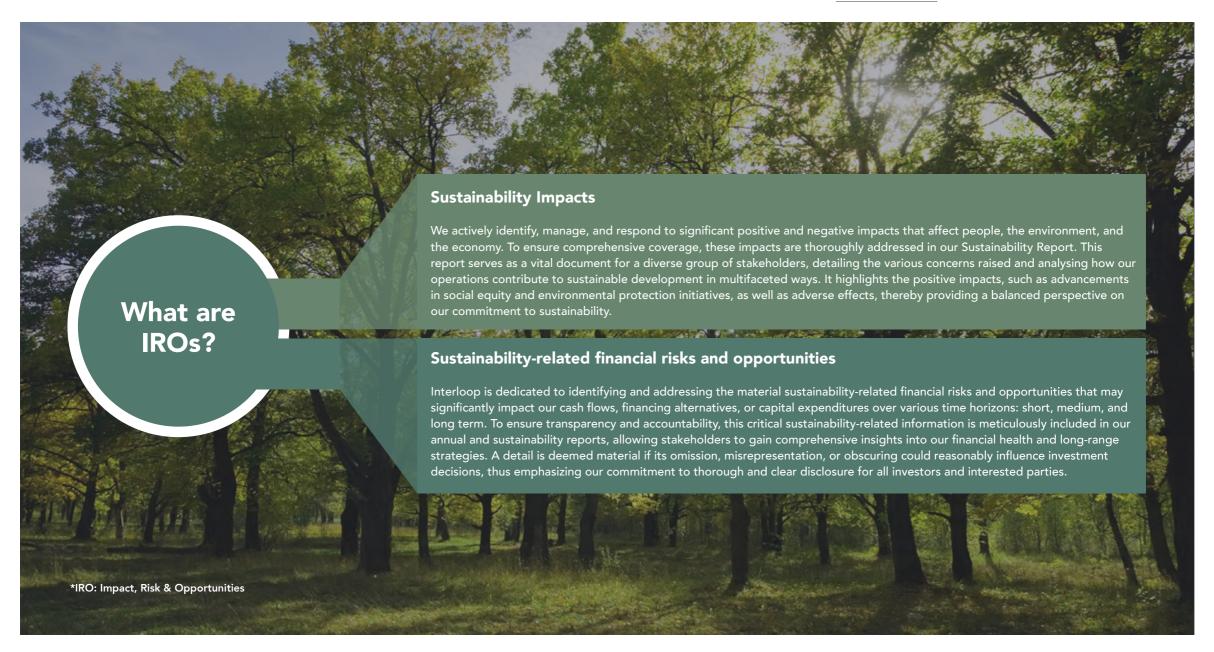


After identifying sustainability-related risks, we evaluate them through our established risk management framework. This includes assessing their potential impact and likelihood, which helps us determine their relative significance and prioritize risk management efforts in alignment with our overall strategy.

The prioritization of topics is based on their positive and negative impacts, which involved assessing the severity and probability of adverse outcomes as well as the extent and likelihood of positive effects. We also examined how sustainability-related risks and opportunities influence Interloop's prospects, market position, and the decision-making processes of investors and lenders. To identify the material topics for the report, we employed a double materiality framework encompassing both impact materiality

and financial materiality. This analysis led to the identification of significant impacts, risks, and opportunities, which were categorized into material topics and finalized through discussions with senior management and experts.

This year, the list of material topics was reevaluated, combining market presence and security practices with employment practices and human rights. Given advancements in the field and the increasing regulatory demands, the materiality process will be updated annually. Various sections of the report address these material topics, detailing the management approach, key initiatives, performance data, and outlook. These topics form the foundation for developing sustainability strategies and programs to mitigate negative impacts while maximizing value-enhancing activities.



ESG RISK MANAGEMENT

TOPIC	SRR/CRR/SRO/CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
		Impact Contributes to climate change, causing extreme weather patterns and impacting raw material availability.		
Emissions	CRR	Risk Failure to adapt to technology and market shifts can create a trust gap and decrease product demand, affecting the company's value. Failing to comply with emissions standards can also result in fines and penalties.	Own operations, upstream	Medium-term to Long-term
		Opportunity Proactive emission control could enhance efficiency, reduce costs, and ensure compliance with sustainability standards, resulting in a positive brand reputation, attracting eco-conscious customers, and unlocking green financing opportunities.		
		Impact Contribution to climate change using fossil fuel energy sources.		
Energy	CRR/CRO	Risk Increasing pressure to decarbonize and implement net-zero policies may lead Interloop to accelerate its shift towards low-carbon energy sources, requiring it to incur transitional costs, including investments in new technologies and higher operational expenses. Risk of reputational damage due to non-compliance with international energy standards and high fossil fuel consumption.	Own operations, upstream	Medium-term to Long-term
		Opportunity Interloop can meet its science-based targets and lower its annual energy costs by investing in renewable energy and alternative fuels with reduced carbon emissions.		
		Impact Use of scarce material resources and effects on the supply chain.		
Materials Sourcing & Usage	SRR/SRO	Risk Risk of increased costs due to reliance on limited material resources without sustainable sourcing strategies	Own operations, upstream	Medium-term to Long-term
		Opportunity An opportunity of cost savings over the medium to long term in relation to sustainable materials sourcing and management.		

^{*} CRR: Climate related risks * CRO: Climate related opportunities * SRR: Sustainability related risks * SRO: Sustainability related opportunities

TOPIC	SRR/CRR/SRO/CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
		Impact Affects climate, health and safety of employees and communities through generation and disposal of both hazardous and non-hazardous waste.		
Waste	SRR/SRO	Risk Ineffective waste management and disposal in Interloop's operations can harm local biodiversity, water, and soil essential for the community. This could jeopardize future business prospects, lead to fines and penalties, and create a trust deficit with stakeholders.	Own operations, upstream	Medium-term to Long-term
		Opportunity There might be an opportunity of cost savings over the medium to long term in relation to broader waste handling and disposal and increased circularity.		
Water and Effluents	SRR/SRO	Impact Affects the availability of freshwater leading to water scarcity and health and safety impacts of water discharge. Risk Risk of operational disruption and community backlash due to water scarcity or non-compliance with water discharge regulations. Opportunity There might be an opportunity of cost savings over the medium to long term in relation to broader water management solutions and increasing recycling.	Own operations, upstream	Medium-term to Long-term
Health and Safety	SRR	Impact Health and safety of employees impacting productivity, compliance with applicable laws as well as customers' requirements. Risk Unsafe working conditions can result in serious safety incidents or fatalities, along with reduced productivity, financial losses, increased costs, legal liabilities, and damage to reputation.	Own operations, upstream	Short-term

NATURE DRIVING CHANGE CREATING ECONO	IIC VALUE REPORTING APPROACH APPENDIX
	NATURE DRIVING CHANGE CREATING ECONOM

TOPIC	SRR/CRR/SRO/CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
		Impact Providing jobs for economic development, compliance with applicable laws, customer charters and international conventions. Risk		
Employment & Labour Practices	SRR/SRO	Challenges in attracting talent, limited agility, insufficient diversity, lack of entrepreneurial spirit, and inadequate digital skills can impede the organization's capacity to achieve strategic goals and explore new opportunities. Additionally, non-compliance with labor laws and international conventions may result in penalties.	Own operations, upstream	Short-term to Medium-term
		Opportunity Access new markets through better employment and labor practices and collaborating with governments in developed and developing countries.		
		Impact Effects on local communities due to operations, the contribution for provision of education and health facilities and creation of livelihood opportunities for economic development.		
Training & Education	SRR/SRO	Risk Risk of operational disruptions due to social unrest and in case company activities negatively impact local communities.	Own operations	Short-term to Medium-term
		Opportunity Access new markets through collaborating with governments and community groups in developed and developing countries.		
		Impact		
		Effects on local communities due to operations, the contribution for provision of education and health facilities and creation of livelihood opportunities for economic development.		
Local Communities	SRR/SRO	Risk Risk of operational disruptions due to social unrest and in case company activities negatively impact local communities.	Own operations	Short-term to Medium-term
		Opportunity Access new markets through collaborating with governments and community groups in developed and developing countries.		

TOPIC	SRR/CRR/SRO/CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
Economic Impacts	SRR/SRO	Impact Important for business continuity, return to investors and contribution to the economy and society. Risk The inability to create significant economic impacts could erode investor confidence, impede transition and	Own operations	Short-term
		diversification initiatives, restrict talent attraction, and hinder the realization of strategic objectives. Opportunity Help to smooth the transition to a low-carbon economy, achieving strategic objectives, increasing the ability to create value for all stakeholders, and enhancing investors' confidence through increased economic value generation.	от орожного	
Procurement Practices	SRO	Impact Creation of business opportunities for local vendors, economic development, reliable supply chain. Opportunity Supporting local suppliers can result in a more efficient supply chain, job creation, and economic growth.	Own operations, upstream	Medium-term to Long-term
Anti-Corruption	SRR	Impact Affects competitiveness and leads to misuse of power resulting in poverty. Compliance with laws and international charters. Risk Risk of legal and trade sanctions due to involvement in corrupt practices and affecting market competitiveness.	Own operations	Short-term
Supply Chain Impacts	SRR/SRO	Impact Failing to adhere to ethical standards leads to regulatory penalties, harm to reputation, and jeopardizes supply chain stability. Opportunity Enhance responsiveness to disruptions and strengthen supply chain resilience by promoting sustainable practices.	Own operations	Short-term to Medium-term

DRIVING CHANGE

CREATING ECONOMIC VALUE

REPORTING APPROACH

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INTRODUCTION

IMPACTING PEOPLE

PROTECTING NATURE

^{*} CRR : Climate related risks

* CRO: Climate related opportunities

* SRR : Sustainability related risks

* SRO : Sustainability related opportunities

STAKEHOLDERS' ENGAGEMENT

Our mission to become an agent of positive change for our stakeholders and community reflects our commitment to a stakeholder-centric approach while pursuing ethical and sustainable business practices. We maintain close proximity and demonstrate a willingness to engage actively. Stakeholders are engaged throughout the year via relevant departments to discuss issues pertinent to both them and Interloop. This engagement enables us to gather input for identifying material topics, devising strategies to address their concerns, and creating and delivering value. We systematically identify, map, and prioritize stakeholders based on their relationship & ability to impact us, or their vulnerability to our activities and operations.

STAKEHOLDERS	SRR/CRR/SRO/CRO	FREQUENTLY	STAKEHOLDERS	OUR RESPONSE
Shareholders/ Investors	AGM/EOGM/Corporate Affairs Department	Ongoing/ Occasional	Economic returns, management of health and safety of employees and environmental risks, investment to drive positive change in local communities	Continuous focus on innovation and business development, investment in production capacity & expansion and investing in environmentally friendly technologies and CSR program
Analysts	Briefing, Reports, Corporate Affairs Department	Ongoing/ Occasional	Investments/Expansion, environmental initiatives, and CSR program	Production capacity & expansion, pursuing environment friendly initiatives and regular CSR programs 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 program
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 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
Regulation/ 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, CSR program	Ongoing	Intervention in the field of health, education especially sports, clean water and infrastructure development and women empowerment	CSR program based on community needs assessment and investment in education, health, and sports and women empowerment for the betterment of local communities.

MANAGING MATERIAL IMPACTS, RISKS & OPPORTUNITIES

Our management approach aligns with Article 15 of the Rio Declaration, emphasizing the timely identification of issues and taking appropriate measures to address their impacts. This approach helps us prevent potential negative effects of our operations and, when such impacts do occur, manage, mitigate, and collaborate on their resolution. Moreover, it enables us to maximize the positive outcomes of our operational activities and business relationships. We regularly evaluate this approach by comparing actual outcomes with planned results, making adjustments as needed to ensure its effectiveness.

PLANET

Our environmental policy guides all business units to manage their environmental impacts and ensure compliance with our commitments, applicable laws, and customer codes of conduct.

The Corporate Sustainability Department evaluates environmental sustainability initiatives, monitors their impacts, and sets relevant targets. EHS (Environment, Health, and Safety) representatives at each plant ensure adherence to applicable laws and customer requirements. Our manufacturing facilities are certified under various management systems, including ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2015, ISO 50001:2011, SA 8000, ISO 17025, and ISO 17043.

Regular training sessions are conducted across all plants to enhance the knowledge and skills of the workforce. Performance against set targets is monitored throughout the year, and corrective measures are implemented as needed.

An environmental grievance-handling mechanism is in place across the company, enabling affected parties to file complaints. Employees are encouraged to propose ideas and suggestions for system improvements during regular training and awareness sessions. Multiple platforms, such as the Worker Management Council (WMC), EHS Committees, and Focus Group Meetings, provide opportunities to discuss issues and develop solutions. Each plant's Health & Safety Manager is responsible for addressing grievances. During the reporting year, there were no instances of noncompliance with environmental laws, regulations, or customer requirements.

Our environmental management approach addresses key material topics, including material sourcing and usage, energy, emissions, water and waste.

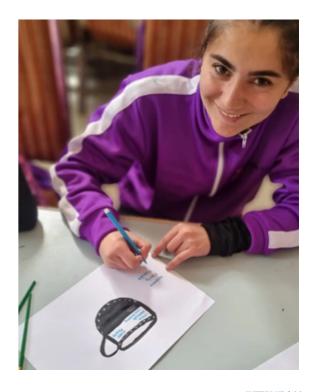
PEOPLE

Our HR policies focus on attracting skilled professionals, equipping them with essential training, and providing a supportive work environment that enables them to excel and contribute effectively. Interloop places importance on hiring from the local community to drive economic growth and gain a deeper understanding of community needs. Performance-based career development and job rotation are key elements of our HR framework. The Chief Human Resource Officer (CHRO) leads the HR function, while Support Services Heads at each plant ensure the effective implementation of HR policies.

We are committed to adhering to laws and international charters to safeguard human rights across all our operations. Our code of conduct and shared values emphasize empathy and respect for the rights of employees, communities, and stakeholders. A well-defined grievance-handling mechanism is in place, with Management Representatives (MRs) appointed at each plant to address concerns related to work conditions, welfare, discipline, or code of conduct violations. These representatives actively engage with employees on shop floors and in offices to identify and address challenges that could hinder a positive work environment.

All employee-related matters are systematically monitored at the plant level and reported to the corporate level. The Human Resource & Remuneration Committee of the Board reviews these policies and suggests improvements to the Board for further action.

Our people management strategy addresses key areas, including employment and labor practices, market presence, health and safety, training and education, human rights & security practices.



COMMUNITIES

We have established development goals and programs aimed at achieving inclusive growth across all our operational sites. Community engagement, needs assessment, and impact analysis play a key role in shaping our policies and procedures at each location. Interloop Welfare Trust (ILWT) also plays a vital role in this effort, ensuring sustained contributions to societal welfare through various community initiatives.

Our well-structured CSR management system is supported by long-term KPIs and a fixed annual CSR spending target, which is diligently executed. The Head of CSR oversees program implementation and reports directly to the CEO.

Aligned with Interloop's mission "To be an agent of positive change," our initiatives in education, sports, healthcare, literary activities, and disaster relief are designed to create meaningful impacts and deliver lasting benefits to society and the community. Our operations have not caused significant adverse effects on local communities, apart from environmental impacts, which are actively managed to minimize our footprint.

A grievance-handling mechanism is in place to address community concerns following established procedures. Policy implementation is reviewed by the CEO for further discussion and action at the Board level.

Moreover, the Lyallpur Literary Council (LLC), a not-for-profit, promotes cultural heritage of Punjab and historical and contemporary significance of Lyallpur with emphasis on literature, arts, music, poetry, festivals.



PROSPERITY

Economic performance at Interloop is guided by our mission, values, and the targets established by the Board. The CEO and Management Team are responsible for implementing the necessary activities to meet these objectives. We uphold a zero-tolerance policy for corruption across our operations and business relationships. The Internal Audit Department conducts regular audits of all activities and reports findings to the Board Audit Committee. Corrective actions are promptly taken when required.

Over the past year, four operations were evaluated for corruption-related risks, leading to the identification of six incidents. Following thorough investigations, the company dismissed two employees, disciplined two others, and terminated business relationships with two partners. A whistleblower policy is in place to facilitate the reporting of code of conduct violations and legal breaches. The Audit Committee oversees the grievances filed, while the Risk Management Committee evaluates potential risks and recommends mitigation strategies. Both committees report their findings and recommendations to the Board for final action. Economic performance is reviewed during quarterly Board meetings, with corrective measures implemented as necessary. Notably, there were no instances of noncompliance with laws or regulations in social or economic areas during the reporting period.



Our approach to economic management focuses on two key areas: economic performance and anti-corruption.

To learn about our materiality process and material topics, please refer to page 92-98.

MEMBERSHIPS & CERTIFICATIONS

ENVIRONMENTAL CERTIFICATIONS















































*Hosiery Plant 2 & 4

COMMITMENTS AND COLLABORATIONS







CHEMICAL MANAGEMENT PORTAL











SOCIAL CERTIFICATIONS

























OTHER CERTIFICATIONS





MEMBERSHIPS



















PROTECTING NATURE

GRI INDEX

The GRI content index is 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 2023 to 30 June 2024
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	No sector standard is available for our sector

			OMISSION			
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES						
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	81				
	2-2 Entities included in the organization's sustainability reporting	4				
	2-3 Reporting period, frequency and contact point	4				
	2-4 Restatements of information	4				
	2-5 External assurance	4				
	2-6 Activities, value chain and other business relationships	81, 85				
	2-7 Employees	19				
	2-8 Workers who are not employees	19				
	2-9 Governance structure and composition	89, 90				
	2-10 Nomination and selection of the highest governance body	89, 90				
	2-11 Chair of the highest governance body	89, 90				
	2-12 Role of the highest governance body in overseeing the management of impacts	89, 90				
	2-13 Delegation of responsibility for managing impacts	91				
	2-14 Role of the highest governance body in sustainability reporting	90, 91				
	2-15 Conflicts of interest	90				
	2-16 Communication of critical concerns	90	b	Confidentiality constraint		

				OMISSION	
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-17 Collective knowledge of the highest governance body	89			
	2-18 Evaluation of the performance of the highest governance body	90			
	2-19 Remuneration policies	90			
	2-20 Process to determine remuneration	90			
	2-21 Annual total compensation ratio	-	a, b, c	Confidentiality constraint	Sensitive information
	2-22 Statement on sustainable development strategy	3			
	2-23 Policy commitments	91			
	2-24 Embedding policy commitments	91			
	2-25 Processes to remediate negative impacts	91			
	2-26 Mechanisms for seeking advice and raising concerns	91			
	2-27 Compliance with laws and regulations	99, 100			
	2-28 Membership associations	101			
	2-29 Approach to stakeholder engagement	98			
	2-30 Collective bargaining agreements	13			
MATERIAL TOPICS					
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	92			
	3-2 List of material topics	94-97			
ECONOMIC PERFORMANCE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	97, 100			
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	80			
	201-2 Financial implications and other risks and opportunities due to climate change	79			
	201-3 Defined benefit plan obligations and other retirement plans	80			

			OMISSION			
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	201-4 Financial assistance received from government	79				
PROCUREMENT PRACTICES						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	87, 97, 100				
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	87				
ANTI-CORRUPTION						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	97, 100				
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	100				
	205-2 Communication and training about anti-corruption policies and procedures	91				
	205-3 Confirmed incidents of corruption and actions taken	100				
MATERIALS SOURCING & USAGE						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	87, 94, 97				
APPAREL, ACCESSORIES & FOOTWEAR: 2018 (SASB)	CG-AA-440a.1. Description of environmental and social risks associated with sourcing priority raw materials	45, 87				
	CG-AA-440a.2. Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	46, 47				
MATERIALS						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	94, 99				
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	46, 47				
	301-2 Recycled input materials used	46, 47				
	301-3 Reclaimed products and their packaging materials	-	a-b	Information unavailable	2	
EMISSIONS						
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	95, 99				
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	34-35				
	305-2 Energy indirect (Scope 2) GHG emissions	34-35				

				ОМ	ISSION
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	305-4 GHG emissions intensity	-	a-d	Information unavailable	
	305-5 Reduction of GHG emissions	35			
	305-6 Emissions of ozone-depleting substances (ODS)	-			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	94, 99			
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	36			
	302-2 Energy consumption outside of the organization	-	а-с	Information unavailable	
	302-3 Energy intensity	-	a-d	Information unavailable	
	302-4 Reduction of energy consumption	36			
	302-5 Reduction in energy requirements of products and services	N/A			
WATER					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	95, 99, 40			
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	43			
	303-2 Management of water discharge-related impacts	40			
	303-3 Water withdrawal	41			
	303-4 Water discharge	41			
	303-5 Water consumption	41			
WASTE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	53, 95, 99			
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	53-54			
	306-2 Management of significant waste-related impacts	54			
	306-3 Waste generated	56			
	306-4 Waste diverted from disposal	56			
	306-5 Waste directed to disposal	56			

				OMISSION	
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
SUPPLY CHAIN IMPACTS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	97, 87			
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	87			
	308-2 Negative environmental impacts in the supply chain and actions taken	87			
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	85			
	414-2 Negative social impacts in the supply chain and actions taken	87			
EMPLOYMENT AND LABOR PRACTICES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	96, 99			
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	19			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	28-29			
	401-3 Parental leave	15			
	405-2 Ratio of basic salary and remuneration of women to men	29			
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	13	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	13			
HEALTH AND SAFETY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	21, 95			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	403-1 Occupational health and safety management system	21			
	403-2 Hazard identification, risk assessment, and incident investigation	22			
	403-3 Occupational health services	23			
	403-4 Worker participation, consultation, and communication on occupational health and safety	22			
	403-5 Worker training on occupational health and safety	23			
	403-6 Promotion of worker health	23			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	21			
	403-8 Workers covered by an occupational health and safety management system	21			

				OMISSI	ON
GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	403-9 Work-related injuries	23			
	403-10 Work-related ill health	23			
TRAINING AND EDUCATION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	96			
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	17			
	404-2 Programs for upgrading employee skills and transition assistance programs	17			
	404-3 Percentage of employees receiving regular performance and career development reviews	17			
HUMAN RIGHTS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	13			
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	13, 87			
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	13, 87			
LOCAL COMMUNITIES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	96, 100			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	63-77			
	413-2 Operations with significant actual and potential negative impacts on local communities	100			

SASB INDEX

CODE	INDICTOR DESCRIPTION	PAGE NO.
	Management of Chemicals in Products	
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	87, 101
CG-AA-250a.2	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	7, 53-54
	Environmental Impacts in the Supply Chain	
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	87
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	87
	Labour Conditions in the Supply Chain	
CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	87
CG-AA-430b.2	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labour code of conduct audits	87
CG-AA-430b.3	Description of the greatest (1) labour and (2) environmental, health and safety risks in the supply chain	87
	Raw Materials Sourcing	
CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	45, 87
CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	46, 47
	Activity Metric	
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	87

SDGS INDEX

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
1 NO POWERTY	End poverty in all its forms everywhere	96	413-2
2 HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	80, 63-77, 100	201-1, 413-1, 413-2
3 GOOD HEALTH AND WELL-SIGNG	Ensure healthy lives and promote well-being for all at all ages	21, 23, 34-35, 53-54, 56	305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10
4 quality EDUCATION	Ensure inclusive and quality education for all and promote lifelong learning	17, 90	2-17, 404-1
5 CENDER COUNTY	Achieve gender equality and empower all women and girls	13, 15, 17, 19, 80, 87, 89	2-9, 2-10, 201-1, 401-1, 401-3, 404-1, 404-3, 406-1, 414-1, 414-2
6 CLEAN WATER AND SAMITATION	Ensure access to water and sanitation for all	41, 53-54, 56	303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable, and modern energy for all	36, 80	201-1, 302-1, 302-3, 302-4
8 DECENT WORK AND ECONOMIC GROWTH	Promote inclusive and sustainable economic growth, employment, and decent work for all	13, 15, 17, 19, 21, 23, 28-29, 36, 41, 46, 47, 80, 87	2-7, 2-8, 2-30, 201-1, 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
9 MOUSTRY, INCOME	Build resilient infrastructure, promote sustainable industrialization, and foster innovation	80	201-1

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
10 R DUCED MEDIALITIES	Reduce inequality within and among countries	63-77, 100	413-1, 413-2
11 20000	Make cities inclusive, safe, resilient, and sustainable	-	Not applicable
12 RESPONSELE CONSUMERION AND PRODUCTION	Ensure sustainable consumption and production patterns	34-35, 36, 46, 47, 53-54, 56, 89	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
13 CHARTE	Take urgent action to combat climate change and its impacts	34-35, 36, 79	201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4
14 IFE SELON WATER	Conserve and sustainably use the oceans, seas, and marine resources	34-35, 53-54, 56	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5
15 UPE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	34-35, 53-54, 56	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote just, peaceful, and inclusive societies	13, 87, 89, 90, 91, 99, 100	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
17 ====	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable

UNGC INDEX



PRINCIPLE	STATEMENT	PAGE NO.	GRI STANDARDS DISCLOSURE
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	63-77, 100	413-1, 413-2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	63-77, 87	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.	13	2-30, 407-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	13, 87	409-1
Principle 5	Businesses should uphold the effective abolition of child labor.	13, 87	408-1
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	13, 15, 17, 19	2-7, 2-8, 401-1, 401-3, 404-1, 404-3, 406-1
Principle 7	Businesses should support a precautionary approach to environmental challenges.	34-35, 36, 41, 46-47, 79	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.	34-35, 36, 41, 46-47, 53-54, 56, 87, 99, 100	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 environmentally friendly technologies.	36, 35	302-4, 305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	91, 100	2-23, 2-26, 205-1, 205-2

GLOSSARY AND ACRONYMS

BCI	Better Cotton Initiative
СВА	Collective Bargaining Agent
CSR	Corporate Social Responsibility
GHG	Greenhouse Gases
GJ	Giga Joule
GOTS	Global Organic Textile Standard
GRI	Global Reporting Initiative
GRS	Global Recycled Standard
HSE	Health, Safety and Environment
IFRS	International Financial Reporting Standards
ISO	International Standards Organization
MW	Megawatt
PBCC	Pakistan Blind Cricket Council
TMA	Tehsil Municipal Administrations
ТРН	Tonnes Per Hour
TTS	Technical Training School

FEEDBACK FORM

	TAINABILITY REP nation provided on mate			ort	
\bigcirc	Comprehensive	\bigcirc	Adequate	\circ) Inadequate
Clarit	ty of the information pro	vided ir	n the report.		
\bigcirc	High	\bigcirc	Medium	\circ) Low
The o	quality of design and layo	out of t	he report.		
0	Excellent	\bigcirc	Good	\circ) Average
Your	comments for adding va	lue to t	he report.		
Name	e:				
Desig	gnation:				
Orga	nization:				
Cont	act Details:				
Tel:					
Emai	l Your Feedback to:				

Muhammad Fauz Ul Azeem

GM Corporate Sustainability & Chemical Management

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