

# Sustainability Report **FY25**



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# Introduction

## About the Report

### Scope

This report is Yunus Textile Mills Limited's (YTML) first published annual sustainability report, contains information about the Company's operations, key highlights, sustainability initiatives, and ESG performance in the reporting period of fiscal FY25 (July 1st, 2024, till June 30th, 2025). Some initiatives and key performance indicators from previous fiscal years have been included, along with some goals and targets that have been set and will be set.

This report is intended for a broad range of stakeholders, including, but not limited to, the Company's employees, customers, supply chain partners, and regulatory bodies. Sustainability Disclosures comply "*with reference*" to the Global Reporting Initiative (GRI).

### Report Boundary

The reporting entity is Yunus Textile Mills Limited (YTML) only, and none of our associated companies or subsidiaries are part of this report. There has been

no change in the organizational structure during the reporting years. The Company is reporting on the most critical material topics to its business, people, and the environment, identified during the materiality assessments in 2023 and revised in 2024.

### Data Limitations

We have reported qualitative and quantitative information to the best of our capabilities. The disclosed data is both measured and estimated. We have also ensured to the best of our knowledge and ability, that the margin of error for any data measurements does not inappropriately influence the conclusions or assessments of information for the intended audience of this report. All information is presented clearly and consistently to enable stakeholders to understand both positive and negative year-on-year trends, while maintaining a clear distinction between reported data and the organization's interpretation of that information.

### Disclaimer

This sustainability report includes information about various brands and projects, detailing their past or ongoing progress in the realm of sustainability. The content presented here is intended to reflect the efforts and initiatives undertaken by the mentioned entities up to the time of the report's publication. It is important to note that sustainability initiatives are dynamic, and progress may continue beyond the scope of this report.

The information provided is based on available data and resources up to the specified date of publication. Subsequent developments or changes in the brands' or projects' sustainability efforts may not be fully captured within this document. Readers are advised to consider this report as a snapshot of the sustainability journey undertaken by the mentioned brands and projects up to the specified date. For the most current and comprehensive updates on their sustainability endeavors, we recommend consulting the respective brands' official communications and channels. The inclusion of brands and projects in this report does not imply endorsement.

The report is intended for informational purposes only, and the authors and publishers are not liable for any decisions or actions taken based on the content of this report. Any intellectual property utilized in the report is the property of the respective parties and entities and mere inclusion thereof in the report does not imply the exercise of any ownership rights and/or proprietary interests therein. The same have been utilized on a good faith basis and in the event that any person is aggrieved by such inclusion the same may be brought to the notice of the author. This disclaimer serves to clarify the temporal scope and nature of the information contained within the sustainability report.



For questions and suggestion, please email at

[sustainability@yunustextile.com](mailto:sustainability@yunustextile.com)



# Message from the Chief Executive Officer

Hassan Tabba



Reflecting on our incredible growth journey since 1998, we have remain steadfast in preserving our corporate and ethical values, and entrepreneurial spirit on which the Company was founded in 1998. In parallel, we have strategically strengthened our governance frameworks and deepened our social impact initiatives, ensuring that our growth remains responsible, transparent, and community-centered.

We are witnessing an uncertain world with geopolitical and macroeconomic challenges; however, we also see many opportunities. As global priorities shift toward climate resilience, ethical supply chains, and inclusive growth, we are designing systems, partnerships, and solutions that focus on profitable and sustainable growth. At the same time, customers' expectations are changing fast and it is important that we adapt in line with this.

We expanded our renewable energy footprint, strengthened water circularity efforts, and deepened our digital transformation so that smarter, more efficient systems guide our operations. These steps are significant, but what matters even more is how they are redefining our culture. Sustainability is fully integrated into our strategic planning, investments, and leadership decisions.

As we move forward, my commitment is to steer YTML with responsibility and intention to honour our values while ensuring that our growth benefits everyone connected to the Company. Sustainability will continue to guide our progress as a lens through which we define long-term success.



# Statement from the Chief Operating Officer

Nisar Palla



YTML is embarking on its inaugural year of releasing its very first annual sustainability report. Rather than beginning with targets or challenges, we began by asking a simple question: What kind of Company do we want to be in the years ahead? This report is one way of answering that, not by describing ambitions, but by showing how our actions are beginning to reflect them.

Our sustainability journey did not start with documentation; it started with the decisions we made inside our operations. Long before this report was compiled, we had already begun reshaping how our business functions by reducing our environmental footprint and strengthening ties with surrounding communities. These shifts were gradual at first, but over time they became central to how we work.

The next stage was understanding what these choices meant for our future. We began looking closely at the pressures reshaping global industries: climate-related risks, the strain on natural resources, social disparities, and the rapid evolution of regulatory expectations. Rather than reacting to these forces, we chose to use them as signals, adjusting our systems and investments to stay ahead of the curve.

This led to tangible progress. We expanded our renewable energy portfolio to generate more than 25 MW of clean power, increased water circularity to recycle over 90% of processed water, and strengthened our digital infrastructure so performance could be monitored and improved in real time. These outcomes matter not only as environmental gains but as strategic advantages that make our business more efficient and future-ready.

One of the most meaningful aspects of this journey

has been the shift within our teams. Sustainability is no longer seen as an instruction handed down; it is being owned across departments, from design to production. The solutions we're implementing today exist because people throughout YTML are thinking differently about their work and the impact it creates.

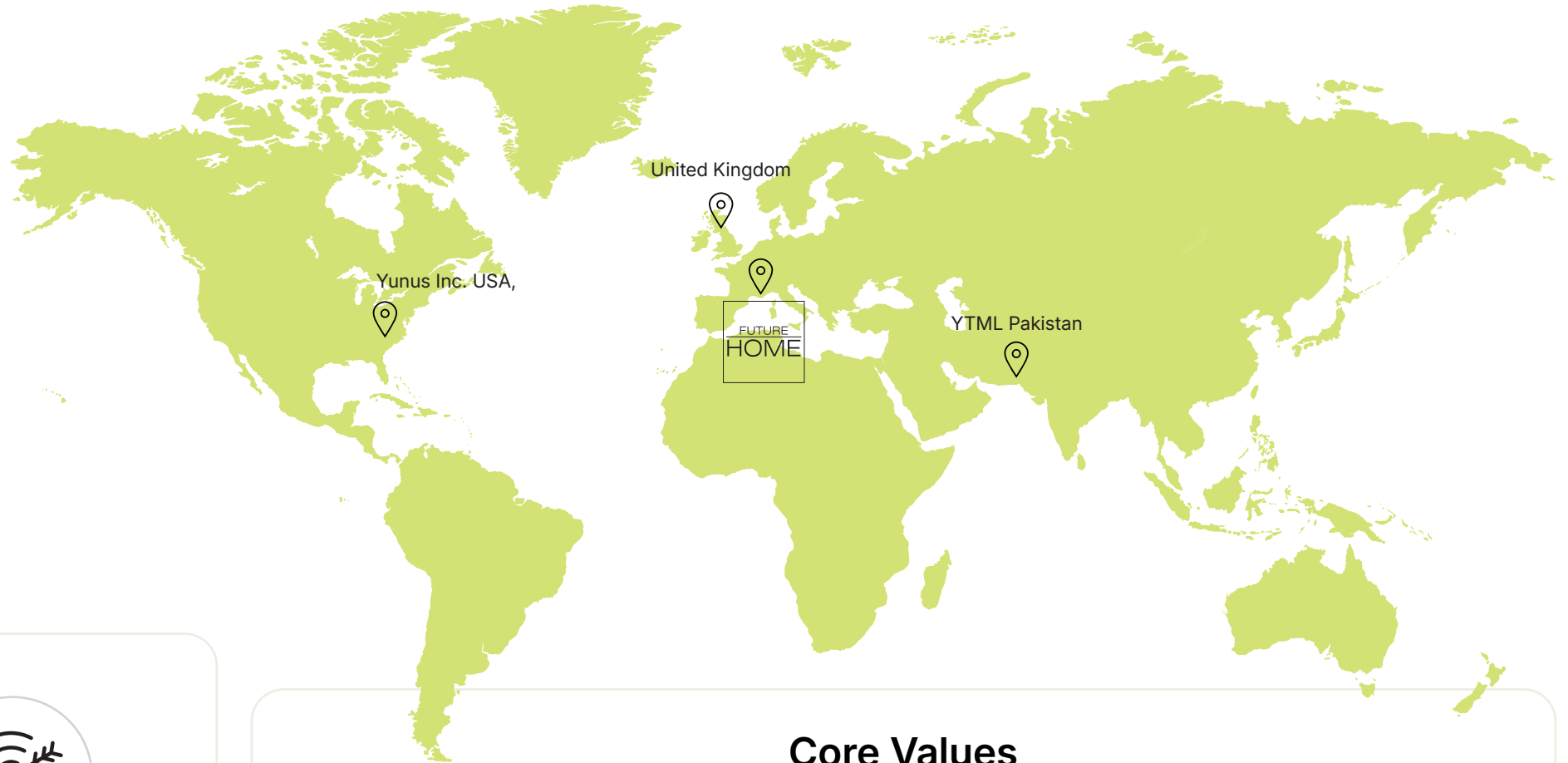
Even as the global environment remains unpredictable, YTML continues to demonstrate financial strength. This stability allows us to refine our customer offering and maintain steady performance. At the same time, we remain alert to geopolitical developments and are taking precautionary steps to shield our operations from potential disruptions.

As we look ahead, sustainability is not a separate chapter of our story — it is the framework guiding how we build the next one. Our aim is straightforward: ensure that our growth reflects responsibility, clarity of purpose, and the confidence to evolve as the world evolves around us.



# Introduction of Yunus Textile Mills Limited

Established in 1998, Yunus Textile Mills Limited (YTML) is a family-owned business, a public unlisted Company, and a subsidiary of Y.B. Holdings (Private) Limited, a leading business conglomerate in Pakistan with diversified businesses. YTML is vertically integrated and one of the largest home textile manufacturers, with headquarters and manufacturing operations in Pakistan and sales offices in Europe, the USA, and the UK.



## VISION

Textiles for a **BETTER** life



## MISSION

Sustainable Growth with Integrity, Innovation & Inclusiveness

## Core Values



### TRUST & RESPECT

Trust each other and achieve together



### CUSTOMER CENTRIC

Prioritize customer experience (internal & external)



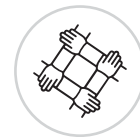
### COMPASSION

Be kind, smile and support each other



### ETHICS

Do it rightly



### TEAM WORK

Together we can discover our true potential



# Business Overview

## Product Categories

YTML offers a wide range of home and outdoor textile and apparel products to customers, offering the best combination of design, quality, and sustainability with competitive prices.



Comforter Set



Quilts/Duvets Set



Sheet Set



Throws



White Bedding



Window/Shower Curtains




Decorative Pillows/Cushions



Miscellaneous




## Capacities



**Spinning**

**3,500+**  
Tons/Month




**Automation**

Duvet covers, Fitted sheets, Flat sheets,  
Pillow cases and Cushions

**Weaving**

**11M**  
Meters/Month



**Cut and Sew**


Sheets, Duvets, Bed spreads, Curtains,  
Comforters, Cushions, Mattress pads and  
Kitchen articles

**11M**  
Meters/Month




**Processing**

**12M**  
Meters/Month



**Quilting and Embroidery**

<b>10</b>	<b>65</b>	<b>10</b>
Multineedle Machines	Quilting Machines	Embroidery Machines



## Key Customers





## FY25 Key Figures

**\$289** Million  
Net Sales

**19.2** MW  
Wind Turbines installed on-site

**33%**  
Renewable energy share

**39%**  
Reduction in Scope 1 from  
2021 baseline

**8%**  
Leadership positions held  
by women

**11%**  
Recycled material used  
in the manufacturing of products





## Key Achievements (FY24-FY25)

In 2024, YTML marked its 25th anniversary by proudly embracing a legacy built on quality, innovation, and the invaluable support of our incredible team.



Launched private brand Sunday Linens  
**SUNDAY.**



Gender Diversity and Women Empowerment Diamond Award by Employer Federation of Pakistan.



HR Metrics Global Benchmarking Awards for Diversity, Equity and Inclusion.



YTML won Target Business Partner Award for Agility.



Launched New showroom in the heart of New York City (FY24).

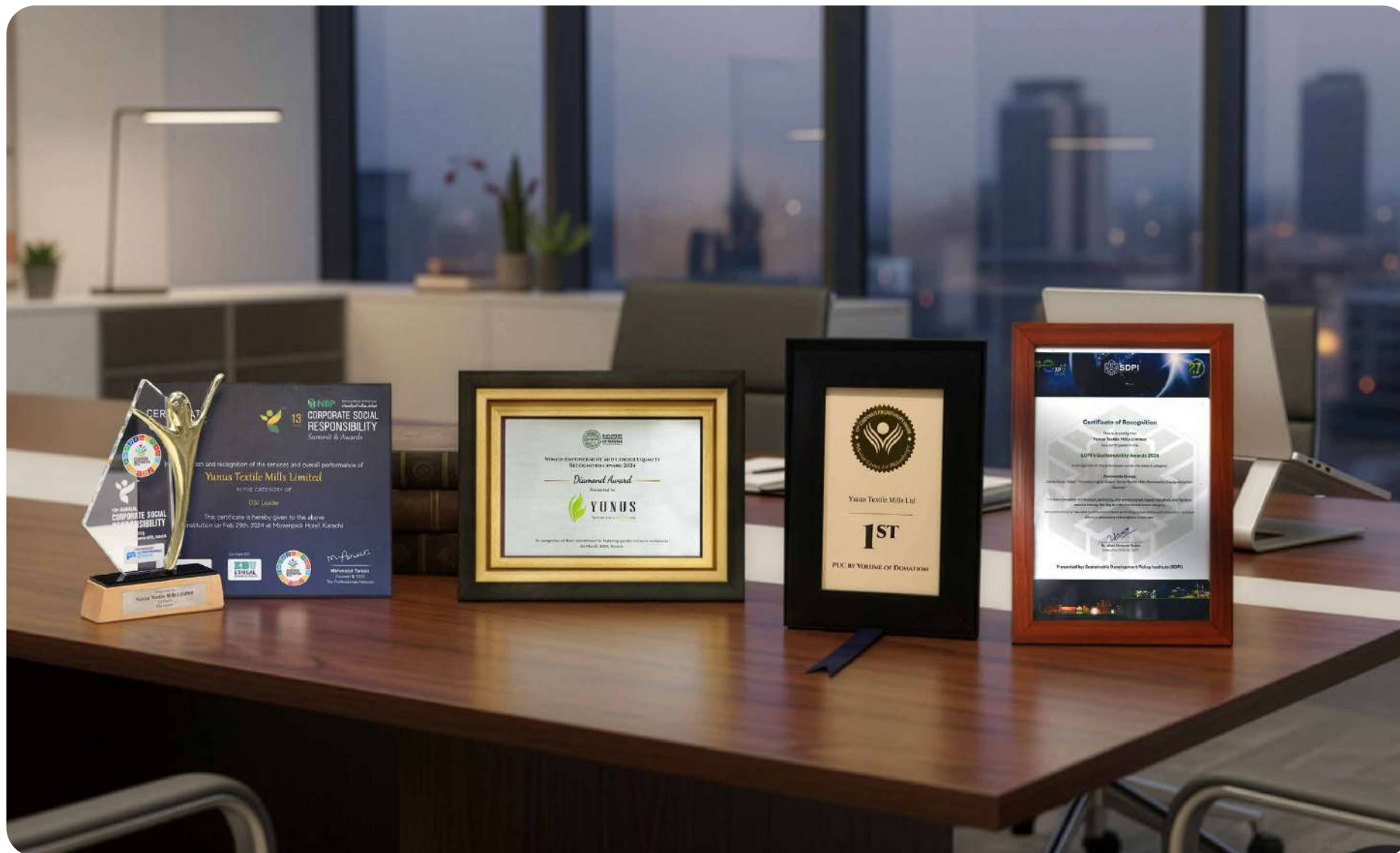


## Member Associations

This report discloses YTM's significant relationships with other entities, such as trade associations, advocacy groups, or policy forums, in which it holds membership or plays a strategic role.

- Karachi Chamber of Commerce & Industry
- All Pakistan Textile Processing Mills Association (APTMA)
- Pakistan Bedwear Exporters Association
- Pakistan Hosiery Manufacturers & Exporters Association (PHMEA)
- Pakistan Cloth Merchants Association
- Landhi Association of Trade & Industry
- Government of Pakistan RD & A Cell – Ministry of Textile Industry
- Pakistan Textile Council

This introduction sets the foundation for the chapters that follow, where we discuss our climate actions, water stewardship, chemical management, raw materials strategy, and people initiatives in detail, as these are material topics for us. Together, these sections reflect our approach to integrating sustainability across the value chain. We invite our stakeholders to explore our journey, understand our progress, and join us in shaping a more sustainable future.





# Governance

*Effective governance forms the backbone of YTML's sustainability journey. As the Company continues to grow in scale, complexity, and global reach, strong governance systems ensure that our decisions remain ethical, transparent, and aligned with long-term value creation. This chapter outlines how YTML embeds accountability at every level, beginning with the Board of Directors and extending across leadership, committees, and operational teams, to responsibly manage economic, environmental, and social impacts. Our governance framework reflects our commitment to building a resilient, future ready organization.*



# Role of Governance in Sustainable Business

YTML is a family-owned business, a public unlisted Company, and a subsidiary of Y.B. Holdings (Private) Limited. Governance at YTML takes inspiration from a rich history of ethical and diversified business spanning over six decades.

To ensure YTML adheres to best practices, it takes inspiration from the Code of Corporate Governance issued by Securities and Exchange Commission of Pakistan (SECP) for listed companies, board policies, the Company's code of conduct, and best practices.

We integrate responsibility for climate action throughout the Company to ensure accountability and transparency and drive effective action.

Governance, ethics, integrity, and transparency are at the core of everything done at YTML.

With a formal leadership structure, the presence of key roles — CEO, COO, and Board of Directors, illustrates Company's commitment to systematic and strategic decision-making. By entrusting operations to paid, non-family directors, YTML emphasizes objective oversight and accountability. The structure is intentionally designed to foster long-term sustainability, ensuring that the Company can grow and adapt over time. The diagram below summarizes our governance structure.

We integrate responsibility for climate action throughout the Company to ensure accountability and transparency, and drive effective action. Accountability starts at board level and runs throughout our operations.

*YTML takes guidance from the Securities and Exchange Commission of Pakistan's (SECP) Code of Corporate Governance for Listed Companies.*

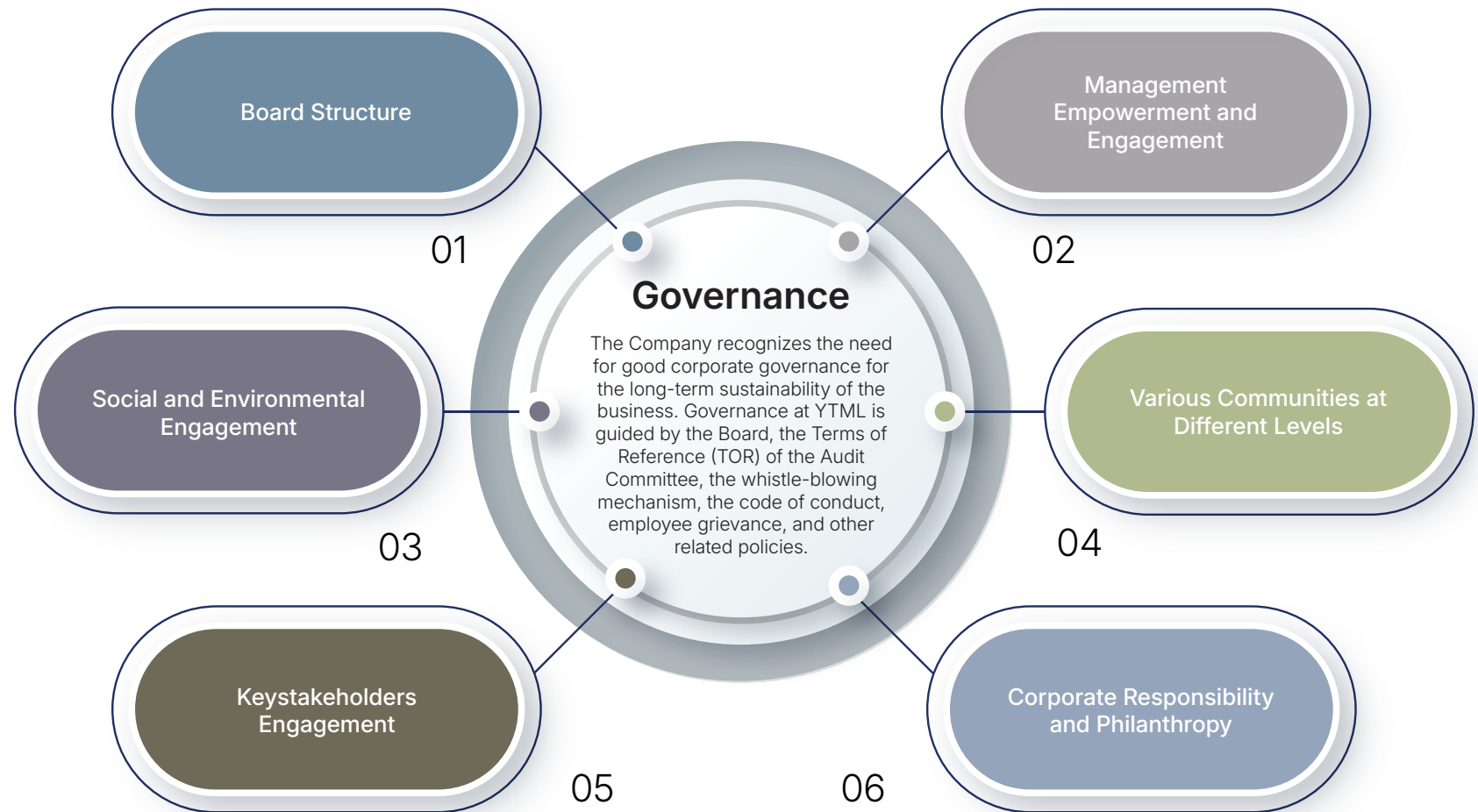


Figure 1: Governance overview



# Sustainability Governance Structure



## Board of Directors

The highest governing body within the Company is the Board of Directors (the Board). The Board is responsible for providing the overall direction to the Company. The nomination to the Board are made in accordance with the requirements of Companies Act, 2017, other applicable regulations, and the Board Nomination Policy. Elections for new Directors are held every three years. Remuneration is paid to the Directors to attend meetings in accordance with the Directors Remuneration Policy.

Composition of the Board reflects reasonable balance and diversity, possessing the requisite skills, core competencies, and industry knowledge to lead and steer the Company. The Board of Directors meet at least once every quarter and all critical concerns are discussed in the meetings. Major issues, if any pertaining to sustainability are also part of the Board's agenda. Apart from all major decisions, quarterly, half yearly, annual accounts and annual budget are discussed in the Board and approved by them.



## Board Composition

The Board of YTML comprises of Executive and Non-Executive Directors. Chairman and CEO positions are held by separate individuals, ensuring a clear division of leadership and oversight. The Board consists of eight Directors, comprising seven male and one female member.

	Male	Female
Diversity at Board Level %	87.5%	12.5%
Number of Board Members	7	1

Table 1: Gender Diversity at Board Level

## ESG Management at the Board Level

The Company maintains a structured approach to keeping the Board informed on sustainability matters. An annual ESG related information is presented to the Board by the Company's Secretary, and as and when required for review. This ensures ongoing oversight, informed decision-making, and alignment with the Company's strategic ESG priorities.

The General Manager ESG consolidates performance data and prepares quarterly ESG KPI reports for the Board of Directors. This structured governance framework enables transparent decision-making, timely risk escalation, and the assessment of the impact of our sustainable investments on sustainability performance.

## Collective Knowledge of the Highest Governance Body in ESG

In 2023, the Board of Directors received ESG training from PwC (PricewaterhouseCoopers) to increase their understanding of organizations' negative and positive impacts, material topics, and sustainability-related challenges and opportunities.



## Policy Commitments

All Board level policies are discussed amongst the Board members and approved in the Board meeting.

### Conflict of Interest Policy

01

- All Directors have a duty to avoid actual, potential, or perceived conflicts of interest.
- Any Director with personal interest, relationship, or responsibility which conflicts with the interest of the Company or its shareholders shall excuse himself or herself from any discussions on the matter that would give rise to the conflict of interest.

### CSR and Philanthropy Policy

02

- Collaboration with NGOs, community groups, educational institutions, healthcare providers, and sports organizations shall be made to amplify the impact of our CSR initiatives.
- Process to select and donate will be transparent. Any Director having vested interest in donee shall be disclosed.

### Director's Remuneration Policy

03

- The principles for determining Director's remuneration are to ensure independence, fairness, and appropriateness. It is based on factors such as responsibility, expertise, market practices and value addition.

### Nomination Policy

04

- The board shall identify potential Director candidates based on relevant expertise, skills and experience, including proven track record of leadership, integrity, and ethical conduct.
- Consent in writing to act as Director shall be obtained from the incoming Director and required statutory formalities shall be complied.

### Related Party Transaction

05

- The details of all related party transactions shall be placed before the Board for review and approval or ratification.
- The related party transactions which are not executed at arm's length shall also be placed separately with the Board along with necessary justification for consideration and approval of the Board.



### **Conflict of Interest**

Every Director and employee are expected to consistently prioritize the Company's best interests. This mandates that all business decisions be made without being influenced by any conflicting concerns. Moreover, actions should be unbiased in appearance.

As per the Conflict-of-Interest Policy of the Company, each employee must steer clear of any direct or indirect business, financial, or other associations that clash with the Company's interests or divide their loyalty to it.

### **Key Stakeholders' Management**

The Company manages and engages with key stakeholders through various channels. The Company website is one such channel. The website provides the necessary information pertaining to the Company. A quarterly newsletter is published for internal circulation to keep all employees abreast of actual and planned developments in the Company. The Company engages with its customers through regular visits and participation in trade exhibitions.

### **Whistle Blowing**

The Company encourages fair dealings in all its business relationships. To ensure transparency, the Company has a whistleblower program through which the employees, business partners, and vendors are encouraged to report any wrongdoing or fraud on a secured platform, where the identity of the reporting person is kept confidential. The complaints received are analyzed and investigated, and appropriate action is taken in accordance with Company's policy.

### **Anti-Corruption and Anti-Competitive Behavior**

The organization is committed to fair competition and maintains zero tolerance for anti-competitive behavior and corruption, in line with ethical business practices and internal policy, strengthened through internal awareness initiatives.

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With the above information, we conclude the Governance chapter of the Yunus Textile Mills Limited's sustainability or ESG report.





# Environment



*Communities and ecosystems in Pakistan are experiencing the effects of climate change firsthand. The most significant impact on the climate occurs in our upstream value chain. At YTML, our ambition is to contribute to limiting global warming to 1.5°C in line with the Paris Agreement within our operations and supply chain. We aim to achieve this by first decarbonizing our operations, optimizing production, and improving resource efficiency.*

Yunus Textile Mills has always been at the forefront of implementing climate-innovative technologies to reduce our negative environmental impact on the people and the planet. From being the first textile Company in Pakistan to install a wastewater recycling plant 15 years ago to currently installing the largest on-site renewable energy (wind, solar, biomass), YTML has always been a leader in the industry when it comes to Sustainability.



This chapter outlines the progress we have made in FY25 toward reducing our environmental footprint, strengthening resource efficiency, and accelerating the transition to low-carbon, climate-responsible manufacturing. It brings together our efforts on energy transformation, water stewardship, chemical management, waste reduction, and sustainable material sourcing—highlighting how we are aligning with global best practices while safeguarding communities and ecosystems for the future.

## Climate Impact FY25

**56,708** MWh

of renewable energy generated on-site from solar panels and wind turbines

**120,573** tCO<sub>2</sub>e

Greenhouse gas emissions avoided in FY25 through renewable energy inputs and waste heat recovery boilers

**85,039** tCO<sub>2</sub>e

Greenhouse gas emissions reduced in Scope 1 from a 2021 baseline

**1,153** megaliters

of freshwater saved in FY25

**Zero**

Manufacturing waste to landfill achieved

**52%**

Sustainable, certified raw material used in FY25



## Sustainability Strategy

YTML's sustainability strategy is anchored in responsible manufacturing, with a focus on environmental stewardship, safe and inclusive workplaces, and ethical business practices. The Company integrates sustainability across its operations and value chain to manage risks, create long-term value, and meet evolving stakeholder expectations. Through continuous improvement, innovation, and transparency, YTML advances resilient growth while contributing positively to people, communities, and the environment.

## Climate Strategy

YTML is working to build a more resilient and responsible value chain by aligning our operations with the Paris Agreement's 1.5°C pathway. Our strategy focuses on reducing emissions across our footprint, improving resource efficiency, and strengthening practices that minimize the negative impact on people and the environment.

## Climate Targets

We have set Science-Based Targets of Greenhouse Gas (GHG) emissions across all three scopes, validated in November 2024 by Science Based Target initiative (SBTi). Details of the targets are as follows:

- **Near-Term Target:** Reduce absolute Scope 1 and 2 emissions by 56.4% and Scope 3 emissions by 32.5% from a 2021 baseline.
- **NET-Zero Target:** Reduce absolute Scope 1, 2, and 3 GHG emissions by 90% by 2050 from a 2021 base year and reach net-zero by 2050.

## Our Approach Towards Decarbonization

YTML has invested in renewable energy since 2022, well before our SBTi targets were approved. Our climate transition plan outlines what we have achieved so far and what we plan to accomplish in the coming years. The following are the focus areas in the climate transition plan:

- **Phasing Out On-Site Coal** completely by 2024
- **Expanding Renewable Energy** installations and use across our operations
- **Strengthening Energy Efficiency** through continuous optimization of processes

Our long-term net-zero strategy is currently under review. The following sections detail how we are progressing toward these targets and where our future efforts are directed.



## Climate Pledges and Reporting



The CEO Water Mandate



# Energy

Energy is at the center of YTML’s climate transition strategy. As a large-scale textile manufacturer, our operations depend heavily on electricity and steam generation, making energy management one of the most material components of our environmental footprint. Over the past several years, we have focused on shifting from fossil fuels to cleaner, more efficient energy systems—expanding renewables, optimizing consumption, and phasing out coal entirely. These efforts not only reduce our greenhouse gas emissions but also strengthen long-term resilience, cost stability, and compliance with global sustainability expectations. This section outlines how we generate, source, and manage energy across our operations, and the progress we have made in FY25.

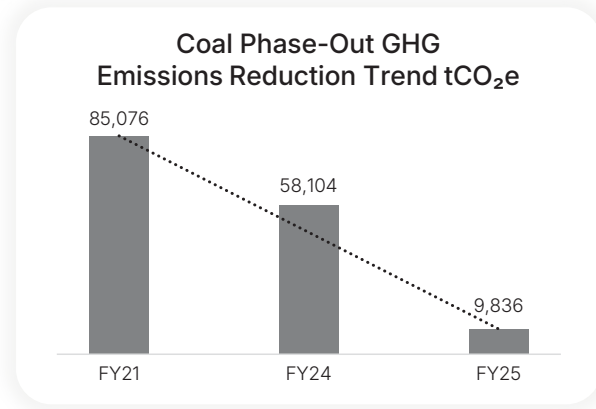
## Energy Sources

We generate most of our electricity on-site through a mix of natural gas, furnace oil, solar, and wind energy. Steam is produced using biomass, natural gas, and waste heat recovery systems. In addition to our own generation, we also purchase electricity from the national grid and from off-grid private suppliers. Natural gas is used directly in several processing machines. YTML does not sell electricity to any external party, nor do we consume electricity outside our own operations.

## Phasing Out On-Site Coal

In 2022, Yunus Textile Mills relied heavily on coal for

steam generation, with nearly 70% of steam produced from coal-fired boilers. In 2024, the Company made a landmark decision to completely phase out coal across all operations. This transition was achieved by converting all coal-fired boilers to biomass-fired units with a total installed capacity of 75 TPH and establishing a dedicated biomass supply chain sourced from agricultural areas around Sindh. The entire investment was self-financed by YTML. This shift away from coal has led to a significant reduction in our carbon emissions.



**75,240** tCO<sub>2</sub>e  
Emission reduction from coal phase-out from FY21 baseline year



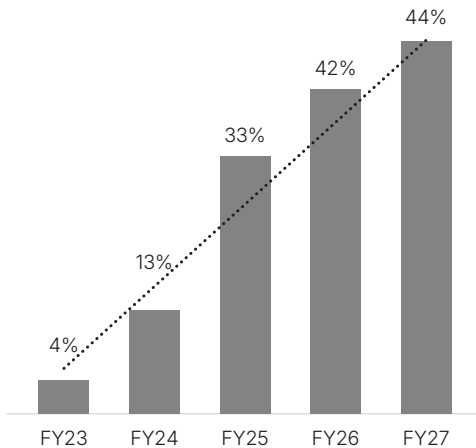
**59%**  
Steam is generated through biomass boilers



## On-Site Renewable Electricity in Owned Operations

YTMML is leading by example, using its size and renewable energy investments to create a positive impact. We are creating an environment for a long-term sustainable business that meets growing customer interest and the Company's way forward to reduce climate change impact by taking tangible actions to meet the current existential crises that business faces.

Onsite renewable energy transition

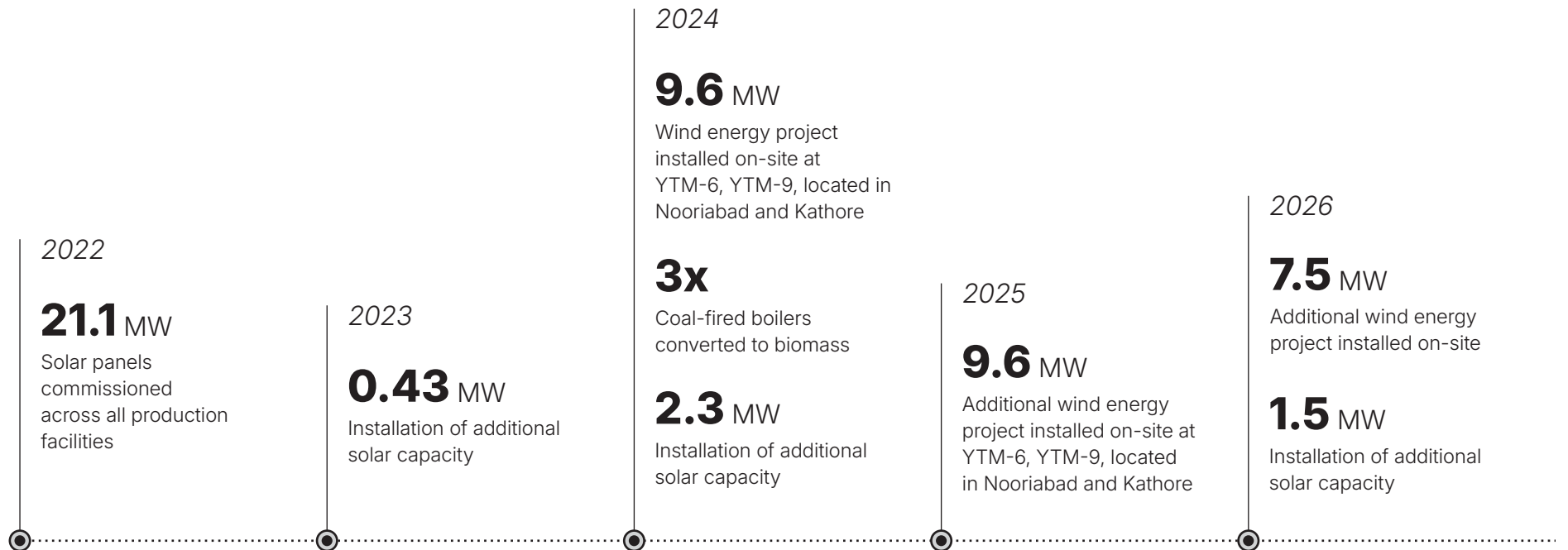


## Climate Advocacy

As we explore more viable sustainable energy solutions, we are challenged by limited renewable energy options that can phase out fossil fuel, lack of green transition policies and higher cost of implementing green solutions. We engage with local and international policy makers and influential policy think tanks, such as the Sustainable Development Policy Institute (SDPI), to advocate for legislation that will improve the availability and accessibility of renewable energy. We also participated in the UN Framework Convention on Climate Change Fashion Charter (UNFCCC).

## Green Investment

*Sustainability investments are a key strategic focus for us to ensure future resilience and success of our business. Our climate strategy helps us invest where it matters the most, balancing energy independence with financial viability. In the last three years, we invested \$50M in renewable energy and energy efficiency through self-financing. It also involves unlocking new revenue streams to create new business opportunities and maintain our competitive advantage.*





## Energy Consumed (GJ)

GJ	FY21	FY22	FY23	FY24	FY25
Non-renewable sources	3,205,222	3,568,263	3,255,755	3,079,969	3,109,875
Renewable sources	0	2,489	59,832	114,485	204,149
Purchase electricity	32,836	77,428	182,885	255,455	194,968

Table 1: Energy Consumed (GJ)

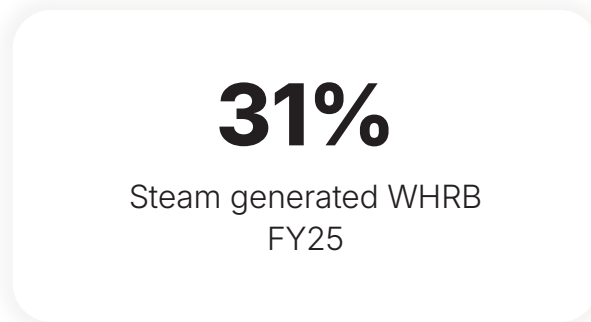
## Energy Efficiency

Over time, we have installed energy-efficient engines, utilized waste heat recovery and running the boiler on it. Unlike the more common compression chillers, absorption chillers use heat rather than mechanical energy for cooling. This central system has proven to be more energy-efficient, with approximately 35% lower annual electricity consumption compared to split systems.

Other energy efficiency projects include:

## Waste Heat Recovery Boilers (WHRB)

We use waste heat recovery boilers to prevent high-temperature flue gases from being released into the air. There are seven waste heat recovery boilers installed at two locations, powered by exhaust gases from the generators. The collective capacity of all these WHRBs is 22 TPH.





Other energy efficiency projects are listed below;

Initiatives	Impact	Emission reduction annually
Replacement of old compressors with the latest energy-efficient compressors	Reduced power consumption by <b>4%</b> kWh/kg of yarn annually	<b>2,000</b> tCO <sub>2</sub> e
Air Jet weaving machines' energy adjustments	Reduced <b>3%</b> kWh per loom	<b>1,379</b> tCO <sub>2</sub> e
LEDs in production areas		<b>1,101</b> tCO <sub>2</sub> e
Waste heat hot water chillers	Reduced <b>0.7</b> million cubic meters of natural gas annually	
Variable Frequency Drivers (VFDs)	Reduced natural gas consumption by <b>0.16</b> million cubic meters annually	<b>315.7</b> tCO <sub>2</sub> e
Heat exchanger installed with Genset to recover heat and produce hot water for the hot water chiller, processing hot water, and boiler feedwater heating	Saved <b>11,044</b> kW of energy	<b>2,635</b> tCO <sub>2</sub> e reduced

Table 2: Energy savings from energy-efficiency actions





# Greenhouse Gas Emissions (GHG)

We recognize that the business activities related to the design, production and transportation of materials and products in our operations and value chain contribute to climate change through the release of GHG emissions. The largest impact of our emissions occurs in our operations and upstream activities, enabling us to make necessary systematic changes to reduce our negative impact.

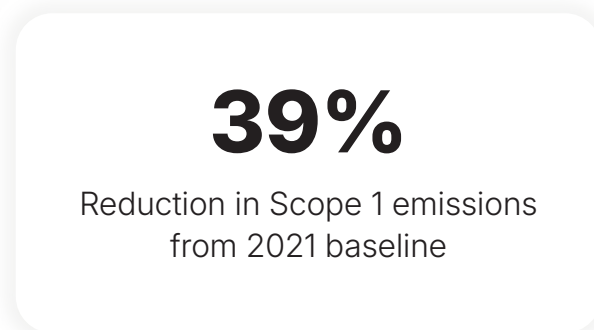
## Methodology

We followed the GHG Protocol Corporate Accounting and Reporting Standard using an operational control approach. Our GHG inventory includes emissions from our own operations (scope 1 and 2), as well as our wider value chain (scope 3).

## Progress on Emissions

In FY25, YTML's carbon footprint is 162,913 tCO<sub>2</sub>e for Scope 1 and 2, in absolute terms, which is 25% lower than LY and 39% lower than the baseline year of FY21. This reduction in emissions is achieved primarily by phasing out coal, and natural gas consumption remains steady even after capacity expansions, due to significant investments in solar, wind, and biomass. Scope 2 emissions were increased due to increased demand of purchased electricity. We aim to increase wind energy on the factories where purchase electricity share is highest to reduce our scope 2 emissions. Reduction in scope 3 was achieved by increasing in-house weaving and spinning capacity and reducing purchased fabrics

and yarn. The table below shows our emissions across our operations from our baseline year, FY21, to FY25.



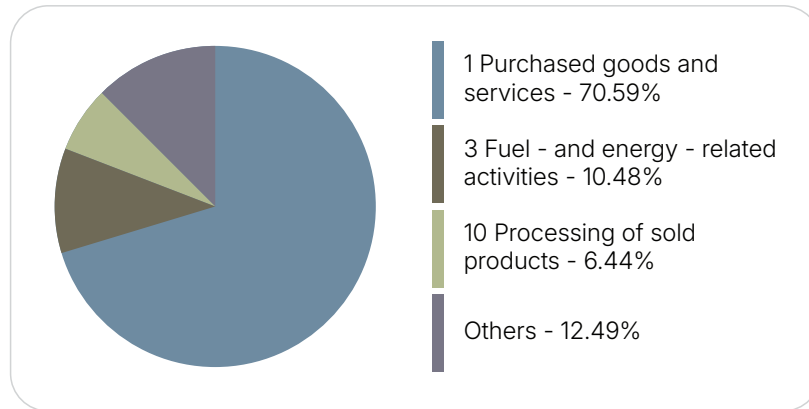
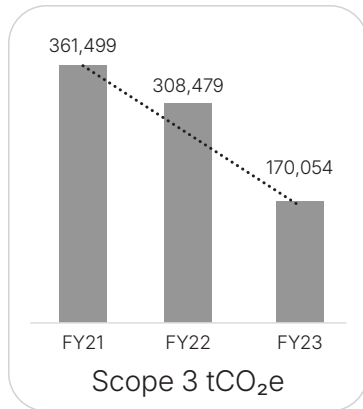
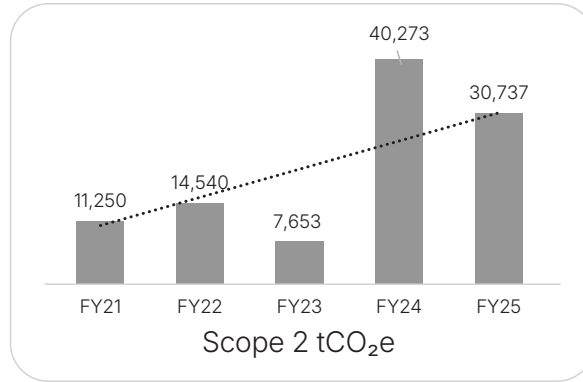
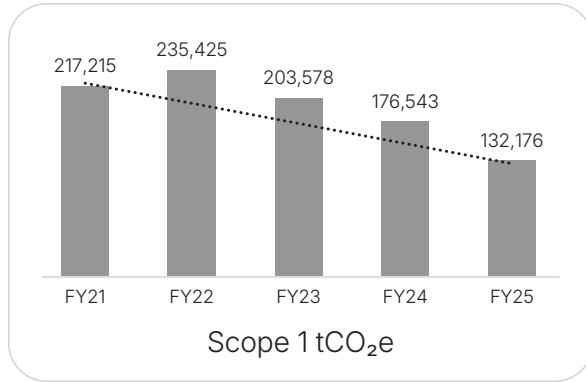
Source	FY21 (tCO <sub>2</sub> e) Baseline Year	FY 22 (tCO <sub>2</sub> e)	FY 23 (tCO <sub>2</sub> e)	FY 24 (tCO <sub>2</sub> e)	FY25 (tCO <sub>2</sub> e)	% of Change from baseline 2021 to FY25 in Scope 1,2,3*
Scope 1	217,215	235,425	203,578	176,543	132,176	-39%
Scope 2	11,250	14,540	7,653	40,273	30,737	173%
Scope 3	361,499	308,479	170,054			-53%

**Table 3:** CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O gases are included in the calculation of CO<sub>2</sub>e. The fuel and refrigerant specific emission factors used in the calculations are obtained from the GHG Protocol, whereas grid emission factors are from IGES and DEFRA. Biogenic emissions are not included in the above calculation. \*Scope 3 was only measured till FY23.





### Total GHG Emission (tonnes of CO<sub>2</sub>e)



Scope 3 breakdown by category in baseline year FY21.

### GHG Emissions Avoided (tCO<sub>2</sub>e)

Due to the installation of solar and wind energy, natural gas utilization was consistent and didn't increase with the enhancement of production capacities.

Utility	Emissions Avoided (tCO <sub>2</sub> e)
Steam	<b>92,670</b>
Electricity	<b>27,903</b>
<b>Total</b>	<b>120,573</b>

Table 4: GHG Emissions Avoided





# Water

YTML has always been ambitious to reduce absolute freshwater consumption and use water as efficiently as possible, ensuring water resilience to support neighborhood communities. Water is a key resource to our business operations, used in large quantities in our textile manufacturing processes, including dyeing and weaving.

We have taken the following water-risk assessment approach:

- Mapped water use across all operations in YTML factories.
- Used **WWF Water Risk Filter** to conduct basin-level analysis of water stress in our region.
- Assessed our dependency on municipal wastewater treatment capacity, and the cost involved.
- Analyzed the above risks in the context of production cost and business continuity.

Our approach to reducing water risk is to reduce freshwater consumption in our operations by recycling wastewater, recovering, and reusing hot water from our operations, and using the latest water-conservation technologies.

## Water Management

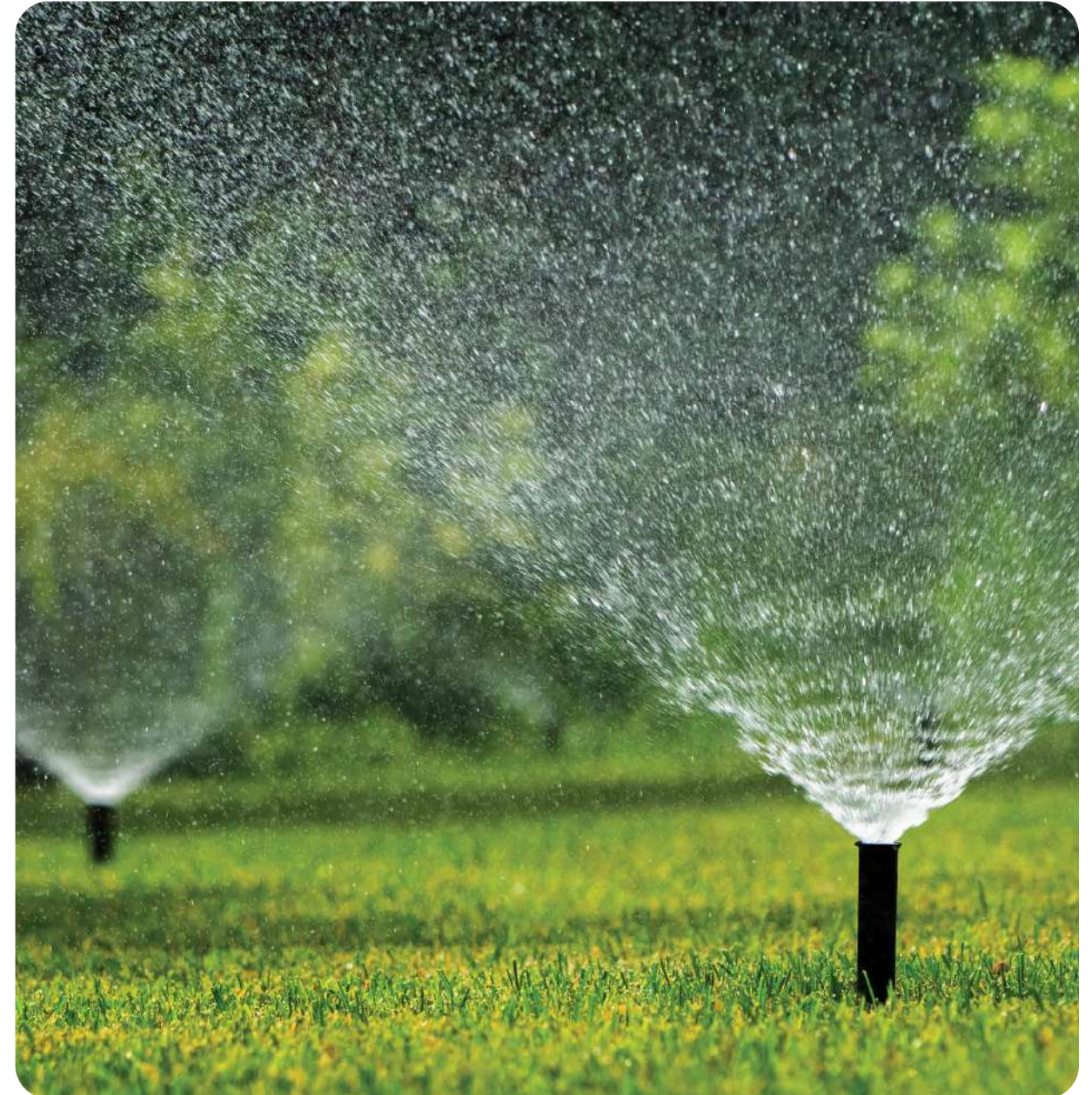
YTML sources freshwater through the designated government-authorized supply agency, the Karachi Water and Sewerage Corporation (KW&SC), ensuring compliance with local regulatory frameworks and

water governance standards. YTML does not directly extract water from any groundwater sources; instead, it relies on surface water obtained from a regulated municipal supply. Municipal water supply is primarily sourced from the Indus River system, which is already classified as a water-stressed basin by international organizations such as the World Resources Institute (WRI), WWF, and the UN FAO due to high demand, reduced freshwater availability, and competing agricultural and domestic needs.

Incoming and outgoing water is monitored through flow meters installed at each factory and within operations for monitoring water consumption, and recycling.

## Water Goals

We have plan to set Science-Based Water Targets for water in 2027.





## Wastewater Treatment and Recycling Plant

In 2005, YTML became the first textile Company in Pakistan to install a wastewater recycling plant.

### Investment

In 2025, we scaled up our wastewater recycling efforts by installing two effluent treatment plants at weaving locations with water-jet looms. These effluent treatment plants use dissolved air flotation (DAF) technology and recycle 81 million gallons of wastewater annually. Wastewater recycling and reusing this water in our operations are the most significant water-positive impact areas for us. All of our products are processed using fresh and recycled water.

We continuously explore and invest in water-efficient processes and machinery to reduce freshwater consumption in our operations.

### Sludge Management

Sludge generated from effluent treatment plants is handed over to a Sindh Environmental Protection Agency (SEPA) approved supplier for incineration in SEPA-certified incineration facilities.

**Water Impact**

**1,153** megaliters

of freshwater saved in FY25

## Water Withdrawal, Consumption, Discharge (ML)

### Water Withdrawal in megaliters

Freshwater	FY21	FY22	FY23	FY24	FY25
Surface Water (≤1,000 mg/L Total Dissolved Solids)	2,193	2,414	2,403	2,665	2,249
Ground Water (>1,000 mg/L Total Dissolved Solids)	23	49	116	156	151
<b>Total</b>	<b>2,216</b>	<b>2,463</b>	<b>2,519</b>	<b>2,821</b>	<b>2,400</b>

### Water Consumption in megaliters

Water Consumption	1,744	1,979	1,982	2,128	1,789
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### Water Discharge in megaliters

Water Discharge	472	484	537	693	611
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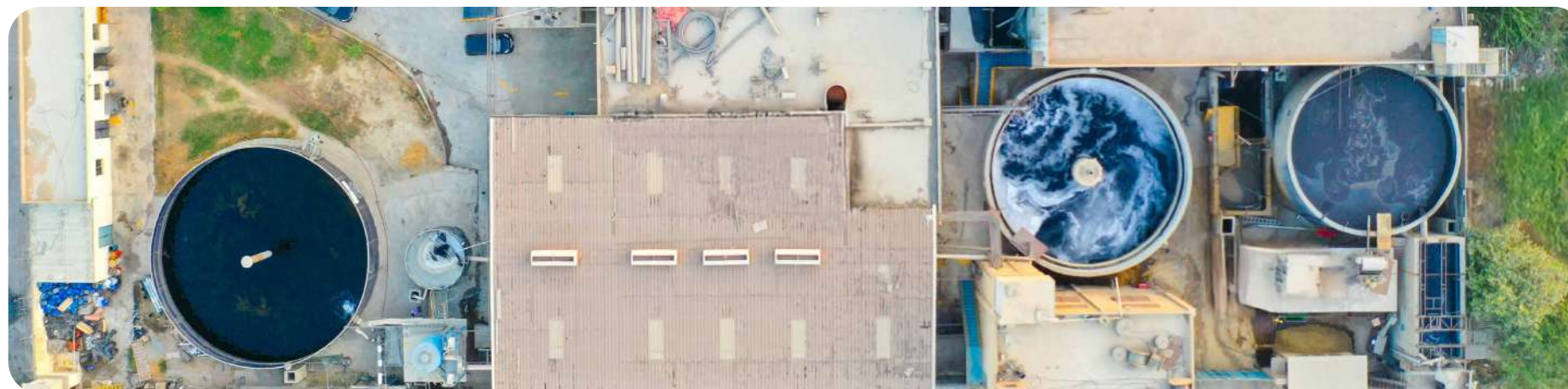
### Water Saved through Wastewater recycling in megaliters

Recycled Water	880	904	663	699	1,153
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**Table 5:** The water withdrawal and consumed is measured through flow meters and monthly water bills received from regulated municipal water supply agency. These figures are from our complete operations.

### Compliance and Testing

The wastewater is tested twice a year through Zero Discharge of Hazardous Chemicals (ZDHC) ClearStream criteria. The ZDHC ClearStream report served as tangible proof of good wastewater management. The report is shared with all our customers through a globally managed online Wastewater module. Customers use this report to monitor our performance on wastewater management.





## Discussion with Key Stakeholders

Customers monitor water consumption through yearly reporting and third-party audits. For new supplier onboarding, our teams engage directly with suppliers to assess their water management practices and promote awareness of responsible water stewardship.

## Digital Product Development and Water Stewardship

YTML has strengthened its design and development process through CLO 3D digital product development, enabling designers to visualize fabrics, textures, drape, and product fit in a virtual environment. This transition reduces reliance on physical sampling and supports our broader resource-efficiency and water-stewardship targets.



## Advocacy and Industry Actions

*We support the UN Global Compact's CEO Water Mandate to strengthen cross-country partnerships across the world's top 100 water-stressed basins, including Pakistan's Indus River.*

*In 2024, we participated in the 4th Pakistan Water Week, themed "**Building a Climate-Resilient Future,**" to advocate for water conservation. The event was organized by the International Water Management Institute.*



## Chemical

Chemicals are used throughout fabric and home-textile manufacturing, and strong chemical management is essential to ensure safe use, safe disposal, and the long-term reuse of textile materials.

### Chemical Management

We continuously improve chemical management in our operations to address environmental and human health hazards. We have reduced exposure of harmful chemicals from our processes that pose adverse risks to our workers' health and environment by complying with ZDHC (Zero Discharge of Hazardous Chemicals) Manufacturing Restricted Substances (MRSL) MRSL. We use ZDHC-certified chemicals and submit monthly chemical usage details on ZDHC Gateway and Bhive online portal.



## Goal

We aim for 100% compliance with ZDHC (Zero Discharge of Hazardous Chemicals) Manufacturing Restricted Substances List

## Process Innovation

We are using boiler cogeneration smoke as the neutralization agent instead of Sulfuric acid at the Effluent treatment plant. This Carbonic Acid breaks the alkalinity and reduces the pH of the effluent from **12 to 8.5**.

## Impact

Reduced Sulfuric acid consumption from **756 tons/year** to **126 tons/year**.



**Key Achievements:**

- ZDHC Supplier to Zero – Level 2 Certification:**  
 This certification demonstrates that YTML has an advanced, continuously improving chemical-management system and is progressing toward the goal of zero discharge of hazardous chemicals.
- Compliance with OEKO-TEX® Standard 100:**  
 Every component of YTML’s textiles—including fabrics, threads, dyes, prints, labels, and accessories—is tested against globally recognized limits for harmful substances, supporting customer confidence and market access in regulated regions.
- Made in GREEN Label:** We place the OEKO-TEX® MADE IN GREEN label on product packaging based on customer request, as proof that the product is tested for harmful substances and produced in environmentally responsible, socially safe facilities. Customers can scan a QR code to access details of production facilities, their locations, and the stages of production involved.

Our chemical management system ensures strict monitoring and control of chemical use across the supply chain, including spill prevention, leakage control, and safe disposal of chemical waste. Each year, our practices undergo verification through the **STeP by OEKO-TEX® audit**, reinforcing our commitment to responsible chemical stewardship.

ZDHC Chemical Compliance Status	GOAL	Progress
% Chemicals used that were assured to meet ZDHC requirements via the ZDHC Gateway	100%	94%

**Table 6:** ZDHC Chemical Compliance Status of FY25

**Chemical Saving**

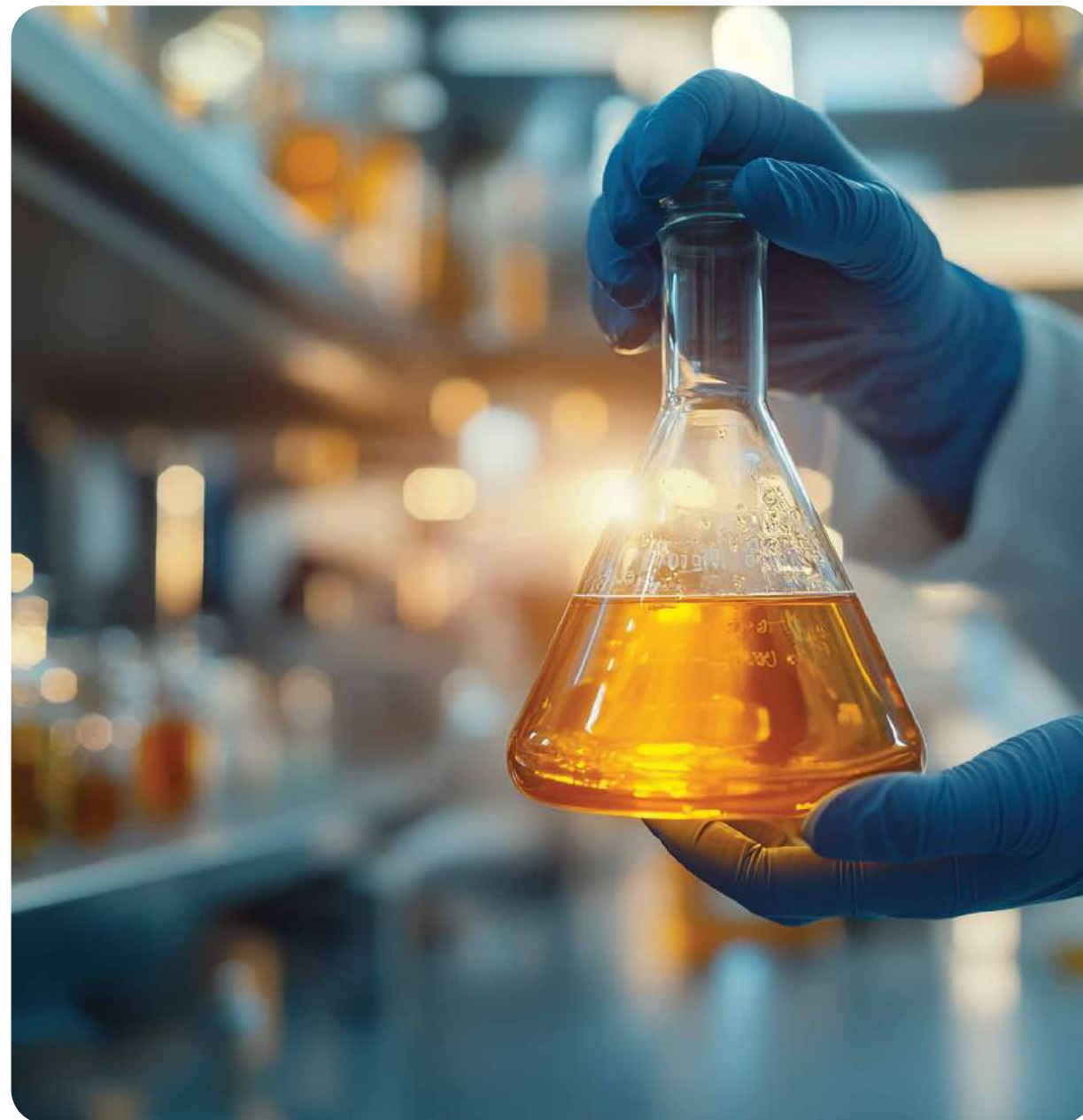
Caustic recovery plant is installed at YTML, where we are recovering caustic used in the mercerization. This helps us reduce our environmental impact and lower our use of Sulfuric acid for caustic neutralization.

Year	FY23	FY24	FY25
Quantity (m3)	5,069	5,244	5,050

**Table 7:** Chemical Saving

**Industry Collaboration**

*Participated in the International Labour Organization’s (ILO) Enhancing Supply Chain Management (ESCM) project capacity building on sound chemical management, while understanding industry’s best practices.*





# Waste

Waste remains a significant challenge across the textile industry, driven by high material loss, complex production processes, and limited recycling infrastructure.

YTML's operations generate a diverse mix of hazardous and non-hazardous waste streams due to the nature of textile operations. If not responsibly managed, these wastes can contribute to soil contamination, pollution risks, and increased pressure on Karachi's already strained waste infrastructure. To mitigate these impacts, YTML prioritizes source reduction, improved segregation, responsible treatment, and enhanced recycling and recovery pathways.

Our approach focuses on minimizing waste, recovering resources, and ensuring responsible disposal across the value chain. We identify, quantify, and manage hazardous and non-hazardous waste streams through systematic monitoring and compliance with applicable environmental regulations. Through process optimization, material efficiency, and partnerships with certified waste handlers, we aim to reduce landfill disposal and increase operational circularity. Our waste management practices support our broader sustainability goals and help reduce environmental impact throughout the lifecycle of our products.

## Waste Stream Mapping

In 2023, we conducted a waste stream mapping exercise across all the departments. The following

activities were carried out:

- Identification of waste resources at process levels.
- Segregation of waste into hazardous and non-hazardous categories.
- Measurement of waste quantity of each process.

## Waste Target

We have currently aligned our waste goals with our customers' goals where we must reduce our waste from going into the landfill. In 2026, we will set baseline for waste reduction.

### Zero Manufacturing Waste to Landfill

*All the manufacturing waste generated from our operations is recycled in-house and with certified third-party waste recyclers that are GRS(Global Recycling Standard) certified.*

### Composting

*Food waste coming from the kitchen is sent into composting area located within our YTM 1 facility, to reuse food waste.*





## Waste Management

Centralized waste data management systems, along with structured processes for hazardous and non-hazardous waste collection and storage, are implemented across all factories. These practices are regularly audited by our customers to verify compliance and performance.

- Designated waste management zones are established within each factory for hazardous and non-hazardous waste.
- All waste data is monitored and evaluated at the factory level for accurate quantification.
- Monthly waste inventories are prepared to track generation and disposal.
- SEPA-approved waste collectors manage all waste disposal.
- All waste streams and sources are clearly identified and documented.





## Waste Disposal

Waste is disposed of, recycled, reused, or incinerated depending on its type. The diagram below explains the different methods of waste disposal in place at the YTML factories.



(tons)	FY21	FY22	FY23	FY24	FY25
Waste generated	6,131	6,033	4,849	6,897	8,096
Waste diverted from disposal	4,371	3,365	2,756	4,247	3,523
Waste direct to disposal	1,761	2,668	2,093	2,650	4,573

**Table 8:** Waste generated across the group, segregated by type of waste and type of disposal.

Waste Type (tons)	FY25
Hazardous Waste	4,975
Non-Hazardous Waste	3,121
Total	8,096

**Table 9:** Waste breakdown as per hazardous and non-hazardous type.





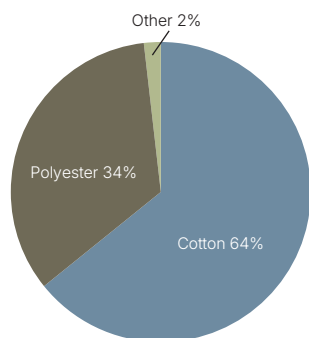
# Material

Choosing the right materials is key to reducing our negative impact on people and the planet and improving resilience. As a leading manufacturer and exporter of textile products, we understand the importance of upholding the highest standards of raw material sourcing set by our business stakeholders and external organizations such as the Textile Exchange.

## Material Breakdown

As a vertically integrated Company with in-house spinning and weaving, we source sustainable raw materials from our diverse and reliable suppliers. Raw materials account for a significant share of our product mix. We procure both natural and synthetic materials and process them with dyes and chemicals to produce home textiles.

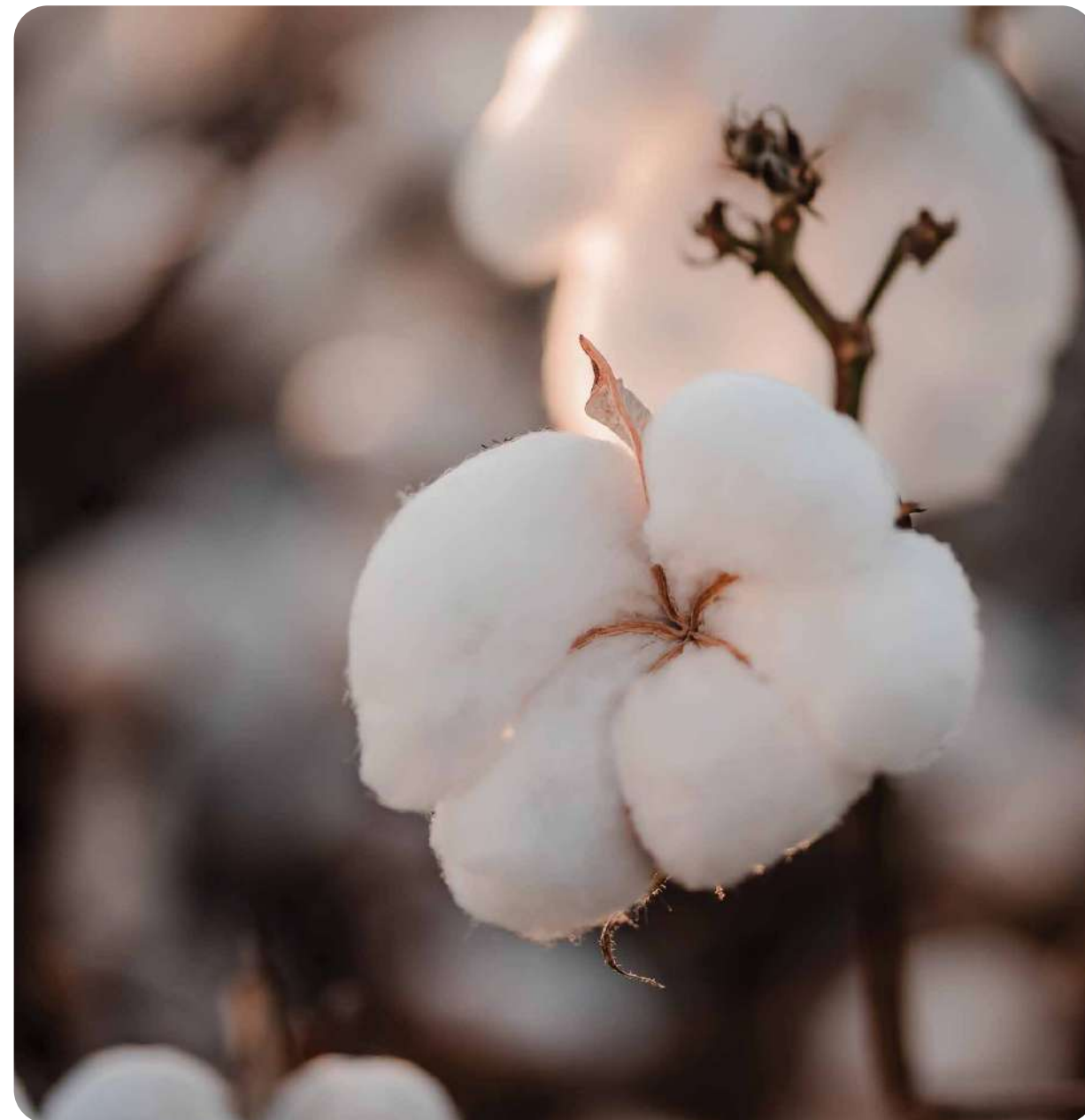
Material Breakdown (FY25)



**52%**  
Sustainable, certified raw material used in FY25

**11%**  
Recycled material used in FY25

We invest in innovative materials and processes, such as dyeing, printing, and finishing, as well as in recycling infrastructure. We continuously seek ways to reduce material use without compromising the quality and durability of our products. Our designers regularly review and improve our product designs and production processes to increase efficiency and reduce waste.





## Certified Materials

“We define certified materials as raw materials, verified by an independent third-party certification body as meeting defined environmental, social, or sustainability standards. Certification is supported by valid scope or transaction certificates, and confirms compliance with specified criteria, such as responsible sourcing, traceability, or environmental requirements within the supply chain.”

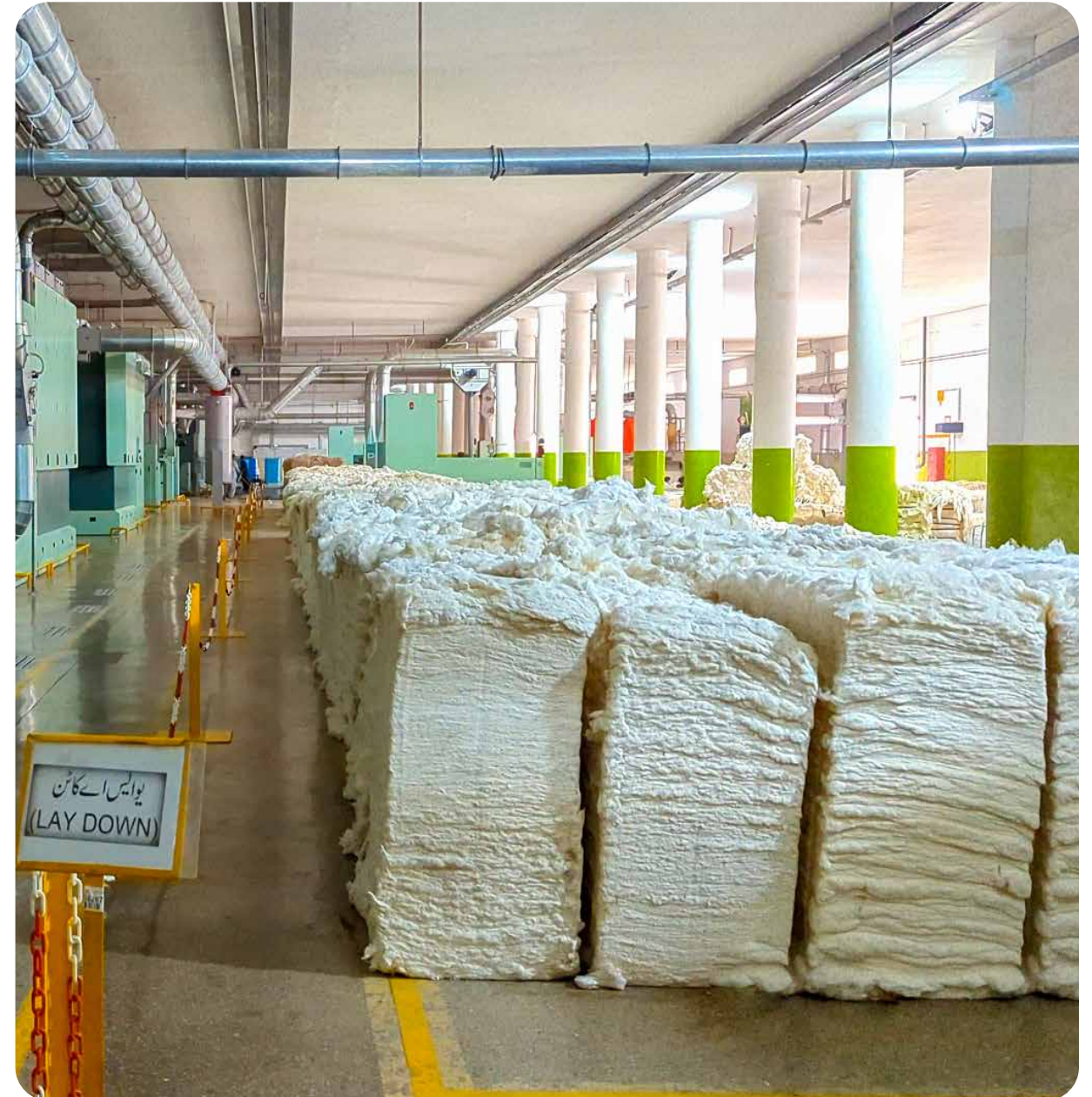
Sustainable materials are sourced through certified third parties and suppliers and evaluated through a rigorous supplier evaluation process. We comply with environmental and social sustainability standards,

including Oeko Tex Standard 100, BCI, GOTS, RCS, OCS and GRS, directly supporting SDG 12-Responsible production and consumption. In addition, we use FSC-certified materials in both the product and packaging, as per our customers’ preferences. We continuously work with our customers to increase the share of certified sustainable materials in our products.

In FY25, sustainable raw materials comprised 50% of our total raw material consumption. These consisted of sustainable, organic cotton, recycled polyester and sustainable Man-Made Cellulosic Fibers (MMCF).

Certification	Material	UoM	FY21	FY22	FY23	FY24	FY25
FSC®	Bamboo	%	0	0	0	0	0
	Tencel	%	0	0	0	0	0.45
	Viscose	%	0	0	0.08	0.84	0.38
BCI™	BCI Cotton	%	13.52	28.99	14.77	24.01	11.43
CICLO®	Biodegradable Polyester	%	0	0	0	2.1	1.95
CMIA	Cotton Made in Africa	%	3.47	0.07	4.37	0	1.12
USCTP®	Cotton from the USA	%	25.32	27.32	38.49	15.36	24.03
Fair Trade Cotton®	Cotton	%	0	0	0.26	0	0
GOTS	Organic Cotton	%	1.81	1.47	0	0.57	2.73
	Recycled Polyester	%	1.27	1.63	4.84	3.43	2.79
	Recycled Filament Yarn	%	0	0	0	8.78	6.74

Table 10: Certified Raw Materials





## Circularity

At Yunus Textile Mills, we have designed our processes in a way that we reuse manufacturing waste and post-industrial waste, within our own operations.

**0%**

Achieved Zero Manufacturing Waste to Landfill

## Sustainable Procurement

Through continuous development and a firm commitment to sustainability, Yunus Textile Mills's value chain reflects our journey towards an even more responsible, inclusive business model that meets today's conscious customers' expectations.

Our procurement function ensures the timely sourcing of quality materials while supporting the Company's cost-optimization goals. In alignment with the UN Sustainable Procurement Program, we embed ethical, social, and environmental considerations into all purchasing decisions. YTML leverages Inspectorio as a core digital platform to strengthen transparency, accountability, and risk management across its supply chain.

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As this chapter concludes, the story of YTML's climate journey remains far from finished. Every investment detailed here, every kilowatt of clean energy, every gallon of water recycled, every kilogram of waste diverted, represents not just progress but a promise to future generations. The challenges ahead are complex, but our direction is clear: a future where textile manufacturing strengthens ecosystems instead of straining them, where innovation replaces extraction, and where climate responsibility becomes a defining benchmark for the industry. With each passing year, our commitment grows deeper, our actions more deliberate, and our impact more measurable. The chapters that follow build on this foundation, showing how YTML is not only adapting to a changing world but actively shaping a more sustainable one.





# Social Sustainability



*Our people are central to our success. At Yunus Textile Mills, we create shared value by investing in learning, well-being, and safe, supportive workplaces. These investments enable our employees to grow, perform, and thrive at every stage of their journey with us. By empowering our people, we support sustainable growth and inclusion across our organization.*

This chapter highlights YTML's efforts in strengthening employee well-being, occupational health and safety, and embedding diversity and inclusion across our operations and communities. It outlines the progress made in FY25 toward fostering a culture that prioritizes safety, supports professional development, and nurtures an inclusive and engaging workplace.



# Human Capital Management (HCM)

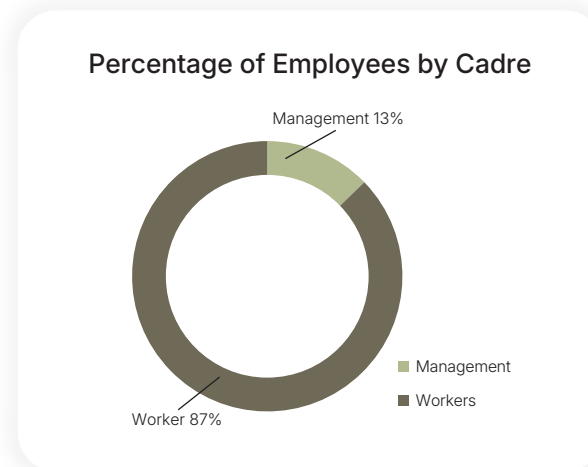
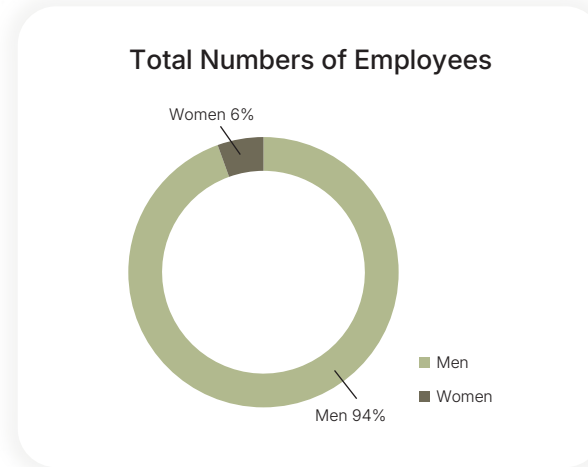
At YTML, our people strategy is designed to directly support business performance, operational excellence, and long-term growth. Human Capital Management is therefore positioned not as a support function, but as a strategic partner in shaping capability, culture, and competitiveness across the organization.

Our integrated Human Capital Management (HCM) system works with key stakeholders and provides specialized advice, develop policies and systems, adapts to new technologies, and anticipates shifting demands for skills, which leads to establishing more efficient ways of working to achieve business and people-related goals. We do this by:

- Attracting, developing, and retaining high-performing and high-potential talent.
- Facilitating an open and diverse environment that encourages people to perform to their fullest potential, thereby optimizing personal and organizational growth.
- Delivering consistent, high quality, and competitive HCM services to internal customers.

Gender	Total No. of Employees
Men	<b>11,082</b>
Women	<b>646</b>

Table 1: Number of Employees as of FY25



Age	Total No. of Employees
Under 30 years	<b>4,255</b>
30-50 years	<b>6,720</b>
Over 50 years	<b>753</b>

Table 2: Number of Employees by Age





## New Employee Hire and Turnover

Yunus Textile Mills is proud to be an equal opportunity employer, building a workforce where talent thrives irrespective of background. Our

inclusive culture values diverse perspectives and ensures fair access to opportunities for all.

	New Hire		Turn Over	
	Male	Female	Male	Female
<b>Total</b>	<b>3,228</b>		<b>3,461</b>	
Gender	<b>2,903</b>	<b>325</b>	<b>3,164</b>	<b>297</b>
Under 30 years	<b>1,570</b>	<b>107</b>	<b>1,568</b>	<b>101</b>
30-50 years	<b>1,260</b>	<b>211</b>	<b>1,502</b>	<b>187</b>
Over 50 years	<b>73</b>	<b>7</b>	<b>94</b>	<b>9</b>
Ratio	<b>89.93%</b>	<b>10.07%</b>	<b>91.42%</b>	<b>8.58%</b>

Table 3: New Hire FY25

## Employee Benefits

The benefits package is designed to support employees holistically, promoting financial security, personal well-being, and a sustainable work-life balance. The benefits offered include:

- Life insurance
- Healthcare
- Disability coverage
- Parental leaves
  - o Maternity leave
  - o Paternity leave
- Free transport for female employees
- Fortified meals
- Dread diseases coverage
- Hajj sponsorships
- Marriage gifts
- Free essential healthcare screening
- Flexible working hours

Number of Employees	FY24	FY25
Maternal Leaves	<b>14</b>	<b>10</b>
Paternal Leaves	<b>64</b>	<b>58</b>

Table 4: Employees who availed paternal and maternity leaves

## Family Friendly Workplace

Beyond leave, our parental support framework includes flexible work arrangements, such as remote work options and flexible hours, to help parents balance their professional and personal responsibilities. We also provide access to childcare services, parenting resources, and support networks to assist our employees in navigating the complexities of parenthood.

### Paternity Leaves

*Our Paternity leave system surpasses industry standards. At YTML, we recognize that parenting is a shared responsibility. By offering substantial paid paternity leave, we enable fathers and partners to actively support early child rearing and the postpartum recovery process. This commitment fosters gender equality both at home and in the workplace.*



## Training and Education Program

Training and education are integral to our people strategy. We adopt a continuous learning approach, where training needs are identified through performance reviews, role-based competencies, and business priorities. Our programs are focused on both technical upskilling and behavioral development, enabling employees to grow in alignment with evolving organizational goals and help build a more agile, future-ready workforce.

An integrated digital platform supports this approach by making training accessible across the organization. It hosts the annual training and development calendar, allows employees to register for upcoming sessions, and provides easy access to learning materials. It offers a wide range of technical and soft-skills resources, empowering employees to take ownership of their growth and engage in learning anytime, anywhere.

<b>Average hours of training per year</b> Per employee	<b>23.78 hours</b>
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Table 5: Hours of training per employee

### Programs for Upgrading Employee Skills

At YTML, we have implemented a structured Training and Education Program to enhance leadership capability, soft skills, technical expertise, and employee engagement.

Soft Skills Training Sessions. These sessions focus on:

- Communication skills
- Stress and time management

- Conflict management
- The art of leadership

Under Technical Skills Development, specialized programs have been rolled out including:

- Artificial intelligence for leadership
- Advanced MS Excel skills
- People management modules
- Grievance handling
- Goal management
- Performance management awareness
- Security training to prevent human rights violations and ensure continuous surveillance

Awareness Sessions were conducted on organizational policies and practices to reinforce compliance and clarity. These programs included:

- Car policy
- Goal setting
- Performance management frameworks





In addition to technical training, special programs are designed for non-management cadre employees to increase their learning and awareness of new technologies and practices. These programs include:

- Digital literacy program
- Stress management
- Financial management
- Health and hygiene

The following training programs were conducted in FY24:

Program Cluster	Combined Programs	Target Group	Focus Area (GRI 404)	Key Benefits
<b>Training Capacity and Knowledge Transfer</b>	Train the Trainer	Internal trainers and supervisors	Skills enhancement and internal capability building	Strengthened in-house training delivery, improved learning effectiveness, and enabled consistent knowledge transfer
<b>Teamwork and Organizational Alignment</b>	One Team One Goal	All employees	Career development and collaboration	Improved teamwork, trust, communication, and alignment with organizational objectives
<b>Employee Well-being and Self-Development</b>	Art of Self Expression; Balance Your Life; Discover Your Inner Peace	All employees	Well-being, personal development and transition support	Reduced stress, enhanced mental well-being, creativity, resilience, and work-life balance
<b>Communication, Presentation and Interpersonal Skills</b>	From Stage Fright to Stage Delight; Present to Persuade; Effective Communication Skills (Batches 1-4)	Officers, executives and managers	Professional communication and influence	Strengthened verbal and non-verbal communication, presentation confidence, persuasion, and workplace collaboration
<b>Problem Solving and Workplace Relations</b>	Problem Solving and Workplace Relations	Officers and supervisors	Decision-making and conflict resolution	Enhanced analytical thinking, innovation, constructive conflict management, and team effectiveness
<b>Leadership and Management Development</b>	Leadership and Management Development	Managers and supervisors	Leadership capability and career progression	Improved people management, decision-making, empathy, and leadership effectiveness
<b>Upskilling and Transition Support for Non-Management Staff</b>	Upskilling and Transition Support for Non-Management Staff	Non-management employees	Skills development and transition assistance	Enabled upskilling and reskilling, improved workplace standards, hygiene awareness, motivation, and personal development

Table 6: FY24 Trainings



## Annual Performance Review

Our performance management process is designed to build a high-performance culture, fostering a growth mindset, and unlocking individual potential. Our performance management practices help meet corporate priorities, reward employees for performance, model our values-based leadership behaviors, and create transparency in our employee expectations.

Employees set annual performance goals that align with Company priorities and individual and team objectives. Formal mid-year and year-end performance conversations provide opportunities for employees and people leaders to evaluate performance, discuss development, and cultivate a culture of continuous feedback.

In FY25, 82% of employees received an annual performance review, managed through the YHCM digital platform.

## Preventing Discrimination

YTML’s Code of Conduct requires that all employment decisions be based on objective and non-discriminatory criteria. Employees can report violations confidentially through multiple channels, including the Talk to HCM platform, Grievance Reporting Portal, and a dedicated helpline. The whistleblower policy ensures anonymity and safeguards against retaliation through established checks and controls. In the reporting year, no cases of discrimination were reported. Beyond the anti-discrimination framework, child labour and all forms of forced or coercive labour are strictly prohibited.

## Employee Well-Being Programs

YTML promotes employee well-being through structured health, safety, welfare programs, and medical insurance. These initiatives are designed to support physical health, mental well-being, and work-life balance across the workforce.

Initiative	Focus Area	Key Actions	Impact / Alignment
<b>Fortified Meals Program</b>	Food Security and Employee Welfare	Distribution of fortified ration bags to <b>95% of eligible employees</b> under a defined remuneration cap	Supports <b>SDG 1 (No Poverty)</b> and <b>SDG 2 (Zero Hunger)</b>
<b>World Hand Hygiene Day</b>	Health Awareness	Hand hygiene awareness session in collaboration with <b>Tabba Heart Institute</b>	Aligns with <b>SDG 3 (Good Health and Well-Being)</b>
<b>Tabba Heart Partnership</b>	Employee Health and Well-Being	Discounted access to <b>lab investigations, diagnostics, pharmacy, and OPD services</b> for employees	Strengthens Employee Value Proposition; supports <b>SDG 3</b> and <b>ESG</b> health priorities
<b>Welfare Medical Coverage</b>	Healthcare Access	<b>40% welfare medical coverage</b> for employees’ dependents	Enhances healthcare access and family well-being
<b>Marriage Gift Program</b>	Social Support	<b>PKR 10+ million</b> spent (2023–2024) on marriage gifts and sponsorships	Benefited <b>300+ employees and dependents</b>

Table 7: FY25 Employee Well-Being Programs



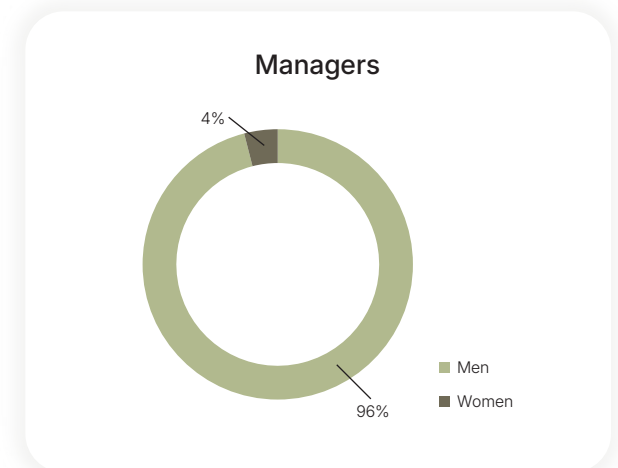
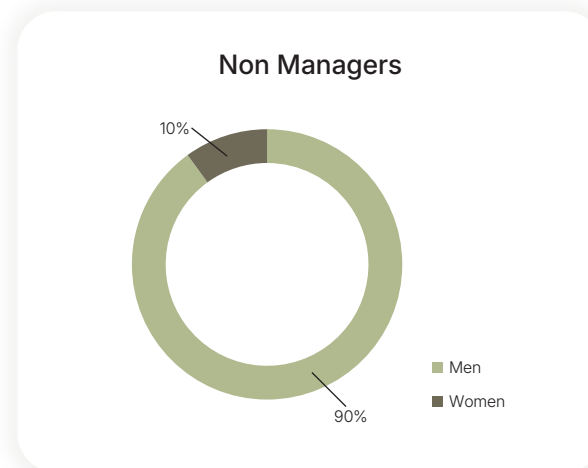
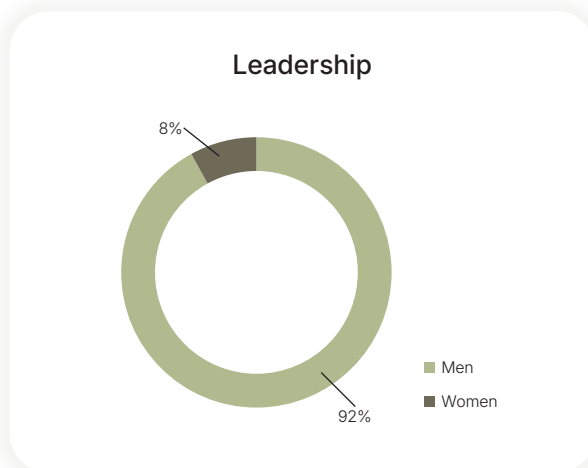
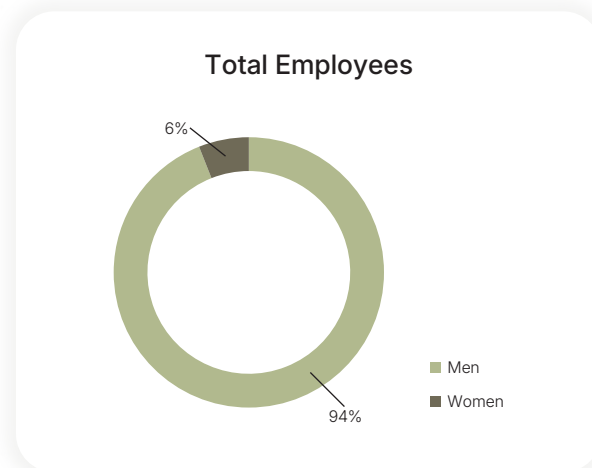
# Diversity, Equity and Inclusion (DEI)

YTML places strong emphasis on diversity, equity, and inclusion as core elements of its corporate culture and mission. The Company actively fosters an inclusive workplace where people from diverse backgrounds feel respected, valued, and welcomed, and inclusion is embedded in leadership goals and organizational values.

## Policy Commitment

To ensure equal opportunities and possibilities, YTML has implemented DEI policy (Policy #8) and differently abled employee retention policy (Policy #20) to ensure equity and inclusivity to people in need. This is further ensured by unbiased performance evaluations and zero tolerance for discrimination and harassment.

Gender Diversity at managerial and non-managerial levels.





## 2030 DEI Goals

2030  
**20%**  
Diversity Target

2030  
**5%**  
Inclusion Target

The Human Capital Management Department leads the integration of Diversity, Equity, and Inclusion (DEI) across our core operations. In FY23, we developed a set of DEI goals for 2030, outlining a clear, long-term roadmap toward a workplace where every individual feels safe, valued, and recognized. These goals reflect our sustained commitment to building an inclusive culture that enables all employees to thrive.

The DEI Strategic plan for FY23-30 lays down five goals in the below focus areas;

Goals	Title	Description
1	<b>Demonstrate leadership commitment and accountability</b>	Demonstrate leadership commitment and accountability through company policy, messaging, and behavior that advances diversity and inclusion goals and objectives.
2	<b>Foster a connected culture</b>	Cultivate a supportive, welcoming, inclusive, and fair work environment that allows employees to feel connected to the company's mission and contribute to their full potential.
3	<b>Build a diverse talent pipeline</b>	Pursue a comprehensive strategy to build and maintain a high-performing workforce drawn from all segments of the society.
4	<b>Leverage diversity and inclusion for mission effectiveness</b>	Use YTML resources and services in a manner that reflects diversity of investors and businesses.
5	<b>Promote business diversity with YTML stakeholders</b>	Advance diversity and inclusion in the YTML supplier base and with entities regulated by the Company.

**Table 8:** DEI Strategic Plan for FY 23-30



## Women Empowerment Programs

### Khudmukhtar - Empowered Program

The Khudmukhtar – Empowered Program focuses on advancing gender diversity and inclusion of persons with disabilities by building capacity among blue-collar workers. The initiative supports skill development, structured training, and job placement, enabling participants to achieve economic independence and long-term employability.

### Brilliant Minds

Brilliant Minds is an internal women mentorship program where the women in leadership guide young women to excel in their respective fields, along with work-life balance. In FY2025, this program was expanded to the Yunus Brothers Group companies so that other women could also benefit from it. A session with women development need is organized every quarter.

The Brilliant Minds Mentorship Program helped us achieve a sense of affiliation among female employees towards YTML.

**5**  
Sessions Conducted

### Women Leadership summit

This summit promised to be an inspiring and empowering experience for all attendees, perfectly aligning with our commitment to fostering leadership and growth within our organization. As champions for diversity, inclusion, and women's empowerment, this summit served as a valuable platform for our team to connect with fellow professionals, gain insights from industry leaders, and develop the skills necessary to excel in leadership roles. Collaboration with partner companies has made this initiative more impactful by bringing diversion and shared learning.

### Empowerment through Partnership

We partnered with RLCC to help their women artisans to showcase their talents with multiple kinds of handicrafts by providing them space at YTML.

**100**  
Females Participated



**Women's Well-Being Programs**

*Breast cancer awareness sessions are organized for early detection, equipping our female workforce with essential knowledge about the symptoms and risks associated with breast cancer.*

**Gender-Based Violence Program (GBV)** and policy were implemented to provide safety for women at work.





### Champions of Change | Gender Diversity

Male Champions of Change is a coalition formed in October 2018, and the Pakistan Group now comprises 24 members who oversee a workforce of approximately 35,000 individuals across the country. It comprises representatives from industries such as hospitality, telecommunications, information technology, textile, financial advisory, microfinance, logistics, and media. The group members work collaboratively, within and across their organizations, to prioritize and advance gender equality, diversity, and women’s empowerment, extending their impact beyond their own companies to society at large.

The Champions of Change Coalition is a globally recognized and forward-looking platform that promotes gender equality by engaging leaders as active agents of change. It aims to create inclusive workplaces and accelerate the advancement of women into leadership roles, fostering cultures where equity, respect, and opportunity are embedded at every level. YTML was proud to host the Male Champions of Change training, in partnership with EY Ford Rhodes. The event was a remarkable experience bringing in over **20** member organizations of MCC creating a dynamic and insightful environment. The engagement and dedication of the participants were truly inspiring, as they engaged deeply with the discussions and explored both programmatic and policy-level interventions to advance diversity and foster more inclusive workplaces across Pakistan.

### RISE Digital

This year-long program was designed for digital capacity building of non-management employees, with both male and female participants, but with a special focus on females. Participants were trained to use digital apps and completed a baseline survey assessing their prior knowledge to support their empowerment. In this program, 8 modules were created, including hygiene and digital financial management, with 10 peer champions training 90 peer educators, who in turn delivered digital training sessions to others.



### Global Frameworks and Initiatives

To align ourselves with global measures and goals, YTML designs programs under the guidance of Women’s Empowerment Principles (WEPs).

By joining the WEPs community, the CEO signals a declaration to this agenda at the highest levels of commitment and to work collaboratively in multistakeholder networks to foster business practices that empower women. These include equal pay for work of equal value, gender-responsive supply chain practices, and zero tolerance against sexual harassment in the workplace.

YTML has not yet measured the ratio of basic salary and remuneration of women to men but plans to do so in the near future.

### SIGNATORY 2023



In support of

### WOMEN’S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

*Yunus Textile Mills Limited is proud to be a signatory of the United Nations Global Compact on Women Empowerment Principles Platform, standing alongside **124** esteemed companies from Pakistan.*



## Inclusion Programs

At YTML, we view inclusion as a strategic imperative that aligns with our commitment to the United Nations Sustainable Development Goals (SDGs) and our customers' Diversity, Equity, and Inclusion (DEI) objectives. Our inclusion initiatives create shared value and are designed to cultivate an environment where we provide equitable jobs to people with disabilities. Through our inclusion initiatives, we enhance employee well-being and satisfaction while simultaneously strengthening our brand reputation, attracting top talent, and contributing positively to the communities.

### YTML Champions (Shana Bashana)

YTML proudly launched YTML Champions, **the textile industry's first leadership program tailored for People with Disabilities**. This initiative empowers individuals with disabilities through leadership development, enhancing both their professional growth and our organization's diversity.

To ensure an inclusive and supportive environment, sensitization trainings were conducted for employees and leadership. Sessions under YTML Champion programs focused on the following areas:

- Sensitization training for employees and leadership
- Disability awareness
- Workplace accessibility
- Inclusive communication

These sessions equipped teams with the knowledge and mindset to support people with disabilities in the

workplace and make them successful in their job roles.



Required	Total Hired	Retained	Retention Rate (Transitioned)
FY2024	13	10	76%
FY2025	13	9	69%

**Table 9:** Retention Rate

Following days are celebrated to promote and create awareness about inclusion:

- International Day of Sign Languages
- International Day of People with Disabilities
- Cultural Diversity Day
- Christmas





## Community Well-Being Program

At YTML, working with the community is a core part of our purpose and identity. We believe that meaningful progress happens when businesses actively engage with the people and environments around them. By collaborating with communities, we gain diverse perspectives, foster mutual growth, and drive real-world impact beyond the workplace.

### Parha Likha Pakistan (Educated Pakistan)

YTML launched the "Parha Likha Pakistan" initiative in 2023 as a community-based program centered on empowering YTML employees and their families through education. The program initially focused on creating awareness around the importance of quality education and facilitating admissions for employees' children into TCF-supported schools, specifically those sponsored by YTML. Since 2023, this support has evolved into an annual admissions campaign, ensuring sustained access to affordable, high-quality education for the children of our workforce.

A second key initiative under Parha Likha Pakistan is the Books Donation Drive, where YTML has actively engaged its employees in collecting and donating books to support the academic needs of students at Al Mustafa Orphanage. This initiative not only promotes a culture of social giving but also strengthens our community engagement efforts by connecting employees to impactful, values-driven causes.

Additionally, YTML has joined hands with the Aziz Tabba Foundation (ATF) to offer scholarship programs for employees and their children, enabling financial support for continued education at both

school and higher education levels. This partnership reinforces our belief that education is a lifelong journey—and that empowering our workforce begins with investing in their personal and professional growth.

Under the Educated Pakistan scholarship program, twelve applications were received, and five applicants were awarded scholarships upon meeting scholarship eligibility criteria.

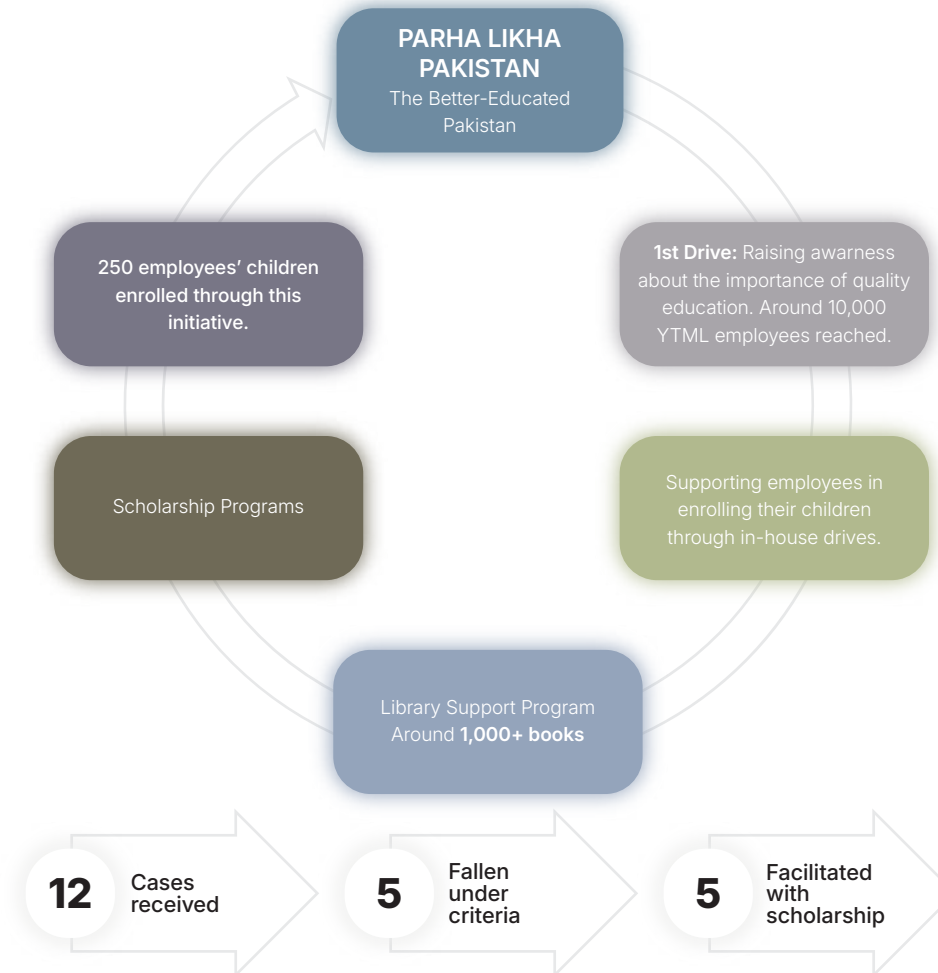


Figure 1: ATF Scholarship Program Numbers





Other community-related programs are described briefly in the table below along with the impact they have created on the community engagement, inclusion, and employee welfare.

Initiative	Focus Area	Key Actions	Impact / Alignment
<b>Down Syndrome Day</b>	Inclusion and Community Engagement	Tree plantation and art activities with the <b>Karachi Down Syndrome Project</b>	Promoted inclusion, social cohesion, and environmental stewardship
<b>World Hand Hygiene Day</b>	Health Awareness	Hand hygiene awareness session in collaboration with <b>Tabba Heart Institute</b>	Aligns with <b>SDG 3 (Good Health and Well-Being)</b>
<b>Blood Donation – Thalassemia</b>	Community Health	Blood drive with <b>Al-Mustafa Orphanage</b> , collecting <b>172 points</b> (202% increase vs. previous drive)	Potentially supported <b>516 lives</b> ; demonstrating strong community impact
<b>Hara Bhara Pakistan – The Greener Pakistan</b>	Environmental Sustainability	Plantation of <b>1,000 trees</b> across YTML and group locations in Karachi	Supports <b>SDG 13</b>

Table 10: Community Well-Being Programs





# Commitment to Human Rights and Ethical Labor Practices

YTML is committed to respecting and upholding internationally recognized human rights across its operations and business relationships. Our approach is guided by the principles of the International Bill of Human Rights, International Labour Organization (ILO) conventions, and applicable national laws. YTML integrates human rights considerations into its policies, management systems, and operational practices, with a focus on preventing adverse impacts, promoting fair and safe working conditions, and ensuring dignity, equality, and non-discrimination for all workers.

To prevent forced and child labor, investments are made in training, awareness programs, and systemic interventions that reinforce ethical labor practices. This commitment to corporate social responsibility and sustainable development is reflected in a structured and strategic approach to its elimination.

YTML's approach to eliminating child labor focuses on:

1. **Strengthening Governance** – Establishing robust compliance frameworks.
2. **Prevention Measures** – Safeguarding against labor rights violations.
3. **Monitoring and Risk Mitigation** – Ensuring accountability across our supply chain.

YTML maintains formal mechanisms to ensure timely, transparent, and lawful communication with workers regarding significant operational changes. These mechanisms are designed to uphold workers' rights, maintain business continuity, and minimize adverse impacts on employees.

Where operational changes may affect employment, working conditions, organizational structure, or workplace practices, YTML communicates such changes through defined internal channels, including formal circulars, departmental briefings, and management-led consultations. Minimum notice periods are provided in accordance with applicable Pakistani labor legislation, internal human resource policies, and any binding collective arrangements. No violations of the rights of indigenous peoples were reported.

## Freedom of Association and Collective Bargain

Yunus Textile Mills Ltd. (YTML) is committed to ensuring that employees can freely exercise their rights to freedom of association and collective bargaining. Strong employee representation fosters engagement, transparency, and trust while maintaining ethical labor practices and workplace stability.

Work councils serve as key platforms for open dialogue, enabling employees to voice concerns, contribute to policy decisions, and promote fair labor practices. A robust due diligence framework enforces compliance across operations and the supply chain through monitoring, audits, and stakeholder engagement.

This commitment ensures an inclusive, collaborative, and responsible work environment aligned with global labor standards.





## Occupational Health and Safety

We are deeply committed to meeting legal requirements and exceeding stakeholder expectations in Occupational Safety and Health (OSH). We have established core principles and comprehensive guidelines to ensure employee safety and promote occupational health.

### Occupational Health and Safety Management System

YTML has established and implemented a formal Occupational Safety and Health Management System (OSHMS) to prevent work-related injury and ill health and to provide safe and healthy workplaces. The system applies to all employees, contractors, visitors, and other persons accessing YTML facilities.

The OSH is aligned with International Labour Organization (ILO) conventions and Sindh Occupational Safety and Health Act, 2017, including international standards such as Sustainable Textile Production (STeP) and buyer specific Code of Conduct (CoCs) that are communicated and implemented across the organization. Governance oversight is provided through a multi-tier OSH committee structure led by the Chief Executive Officer, supported by departmental leadership and qualified occupational safety and health professionals, operating under approved Terms of Reference.

Policies, procedures, and controls under the OSHMS are reviewed periodically through management review meetings. 100% of employees are covered under this system.

### Hazard Identification, Risk Assessment, and Incident Investigation

As part of our commitment to occupational safety and health, YTML implements a structured and systematic OSH approach. Qualified OSH professionals oversee hazard identification, risk assessment, control implementation, and compliance with applicable regulatory and operational standards.

All incidents and near misses are investigated using root cause analysis methodologies, with corrective and preventive actions implemented in a timely manner. Comprehensive documentation and a strong reporting culture support continuous improvement and the effectiveness of the OSH management system.

### Occupational Health Services

YTML provides access to occupational health services aimed at preventing and managing work-related health risks. Services include first aid, emergency medical response, hazard-specific health assessments, and periodic health monitoring, delivered by qualified medical personnel.

Medical information is handled confidentially in accordance with applicable legal and ethical requirements. Supporting infrastructure, including hygienic cafeterias, safe drinking water, and sanitary food services, contributes to overall worker health.





## Worker Participation, Consultation, and Communication on Occupational Health and Safety

Worker participation is formally embedded in YTML's OSHMS. Departmental Occupational Safety and Health Committees (DOSHCs), comprising management and worker representatives, conduct regular inspections, audits, and meetings to review OSH performance and risks.

Workers receive OSH information through structured inductions, toolbox talks, safety signage, Yokoten safety communications, and demonstrations of life-saving equipment. Employees can raise concerns through OSH observation cards and the HCM portal.

These mechanisms support meaningful consultation, non-retaliation, and shared accountability for safety performance.

### Promotion of Worker Health

YTML promotes worker health through a comprehensive medical insurance scheme and participation in the national Mazdoor Card program, enabling access to recognized healthcare facilities. Additional non-occupational medical support is available to eligible employees and their families.

An on-site dispensary operates 24/7 and is staffed with qualified medical professionals. Health awareness and monitoring initiatives are

implemented periodically based on identified risks and workforce needs.

## Managing Occupational Safety and Health Risks in Business Relationships

YTML requires contractors and service providers operating on its premises to comply with applicable occupational health and safety requirements. Contractors are subject to defined safety procedures, supervision, and permit-to-work controls.

OSH risks associated with outsourced activities are assessed and monitored to prevent and mitigate

significant impacts. Compliance is verified through inspections, audits.

## Work-Related Injuries

YTML monitors and records work-related injury performance using standardized indicators, with no work-related fatalities reported. YTML conducts proactive health surveillance and risk assessments to prevent occupational disease. No cases of ill health were identified during the reporting year.

### Worker Training on Occupational Health and Safety

OSH department delivers mandatory and role-specific occupational health and safety training through its OSH LAMP (Learning, Assistance, and Mentoring Program). Training content is aligned with legal requirements, operational risks, and OSHMS procedures. Training effectiveness and coverage are monitored through attendance records and training logs.

**OSH LAMP Performance**  
in FY25.

**9,857**  
hours of training

**995**  
sessions conducted

**11,396**  
participants

Table 11: Worker Training on Occupational Health and Safety

Financial Year	TRIR @200,000	ROHC WRIs @200,000	Ill Health Cases
FY21	0.57	0.02	0
FY22	0.44	0.03	0
FY23	0.86	0.05	0
FY24	0.81	0.11	0
FY25	0.62	0.02	0

Table 12: Work Related Injuries



## Supplier Assessment

New suppliers are assessed against defined social and environmental criteria as part of our responsible sourcing framework. Dedicated teams conduct on-site assessments and verify relevant certifications to ensure compliance with applicable standards. All supplier evaluation activities and findings are documented and tracked through a third-party compliance management system, Inspectorio, to support transparency and continuous improvement. Suppliers with acceptable criteria are onboarded.

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Our commitment to our people is central to Yunus Textile Mills' sustainability journey. By investing in well-being, skills, safety, and inclusion, we are building a resilient, future-ready workforce that can adapt to change and drive responsible growth. These efforts ensure that our progress is not only measured in performance, but in the long-term social sustainability we create for our employees, our communities, and the generations to come.

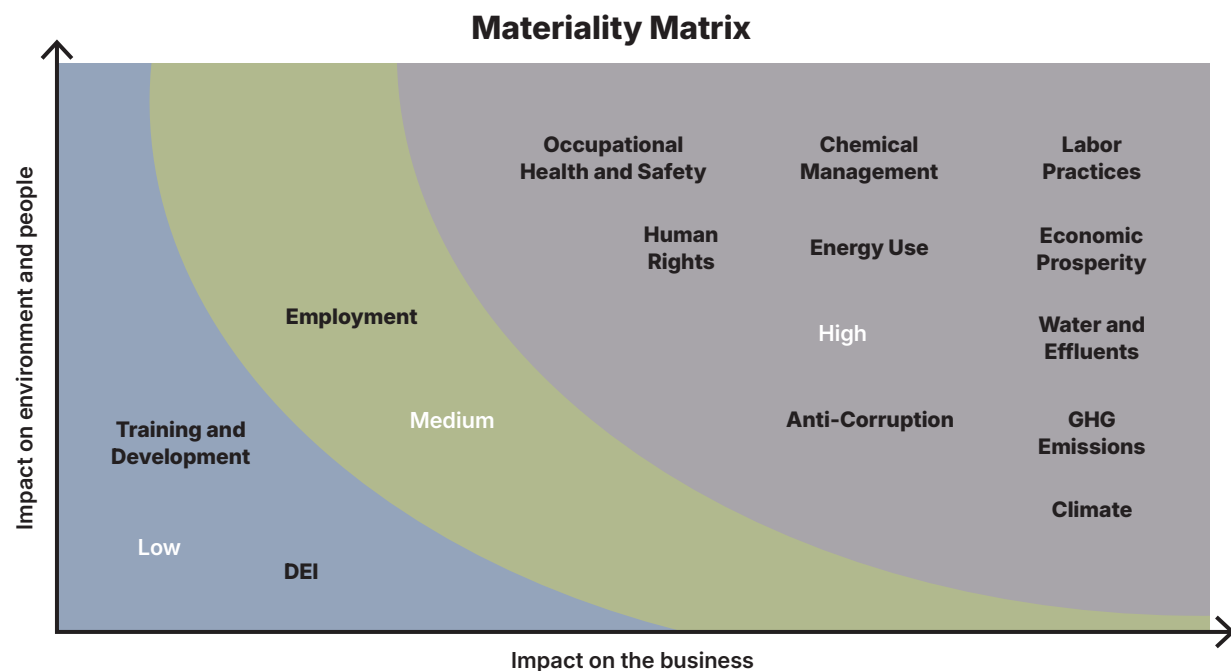




# Materiality Assessment

YTML conducts a materiality assessment in line with GRI 3: Material Topics 2021 to identify and prioritize high-severity material topics that reflect the organization’s most significant actual and potential impacts on its business, environment, and people. YTML has also applied a double materiality perspective to assess the significant environmental and social impacts of its activities, which may

translate into business risks and opportunities. This approach supports the effective management and mitigation of operational impacts, strengthens risk management, and enhances the integration of sustainability considerations into strategic decision-making, ensuring long-term value creation for both the Company and its stakeholders.



Material Topic	Impact Direction (Environment /People)	Impact on Business	Severity Level	Rationale
Climate	Negative	Negative	High	Regulatory risks, carbon pricing, supply chain disruption, market shift to low-carbon products.
GHG Emissions	Negative	Negative	High	Air quality, environmental risk, stakeholders, GHG reduction targets.
Energy Use	Negative	Negative	High	Cost volatility, operational dependency, and transition risks.
Water and Effluents	Negative	Negative	High	Pollution, water scarcity risks, regulatory compliance, conservation of natural resource.
Chemical Management	Negative	Negative	High	Legal compliance, product safety, human, and environmental safety.
Occupational Health and Safety	Negative	Negative	High	Impact on human health from manufacturing environments with machinery and chemicals.
Human Rights	Negative	Negative	High	Reputational risk.
Labor Practices	Negative (if unmanaged)	Negative	High	Business, compliance, and reputational risk.
DEI	Positive	Positive	Low	Growing in importance for talent and culture.
Employment	Positive	Positive /Negative	Medium	Workforce stability, operational continuity, livelihood and community stability.
Training and Development	Positive	Positive	Low	Supports workforce capability and morale.
Economic Prosperity	Positive	Positive	High	Directly tied to business success and stakeholders' prosperity.
Anti-Corruption	Negative	Negative	High	Critical for governance, economic prosperity.

Table 1: Double Materiality Matrix



## Stakeholder Engagement

We systematically engage with both internal stakeholders, as shown in Table 2, including employees, management, and Board members, and external groups such as suppliers, customers, investors, NGOs, industry associations, and local communities, through structured methods such as annual surveys, targeted focus groups, one-on-one interviews, and dedicated feedback platforms. This dialogue is integral to our double materiality analysis, in which we evaluate each topic's impact on the business and on the economy, the environment, and people. The insights gathered are analyzed, validated by senior leadership and the Sustainability Committee, and ultimately mapped into a prioritized materiality matrix.

Stakeholders	Engagement Method	Engagement Frequency
<b>Customers</b>	Direct engagement (sales meetings, reviews, and feedback), email, participation in trade shows, customer engagement surveys, official website, sustainability report.	Ongoing
<b>Employees</b>	Meetings, training, confidential calls, emails, Dropbox, HR interactions, annual surveys.	Ongoing
<b>Suppliers</b>	Meetings, phone calls	Ongoing
<b>Local communities, NGOs, civil societies</b>	Meetings, welfare events, phone calls, social media.	Ongoing
<b>Owners/Investors</b>	Board meetings	Quarterly
<b>Government institutions, regulators, Trade Associations</b>	Meetings, conferences, industry, and policy advocacy forums	Ongoing, as per request

Table 2: Stakeholder Engagement



# GRI Content Index

Statement of use	Yunus Textile Mills Ltd. has reported the information cited in this GRI content index for the period of FY25 with reference to the GRI Standards.		
GRI 1 Used	GRI 1: Foundation 2021		
GRI Standard	Disclosure	Location - Page number	Reason for non-disclosure
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	6-9	
	2-2 Entities included in the organization's sustainability reporting	3	
	2-3 Reporting period, frequency and contact point	3	
	2-4 Restatements of information	3	
	2-5 External assurance	67-68	
	2-6 Activities, value chain and other business relationships	6-9	
	2-7 Employees	39	
	2-8 Workers who are not employees	39	
	2-9 Governance structure and composition	15-16	
	2-10 Nomination and selection of the highest governance body	15	
	2-11 Chair of the highest governance body	15	
	2-12 Role of the highest governance body in overseeing the management of impacts	14-16	
	2-13 Delegation of responsibility for managing impacts	14-16	
	2-14 Role of the highest governance body in sustainability reporting	16	
	2-15 Conflicts of interest	16-17	
	2-16 Communication of critical concerns	17, 43	
	2-17 Collective knowledge of the highest governance body	16	
	2-18 Evaluation of the performance of the highest governance body	Confidentiality constraints	Not disclosed due to privacy
	2-19 Remuneration policies	16	



GRI Standard	Disclosure	Location - Page number	Reason for non-disclosure
<b>GRI 2: General Disclosures 2021</b>	2-20 Process to determine remuneration	16	
	2-21 Annual total compensation ratio	Confidentiality constraints	Compensation to highest paid individual is not disclosed to anyone, for privacy and safety.
	2-22 Statement on sustainable development strategy	5	
	2-23 Policy commitments	16-17, 44	
	2-24 Embedding policy commitments	16-17, 44	
	2-25 Processes to remediate negative impacts	16-17	
	2-26 Mechanisms for seeking advice and raising concerns	17, 43, 53	
	2-27 Compliance with laws and regulations	28, 33, 51-52, 54	
	2-28 Membership associations	12	
	2-29 Approach to stakeholder engagement	17, 56	
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	55	
	3-2 List of material topics	55	
	3-3 Management of material topics	56	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	10	Economic value distributed and retained are not given as we are not a public limited Company; we are a family-owned business. There is no legal requirement to disclose this information to public.
	201-2 Financial implications and other risks and opportunities due to climate change	18, 55	
	201-3 Defined benefit plan obligations and other retirement plans	Confidentiality constraints	Economic value distributed and retained are not given as we are not a public limited Company; we are a family-owned business. There is no legal requirement to disclose this information to public.
	201-4 Financial assistance received from government	Confidentiality constraints	Economic value distributed and retained are not given as we are not a public limited Company; we are a family-owned business. There is no legal requirement to disclose this information to public.



GRI Standard	Disclosure	Location - Page number	Reason for non-disclosure
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Confidentiality constraints	Economic value distributed and retained are not given as we are not a public limited Company; we are a family-owned business. There is no legal requirement to disclose this information to public.
	202-2 Proportion of senior management hired from the local community	Data not yet available	The organization is currently strengthening its data collection systems. Certain disaggregated information will be reported in future reporting cycles.
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Confidentiality constraints	Disclosure of detailed information may compromise competitive positioning.
	203-2 Significant indirect economic impacts	Confidentiality constraints	
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	37	
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	Confidentiality constraints	
	205-2 Communication and training about anti-corruption policies and procedures	17	
	205-3 Confirmed incidents of corruption and actions taken	Confidentiality constraints	
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	17	
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	35-36	
	301-2 Recycled input materials used	35	
	301-3 Reclaimed products and their packaging materials	Data not yet available	We are enhancing data collection and will report more disaggregated information in future reports.
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	23	
	302-2 Energy consumption outside of the organization	21	
	302-3 Energy intensity	21	
	302-4 Reduction of energy consumption	23	
	302-5 Reductions in energy requirements of products and services	24	
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	27	
	303-2 Management of water discharge-related impacts	27-28	
	303-3 Water withdrawal	28	



<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location - Page number</b>	<b>Reason for non-disclosure</b>
<b>GRI 303: Water and Effluents 2018</b>	303-4 Water discharge	28	
	303-5 Water consumption	28	
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	25	
	305-2 Energy indirect (Scope 2) GHG emissions	25	
	305-3 Other indirect (Scope 3) GHG emissions	25	
	305-4 GHG emissions intensity	Data not yet available	We are enhancing data collection and will report more disaggregated information in future reports.
	305-5 Reduction of GHG emissions	21, 25-26	
	305-6 Emissions of ozone-depleting substances (ODS)	25	
	305-7 Nitrogen oxides (NOx), Sulfur oxides (SOx), and other significant air emissions	25	
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	34	
	306-2 Management of significant waste-related impacts	32-33	
	306-3 Waste generated	34	
	306-4 Waste diverted from disposal	34, 37	
	306-5 Waste directed to disposal	34	
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	54	
	308-2 Negative environmental impacts in the supply chain and actions taken	Data not yet available	We are enhancing data collection and will report more disaggregated information in future reports.
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	40	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	40	
	401-3 Parental leave	40	
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	51	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	52	
	403-2 Hazard identification, risk assessment, and incident investigation	52	








<b>GRI Standard</b>	<b>Disclosure</b>	<b>LOCATION - Page number</b>	<b>Reason for non-disclosure</b>	
<b>GRI 403: Occupational Health and Safety 2018</b>	403-3 Occupational health services	52		
	403-4 Worker participation, consultation, and communication on occupational health and safety	53		
	403-5 Worker training on occupational health and safety	53		
	403-6 Promotion of worker health	53		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	53		
	403-8 Workers covered by an occupational health and safety management system	54		
	403-9 Work-related injuries	53		
	403-10 Work-related ill health	53		
	<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	41	
		404-2 Programs for upgrading employee skills and transition assistance programs	41, 43	
404-3 Percentage of employees receiving regular performance and career development reviews		41		
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	16, 44		
	405-2 Ratio of basic salary and remuneration of women to men	Data not yet available		
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	43-44		
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	51, 54		
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	43, 51		
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	43, 51		
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	49-50		



GRI Standard	Disclosure	LOCATION - Page number	Reason for non-disclosure
GRI 413: Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	55	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	54	
	414-2 Negative social impacts in the supply chain and actions taken	54	








# SDGs Content Index

SDG		PAGE NO.	GRI STANDARD DISCLOSURE
 <p><b>1</b> NO POVERTY</p>	<p><b>No Poverty</b></p> <p>End poverty in all its forms everywhere.</p>	49-50, 55	413-1, 413-2
 <p><b>2</b> ZERO HUNGER</p>	<p><b>Zero Hunger</b></p> <p>End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.</p>	49-50, 55	413-1, 413-2
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	<p><b>Good Health and Well-Being</b></p> <p>Ensure healthy lives and promote well-being for all at all ages.</p>	32-33, 52-54	403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 403-8, 306-2
 <p><b>4</b> QUALITY EDUCATION</p>	<p><b>Quality Education</b></p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p>	41-43, 49-50, 53, 55	403-5, 404-1, 404-2, 404-3, 413-1, 413-2
 <p><b>5</b> GENDER EQUALITY</p>	<p><b>Gender Equality</b></p> <p>Achieve gender equality and empower all women and girls.</p>	16, 40, 43-44, 47, 51	401-1, 401-2, 401-3, 405-1, 405-2, 406-1








# SDGs Content Index

SDG		PAGE NO.	GRI STANDARD DISCLOSURE
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	<p><b>Clean Water and Sanitation</b></p> <p>Ensure availability and sustainable management of water and sanitation for all.</p>	24, 27-29, 32-33	303-1, 303-2, 306-2
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	<p><b>Affordable and Clean Energy</b></p> <p>Ensure access to affordable, reliable, sustainable, and modern energy for all.</p>	21, 23-26	302-1, 302-4, 302-5, 305-1, 305-2, 305-3, 305-5,
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	<p><b>Decent Work and Economic Growth</b></p> <p>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.</p>	10, 18, 40-41, 43, 51, 53-55	201-1, 201-2, 401-1, 401-2, 401-3, 402-1, 403-5, 404-1, 404-2, 404-3, 407-1, 408-1, 409-1, 414-1, 414-2
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p><b>Industry, Innovation and Infrastructure</b></p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	21, 23-26, 35	301-1, 301-2, 302-1, 302-4, 302-5, 305-1, 305-2, 305-3, 305-5,
 <p><b>10</b> REDUCED INEQUALITIES</p>	<p><b>Reduced Inequalities</b></p> <p>Reduce inequality within and among countries.</p>	16, 43-44, 47, 51	405-1, 405-2, 406-1





# SDGs Content Index

SDG		PAGE NO.	GRI STANDARD DISCLOSURE
	<p><b>Sustainable Cities and Communities</b></p> <p>Make cities and human settlements inclusive, safe, resilient, and sustainable.</p>	32-34, 37, 49-50, 55	306-2, 306-4, 306-5, 413-1, 413-2
	<p><b>Responsible Consumption and Production</b></p> <p>Ensure sustainable consumption and production patterns.</p>	23-24, 27-29, 32-35, 37, 54	301-1, 301-2, 302-1, 302-4, 302-5, 303-1, 303-2, 303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1, 414-1, 414-2
	<p><b>Climate Action</b></p> <p>Take urgent action to combat climate change and its impacts.</p>	10, 18, 21, 23-26, 55	201-1, 201-2, 302-4, 302-5, 305-1, 305-2, 305-3, 305-5
	<p><b>Life Below Water</b></p> <p>Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.</p>	27-28, 30-31, 37	303-2, 303-4, 306-2, 306-4, 306-5
	<p><b>Life on Land</b></p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.</p>	32-35, 37	301-1, 301-2, 306-1, 306-2, 306-3, 306-4, 306-5



## SDGs Content Index

SDG		PAGE NO.	GRI STANDARD DISCLOSURE
	<p><b>Peace, Justice and Strong Institutions</b></p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.</p>	17	205-2, 206-1
	<p><b>Partnerships for the Goals</b></p> <p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.</p>	37, 49-50, 55	204-1, 413-1, 413-2



# External Assurance



## INDEPENDENT ASSURANCE STATEMENT

**To: Yunus Textile Mills Limited (Company )**

### Introduction and Objectives of the Work:

Yunus Textile Mills Limited ('YTML', hereinafter referred to as the 'Company') has engaged Bureau Veritas to provide limited assurance on the following subject matter information ("Subject Matter"). Our objective is to determine whether, based on the procedures performed, anything has come to our attention that would cause us to believe that the Subject Matter has not been prepared, in all material aspects, in accordance with the applicable criteria ("Applicable Criteria") as specified below.

### Subject Matter

The Subject Matter for our limited assurance engagement included the selected quantitative indicators outlined below, as presented in the Company's 2025 Sustainability Report for the year ended 30 June 2025, which was prepared and presented by the Company's management. These selected quantitative indicators are based on the reporting boundary established by the Company, encompassing the Company itself and its six units under its operational control, as detailed in Annexure 1 of this statement.

The selected quantitative indicators are listed below:

#	Selected Indicators
1	Energy consumption
2	Direct (scope 1) GHG emissions
3	Indirect GHG emissions from energy, steam, heat or cooling (Scope 2)
4	Waste management
5	Water Withdrawal
7	Chemical Savings through Caustic Recovery and ZDHC Chemical Compliance
8	Certified Material Used

### Applicable Criteria

The criteria for this limited assurance engagement were:

- The reporting requirements of the Global Reporting Initiative (GRI) standards issued by the Global Sustainability Standards Board (GSSB).
- GHG Protocol Corporate Accounting and Reporting Standard.

The applicable criteria for each selected indicator can be found in Annexure 2 of this statement.

### Assessment Standard

The assurance process was conducted in line with the requirements of the International Standard on Assurance Engagements-ISAE 3000 Revised, Assurance Engagements Other than Audits or Reviews of



Historical Financial Information and International Standard on Assurance Engagements- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements.

### Limitations and Exclusions

Interviews with YTMLs corporate team and data owners at various sites responsible for collecting the necessary data for Subject Matter preparation indicated that they have a fair understanding of the reporting requirements of GRI standards (Applicable Criteria) and have implemented control measures to help ensure data quality. However, the Subject Matter may contain errors or irregularities that remain undetected due to fundamental limitations in the internal control systems. Assurance is primarily based on Company-provided documentation and interactions with relevant personnel. Our engagement, conducted on a test basis, is not exhaustive in detecting all internal control weaknesses over Subject Matter preparation.

For the purpose of this limited assurance engagement, we have not performed any procedures involving:

- Verifying any assertions or qualitative information within the report beyond the quantitative data relating to the specified indicators mentioned in the subject matter;
- Evaluating the accuracy and completeness of the reporting boundaries defined by the management for the purposes of the Report;
- Reasonable Testing, verifying, or auditing the completeness and accuracy of outputs from Company's data collecting systems used for the compilation of the Subject Matter information;
- Company position statements (including any expression of opinion, belief, aspiration, expectation, aim or future intent);
- Historic text which was unchanged from previous years and did not relate to ongoing activities;
- Financial data;
- Appropriateness of commitments and objectives chosen by the Company.

### Responsibilities

The preparation and presentation of the Subject Matter in accordance with the Applicable Criteria are the sole responsibility of the Company.

Bureau Veritas was not involved in drafting of the Subject Matter. Bureau Verita's responsibilities included:

- Providing limited assurance as per ISAE 3000 over the accuracy, reliability and objectivity of the information contained within the Subject Matter.
- Forming an independent conclusion based on the assurance procedures performed and evidence obtained.

### Methodology

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

As part of our independent assurance, our work included:

1. Conducting employee interviews regarding the scope of work involved.
2. Process analysis of collecting and reporting the information/data included.
3. Reviewing Company's systems for quantitative data aggregation and analysis;
4. Verifying the completeness of the quantitative data included in the subject matter to ensure it encompasses all sites/operating units within the reporting boundary established by the Company.



# External Assurance



5. Review of documentary evidence produced by the Company.
6. Agreeing a selection of the Selected Information to the corresponding source documentation.
7. Recalculation of examples in accordance with the evidence documents used to prepare the information included.
8. Implementation of analytical procedures on the final reported data.

### Limited Assurance Conclusion

This assurance statement has been prepared for Yunus Textile Mills Limited to provide limited assurance on the Subject Matter information in the Company's Sustainability Report.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter information in the Sustainability Report has not been prepared in all material respects in accordance with the Applicable Criteria.

### Statement of Independence, Competence and Quality Control

Bureau Veritas is an independent professional services Company that specializes in quality, environmental, health, safety and social accountability with over 190 years history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2: International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2

Bureau Veritas has implemented and applied a Code of Ethics across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. We consider this to be equivalent to the requirements of the IESBA Code: Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

No member of the assurance team has a business relationship with Yunus Textile Mills Limited, its directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

*ishendra*  
 Ishendra Singh,  
 Sustainability Manager & Assurance Lead,  
 Middle East, Caspian Sea and Africa,  
 Bureau Veritas  
 23-Feb-26



### Annexure 1

Affiliated entities under operational control of the Company:

1. YTM-1: H-23/1, Landhi Industrial Area, Karachi, Pakistan
2. YTM-2: Plot No. 376 & 91, Kohi Goth, Landhi, Bin Qasim Town, Karachi, Pakistan
3. YTM-3: Plot No. 305, Main National Highway, Landhi, Karachi, Pakistan
4. YTM-6: Plot No. C 101 & 130, Nooriabad Distt. Jamshoro Sindh Pakistan
5. YTM-7: Plot # HX-7/3, Landhi Industrial Area Karachi
6. YTM9: 57 KM Milestone beside Lucky Cement Plant Superhighway, Karachi

### Annexure 2

Selected Indicator	Applicable Criteria
Energy consumption	GRI 302-1: Energy consumption within the Organization (requirements: e, 2.1)
Direct (scope 1) GHG emissions	GRI 305-1: Direct (Scope 1) GHG emissions (requirements: a, 2.2, 2.2) The Company's Greenhouse Gas Reporting Methodology
Energy indirect (Scope 2) GHG emissions	GRI 305-2: Energy indirect (Scope 2) GHG emissions (requirements: a, 2.3, 2.4) The Company's Greenhouse Gas Reporting Methodology
Waste management	GRI 306-3: Waste generated (requirements: a, 2.1)
Water Withdrawal	GRI 303-3: Water withdrawal (requirements: a, 2.1) Chemical saving through caustic recovery
Chemical Savings through Caustic Recovery and ZDHC Chemical Compliance	<b>ZDHC Compliant Chemicals:</b> ZDHC Chemical Compliance refers to the Company's adherence to the requirements of the Zero Discharge of Hazardous Chemicals Foundation (ZDHC), including conformance with the ZDHC Manufacturing Restricted Substances List (MRSL), wastewater guidelines, and chemical management system standards across own operations. It is measured as % of chemical screened against ZDHC MRSL for foundation level or above.
Certified Material Used	Certified materials refer to raw materials verified by an independent third-party certification body as meeting defined environmental, social, or sustainability standards. Certification is supported by valid scope or transaction certificates and confirms compliance with specified criteria such as responsible sourcing, traceability, or environmental requirements within the supply chain.







# YUNUS

Textiles for a **BETTER** life



## CONTACT US

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